

MEETING IOWA'S WORKFORCE CHALLENGE

A CALL TO ACTION
FOR IOWA'S NEW
GOVERNOR AND
GENERAL ASSEMBLY

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Prepared by
the Iowa Works Campaign

Meeting Iowa's Workforce Challenge

Executive Summary

In 2006, Iowa stands at an historic crossroads. As dramatic changes in the state's demography and the global economy intersect, the state faces the danger of worker and skill gaps that could undermine its businesses, erode the earning power of its workers, and slow its economic growth.

By 2012, it's estimated that the state will have in excess of 150,000 more jobs than workers to fill them, the result of Iowa's stagnant population growth converging with impending baby boom retirements. By the same year, almost 45% of all occupations in the state will require post-secondary education or training. These are the job occupations most likely to provide family-sustaining wages.

Yet skilled worker shortages are not simply a future problem. Even now, some of Iowa's most critical industries face difficulties finding qualified workers that impede their competitiveness and productivity.

Trends are not destiny. Iowa has the ability to bridge these skill and worker gaps, but it will take a considerable amount of political will and a sense of urgency, both of which must be generated by the state's political leadership.

In an era of gridlock in Washington DC, Iowa can't wait for the federal government. This paper calls on the new Governor and General Assembly to implement

a broad, coherent, and well-integrated workforce investment and systems change strategy that targets high-growth, high-skill industries and provides access to education and training that leads to good jobs for all Iowans. Toward that goal, the state should...

1. Measure Success, Ensure Accountability—to make strategic state investments with the best possible information while providing a unifying set of measures that are understandable to all stakeholders in the system and guaranteeing accountability for investments that are made.

2. Invest in Regional Strategies and Industry-Based, Public-Private Partnerships—to drive the connectivity of the state's economic and workforce development efforts in the context of regional economies and key industry sectors that are seeking skilled workers.

3. Build Career Pathways to Good Jobs for All Iowans—to provide all Iowans with clearly defined and connected pathways to high demand occupations.

4. Provide Iowans with Lifelong Access to Skills Training and Educational Opportunities—to ensure that skill development is accessible and affordable for all Iowa residents at whatever stage of their working lives.

Beyond the particulars of these policy recommendations, this paper argues that investments in human capital should represent the centerpiece of Iowa's economic development policy, now and into the future. In a 21st century economy, Iowa's competitive advantage will be found in the skills and work ethic of its people. A series of accountable, investment-oriented state policies—as outlined here—would raise the productivity of Iowa's workers, increase the prospects for prosperity for Iowa's working families, and help improve the competitive edge of Iowa's various regions and industries. The people of Iowa deserve no less.

The Iowa Works Campaign is a non-partisan coalition of diverse organizations seeking consensus solutions to Iowa's economic challenges that benefit workers, businesses and communities alike. The members of this Campaign are united in the belief that Iowa needs an educated and skilled workforce in order to ensure its economic success and provide a broadly shared prosperity, and endorse the 4-Point Plan detailed within this document as a means to achieve that goal.

The Challenge Before Us

The Iowa economy is faced with an unprecedented challenge. Increasingly, today's jobs—even those at the entry-level—require far more technical and basic skills than similar positions did just a couple of decades ago. Demand for skilled workers is outpacing their supply within key industries in local labor markets throughout the state. Without skills, Iowa workers face increasing difficulties in securing a family-supporting wage. Without skilled workers, Iowa businesses cannot compete, or even survive, in a high-tech, globalized economy.

That is the current challenge. It will become a future crisis, without a bold response from Iowa's political leadership, for a simple reason: Iowa is approaching a demographic cliff. By 2012, it's estimated that the state will have in excess of 150,000 more jobs than workers to fill them, the result of Iowa's stagnant population growth converging with impending baby boom retirements.¹

At the same time that Iowa is faced with a worker gap, it must also confront a skill gap. The top ten fastest-growing Iowa occupations all demand workers with post-secondary education and training.² By 2012, almost 45% of all occupations in the state will require post-secondary education or training.³

These are the job occupations most likely to provide family-sustaining wages.

But already there are critical Iowa industries that face skill gaps:

- In a series of 2003 regional surveys of over six hundred Iowa businesses in targeted industry clusters central to the state's economy—advanced manufacturing, life sciences, and information technology—employers identified the lack of available skilled workers as the top workforce factor impeding their ability to grow or expand regionally.⁴
- In a 2003 survey conducted by the Iowa City/Cedar Rapids Technology Corridor, a seven county area that is home to approximately 8,000 businesses, 56 percent of companies surveyed said their applicant pools were missing the skills they desired. 42 percent of the companies surveyed felt their current workforce was missing critical skills.⁵
- The 2005 report, *Iowa's Advanced Manufacturing Strategic Roadmap* found that “The biggest challenge facing advanced manufacturing firms in Iowa is the lack of an adequate workforce. This involves finding sufficient entry-level workers; replacing workers nearing retirement; and finding workers to fill special needs and skills, many in traditional areas.”⁶

Projected Workforce Shortage in Iowa

	2002	2012	Change	Percent Change
Population age 18-64 (census projections)*	1,782,433	1,846,065	63,633	3.6%
Employment (IA occupational projections)	1,680,865	1,885,070	204,205	12.1%
Ratio: Population / Employment	1.06	0.98		
Population needed to maintain 2002 ratio**		1,998,977		
Less projected population		(1,846,065)		
Shortage		152,912		

* 2002 is an average of the projection for 2004 and actual 2000 census count

** Alternatively, this is the 2012 population if it grew as fast as employment

1 Calculations by Dr. Peter Fisher based on U.S. Census data.

2 Iowa State WIA Plan, 2005-2007, p. 18 and Occupational Outlook Handbook, 2006-2007, Bureau of Labor Statistics

3 Iowa Workforce Development, “2012 Statewide Iowa Job Outlook.”

4 Iowa Community College Economic Developer Group, *Skills 2006: Building Tomorrow's Workforce*

5 Iowa City/Cedar Rapids Technology Corridor, *Skills 2006 Technology Corridor Report*. Cedar Rapids/Iowa City: October 2003

6 Batelle's Technology Partnership Practice, *Iowa's Advanced Manufacturing Strategic Roadmap: Final Report*, September 2005

- In a 2003 survey conducted by the Iowa Center for Health Workforce Planning, long term care employers reported vacancy rates for RN, LPN, and CNA positions from 10 to 14 percent.⁷ During this same period, Iowa hospitals reported 780 RN vacant positions, 70 LPN positions, and 250 CNA positions.⁸ In both settings employers reported it typically took 60 days or longer to fill a vacant RN position, 30-59 days for LPN positions, and less than 30 days for CNA positions.

Iowa will not be able to close these worker and skill gaps by simply working harder. Iowa already sets the pace among states, leading the U.S. in the workforce participation rate of families with children. Moreover, Iowa's unemployment rate, 3.4% in May of 2006, is well below the national rate. The combination of these factors—an already hardworking population and a tight labor market—means that Iowa must take dramatic steps to work *smarter* by: (a) raising the productivity of its incumbent workforce via access to continuing education and training; and (b) ensuring that those Iowans who are unemployed, underemployed or otherwise (re)entering the job market have the skills and pathways necessary to enter and participate successfully, particularly in industries that demand skilled workers and which are central to the state's ongoing economic growth.

In considering Iowa's capacity to meet this challenge, the state's education and training infrastructure provides a firm foundation upon which to build. Iowa's community college system is nationally recognized as one of the finest in the country, and the state contains a rich network of local workforce investment boards, one-stop career centers, community-based organizations, union apprenticeship programs and engaged employer associations. Still, there is evidence that Iowa is failing to adequately prepare the workforce of the future, and that far more needs to be done.

- In *Measuring Up 2004: The State Report Card on Higher Education*,⁹ a report issued biannually by the National Center for Public Policy and Higher

Education, Iowa receives an F on the *affordability* of higher education. Among the report's troubling findings:

- Net college costs for low- and middle-income students to attend public two- or four-year colleges represent about 40% of their family's annual income.
- The state's investment in need-based financial aid is very low when compared with top-performing states.
- Although Iowa is a high-performing state when it comes to the percentage of high school students enrolling in college by age 19, it lags other states in the numbers of working-age adults (ages 25 to 49) improving their skills through part-time college-level education or training.
- A key to the unaffordability of higher education is the rising cost of tuition. Between 2001 and 2004 alone, Iowa state universities raised their in-state tuition by 57.8% and community colleges raised theirs by 29.8%, both the result of substantial budget cuts to higher education at the state level. Iowa has moved from having below average to above average tuition at both state universities and community colleges.¹⁰
- The gap between the number of Iowans who receive education and training from state and federally funded programs is disturbingly low relative to the size of populations who could benefit from such education and training to better succeed in the labor market. For example:
 - In 2005, 116,398 Iowans received Unemployment Insurance (UI) benefits.¹¹ While many of these laid-off individuals lacked the right skills for industries that were hiring new workers, only 1,862 adult Iowans were

7 Center for Health Workforce Planning, *Iowa's Health Workforce Initiative: 2003 Long-Term Care Employer Survey*, January 2004

8 Iowa Hospital Association, *Health Professional Workforce Survey: TRENDS*. Des Moines, IA: March, 2005

9 The National Center for Public Policy and Higher Education. *Measuring Up 2004: The State Report Card on Higher Education*. San Jose, CA, 2004

10 Bruner, Charles and Mike Crawford, *Securing Iowa's Economic Future: Strengthening Skills, Work Supports and Economic Security for Iowa's Working Families*. Iowa Fiscal Partnership, January 2006

11 Iowa Workforce Development, <http://www.iowaworkforce.org/trends/uiclaimscoyr.html>

The Education and Training Gap

	Potential Training Pool		Iowans Served
Iowans receiving UI	116,398	Iowa adults receiving WIA services	1,862
Iowans without a HS education	290,684	Iowans receiving Adult basic education services	12,242
Iowans applying for Vocational-Technical Tuition Grants	20,525	Iowans receiving Vocational-Technical Tuition Grants	2,891

enrolled that year to receive services via the Workforce Investment Act job training system.¹²

- The most recent U.S. Census found that 290,684 Iowans lacked a high school diploma or the equivalent.¹³ Yet in 2004 only 12,242 received basic skills education under the state's Adult Education system.¹⁴
- In 2005, 20,525 Iowans applied for the state-funded Vocational-Technical Tuition Grants. Yet funds were sufficient to assist only 2,891 students.¹⁵
- Iowans often fall back on the assumption that they are “above average” by most standards, particularly with regard to education levels. While Iowa's working age population is above the national average in the proportion of adults with at least a high school diploma or GED, Iowa lags in the proportion of adults with any advanced degree beyond high school, from an Associate Degree upward (28.6 percent vs. 30.7 percent). As a relatively homogenous state, however, a comparison of Iowa's White, non-Hispanic population with its national counterpart better reflects Iowa's comparative status with other states and shows more cause for concern. Iowa's White, non-Hispanic population is only slightly more likely to have a high school diploma or GED

than the country as a whole, but much less likely to have any post-secondary degree (28.9 percent vs. 33.6 percent). This 4.7% gap translates to 84,000 fewer White, non-Hispanic adults with post-secondary degrees in Iowa than would be the case if Iowa were at the national average.¹⁶

- Immigrants are the largest source of current and future workforce growth in Iowa. Hispanics alone accounted for more than a third of the state's population growth during the 1990's; there was a 152 percent increase in the Iowa Hispanic population in that 10 year period. Yet many of these new Iowans are not prepared for higher skill jobs. For example, in the 2000 Census only 38 percent of Iowa Hispanics had attained a minimum of a high school education compared to 65 percent of the total Iowa population. This education gap correlates with an equally substantial income gap: The average per capita income of Hispanic Iowans was \$10,848 compared to \$19,674 for all Iowans.¹⁷
- Iowa's aging population makes it essential that the state expand the pool of older workers prepared for new job markets. At present, 15.7 percent of Iowans age 65+ are in the labor force, over 67,000 people. By 2030, this number will grow by more than half if the percentage working stays the same, but it will almost certainly expand, not least because a smaller proportion of younger workers will be entering the

12 Iowa Workforce Development

13 U.S. Census Bureau

14 The Workforce Alliance. “Iowa State One-Pager,” developed by TWA's State Training and Education Policy and Statistics (STEPS) Clearinghouse

15 Iowa College Student Aid Commission

16 Ibid, *Securing Iowa's Economic Future*

17 Iowa Workforce Development, *Iowa Workforce Today & Tomorrow: 2004*. Des Moines, IA: 2004

workforce. Yet even currently, Iowa needs to be doing far more to skill up older workers. In a conference convened by the Governor's Task Force on the Older Worker in 2006, employers were asked for feedback on what would help them better incorporate more older/mature workers into their workplace. The most frequent response was "mature job seekers need more technology training and more available resources to receive this training." At present, the only program available to provide employment and training services to older workers is the federally funded Senior Community Service Employment Program, which has funding sufficient to serve a mere 1,200 Iowans each year, with very restrictive eligibility criteria.¹⁸

The danger confronting Iowa is unsettlingly clear. Unless policymakers respond to this workforce crisis in a dramatic fashion...

- Businesses that are based in this state, or looking to site here, will be unable to hire sufficiently qualified workers to grow and compete;
- Workers will be unable to keep pace with the skill needs that businesses demand, putting their job security in a state of permanent risk; and
- The wage gap between the more and less educated will continue to expand, as will the social tensions that correspond to such an expansion.

Trends are not destiny. Iowa has the ability to meet this challenge but it will take a considerable amount of political will and a sense of urgency, both of which must be generated by the state's political leadership.

The people of Iowa understand the importance of this challenge, and support solutions to address it in a strikingly non-partisan manner. In a recent survey of 500 Iowa voters, conducted by the polling firm of Bennett, Petts and Blumenthal, respondents rank education and training strategies as the best way to assist Iowa workers, while also viewing "jobs and the economy" as the single most important issue in

deciding which candidate to support for governor. "Providing job training to workers who are trying to learn new skills and move up the job ladder" and "providing job training and income assistance to people who have lost their jobs" rank first and second with 76% and 72% respectively viewing them as a good idea to help Iowa workers. This ranking holds across party lines with Democrats, Independents and Republicans expressing strong support for these solutions¹⁹.

As we confront this critical juncture in Iowa's economic evolution, a national and historical perspective is in order. In the 1940s, our nation created the GI Bill, providing millions of veterans with the opportunity to get education and training that helped move them and their families into the middle class. In the 1950s and 1960s, we funded a massive expansion of our nation's higher education system. In the 1960s, we created a financial aid system that provided millions of working Americans additional opportunities to get the education and training needed to start family-supporting careers.

These three historic initiatives helped produce the best educated and most productive workforce the world has ever seen. They were based on the principle of giving both working adults and young people real opportunities to get a good education or job training, because doing so was good for the people of our country, our democracy, and our economic competitiveness.

It is imperative that we resurrect this boldness of vision as we move forward in a 21st century economy that rewards skills far more than any previous period. And in an era of gridlock in Washington DC, Iowa can't wait for the federal government. Rather, the state can and should modernize its education and training infrastructure with a series of new, strategic and ambitious policy initiatives.

¹⁸ Iowa Department of Elder Affairs

¹⁹ The survey was conducted by Bennett, Petts, and Blumenthal. Interviews were conducted by telephone with 500 registered voters in Iowa who are likely to vote in this year's general election for Governor. Interviews were conducted March 12, 13 and 14, 2006. The sampling error for this survey is plus or minus 4.4 percentage points.

A Four-Point Plan to Make Iowa's Workforce the Most Productive and Competitive in the World

Iowa cannot effectively address its worker and skill gaps in a piecemeal fashion. The Governor and General Assembly must implement a broad, coherent, and well-integrated workforce investment and systems change strategy that targets high growth, high skill industries and provides access to education and training that leads to good jobs for all Iowans.

Other states are leading the way. Some far-sighted states have made real strides toward the creation of such a comprehensive system, as the examples below illustrate. To compete with these states as well as with other countries in the global economy, and at the same time provide opportunities for advancement to all of its residents, Iowa must:

1. Measure Success, Ensure Accountability—to make strategic state investments with the best possible information while providing a unifying set of measures that are understandable to all stakeholders in the system and guaranteeing accountability for investments that are made.

2. Invest in Regional Strategies and Industry-Based, Public-Private Partnerships—to drive the connectivity of the state's economic and workforce development efforts in the context of regional economies and key industry sectors that are seeking skilled workers.

3. Build Career Pathways to Good Jobs for All Iowans—to provide all Iowans with clearly defined and connected pathways to high demand occupations.

4. Provide Iowans with Lifelong Access to Skills Training and Educational Opportunities—to ensure that skill development is accessible and affordable for all Iowa residents at whatever stage of their working lives.

I. Measure Success, Ensure Accountability

Strategic state investment should be based on timely, reliable, meaningful information about how well programs are achieving their desired goals and providing a return on investment. Achieving this standard requires that we develop systems that can better measure the outcomes of very different kinds of programs. It also requires clarity and transparency in communicating such information to policymakers, workers, employers and the public at large. In addition, workforce development policies are a major component of any economic development strategy, and must be addressed in measuring the success and ensuring the accountability of Iowa's investments in that area. Finally, education and workforce program administrators need good information within their own programs to better serve clients and manage performance. Currently, there are a complicated and disconnected set of management information and performance management systems across state and local agencies. In order to provide a well integrated information and measurement infrastructure, Iowa should:

- Develop a common set of measures and return on investment methodology to track results across programs and over time, using measures that are sensitive to different populations and areas served. The state should issue a regular report that collects this information and makes it available and understandable to policymakers and the public.
- Develop an integrated information system for the major workforce education programs. This can be used to not only track results, but also to better manage programs and to provide better service to clients. Such a system is possible with new technology; it can interact with existing systems and provide the infrastructure for programs to communicate while not requiring the complete replacement of existing data systems.
- Include workforce development expectations in any new economic development programs, and incorporate incentives in those programs to raise the skills levels of Iowans with low or basic education and skill backgrounds.

State Model: Washington State's Biennial Working Training Results Report

Washington's Workforce Training and Education Coordinating Board is a partnership of business, labor and government that —per its mission—provides leadership to “shape strategies to create and sustain a high-skill, high-wage economy.” In order to fulfill that mission the Workforce Board ensures quality and accountability by evaluating results, and supporting high standards and continuous improvement. It issues a biennial outcome evaluation of Washington State's workforce development system, analyzing the results of eleven of the state's largest workforce programs, accounting for over 90 percent of public expenditures in the system. The report analyzes the results in the context of the seven desired outcomes for the state workforce development system established by the Workforce Board. The outcomes are:

Competencies: Washington's workforce possesses the skills and abilities required in the workplace.

Employment: Washington's workforce finds employment opportunities.

Earnings: Washington's workforce achieves a family-wage standard of living from earned income.

Productivity: Washington's workforce is productive.

Reduced Poverty: Washington's workforce lives above poverty.

Customer Satisfaction: Workforce development participants and their employers are satisfied with workforce development services and results.

Return on Investment: Workforce development programs provide returns that exceed program costs.

For the purposes of fair evaluation the different programs are grouped into three categories based on participant characteristics: adults, adults with barriers to employment, and youth. The findings are based on data integrated from diverse sources: program records; telephone surveys of program participants; mail surveys of firms that hired program completers; and computer matches with both employment wage records and enrollment data from public colleges.²⁰

2. Invest in Regional Strategies and Industry-Based Public-Private Partnerships

To be effective, workforce programs must be aligned with the demands of the economy, in particular the industries that drive the state's economic growth and provide good paying jobs. We know which industry sectors statewide—for example, healthcare and information technology—are faced with immediate skilled worker shortages, and which sectors will face shortages in the near future as the baby boom generation retires. But we need to identify these worker shortages and skill gaps at the level of regional labor markets, while engaging industries and the full range of public and private stakeholders in developing strategies to close them and to better link economic and workforce development efforts.

Many states have realigned their workforce programs around industry sectors and regional planning. Examples include Illinois's Critical Skill Shortages Initiative, Michigan's Regional Skill Alliances, Washington State's Industry Skill Panels, and Oregon's Workforce Response Teams (see below). To compete with other states and to better align the state's workforce developments system with key industries, Iowa should:

- Expand funding and incentives for regional workforce planning and public-private partnerships organized around industry sectors that demand skilled workers and provide good jobs.
- Better link workforce and economic development initiatives at this regional and sector-based level, while leveraging federal, state, local and private resources.

20 Washington State Workforce Training and Education Coordinating Board, *Measuring Our Progress*. Olympia, WA: September, 2005

21 Rubinstein, Gwen. “Increasing Access to Training for Incumbent Workers Under the Workforce Investment Act (WIA).” Washington, DC: January 2006

State Model: Oregon's Workforce Response Teams

Oregon's Workforce Response Teams (WRTs) are "solutions teams" for businesses and workers. They're organized in 15 of the state's regional economies, involving the key economic and workforce development stakeholders for those regions, with the charge of proactively working with groups of workers or businesses in key industries to address workforce development and training needs. They receive funds from the state's Employer Workforce Training Fund, which was created by executive order of the Governor in 2003.

To receive funding, businesses—or groups of businesses or worker organizations—apply to their local WRT for specific projects, putting up a one-to-one match for funds requested. To provide training, businesses partner with qualified training providers—primarily community colleges so far—to deliver customized curricula to their workers.

Each project has to meet one of seven criteria, although it is encouraged that as many as possible of these criteria be considered. It must:

- Serve companies in clusters formed around traded sectors;
- Provide training in occupations or skills where a shortage exists in the region or state;
- Provide training in skills necessary to permit companies to advance their technological capabilities or enhance their productivity;
- Serve multiple employer, worker, or industry association-led projects, while still allowing single employer projects;
- Make a conscious attempt to use existing curricula and training programs and resources, when available, and develop new curricula only when it will not duplicate other work;
- Train workers who are paid wages that meet or exceed the median hourly wage in the county in which they are trained or result in wage gain or career ladder development; or
- Provide training that leads to industry certification or industry skill standards.

In 2003 and 2004, more than 200 projects were funded, ranging in size from about \$400 to \$220,000. Industry sectors served included manufacturing, agriculture/food processing, health care, information technology, and metals/transportations equipment.²¹

3. Build Career Pathways to Good Jobs for All Iowans

All Iowans should be able to map a clear course to and through the education and skills training necessary to prepare them for good jobs. An emerging policy and programmatic model offers such a mapping: "Career pathways" are a series of connected education and training programs, including apprenticeships, that prepare individuals for good jobs of importance to the local economy. Career pathways are designed to supply qualified workers for employers and create educational "stepping stones" for the advancement of students, workers and jobseekers. They are complimentary to the regional, demand-driven strategies outlined above because they are grounded in active partnerships between government, employers, workers and educational institutions and they focus on identifying and preparing workers for specific occupations in key industries.

These career pathways must have a "dual customer" focus that supports both job seekers and employers and meets their needs. They can be particularly effective in securing first-rung employment for the traditionally "hardest to employ" and providing experience and eventual career ladder opportunities. They extend beyond referral and placement to post-employment services for both the worker and the employer. Exemplary programs working with traditionally untapped workers—including ex-offenders, disconnected youth, and persons with disabilities—have shown success both in providing employers with dependable employees and providing employees with career building experiences.

In developing career pathways, Iowa can build on efforts already underway to improve coordination among programs and institutions, provide entry points to careers and post-secondary education to high school students via "career academies," build apprenticeship programs to scale, and provide access to basic skills/ESL training for individuals who need remediation to qualify for academic and technical programs. In order to link these pieces together into a coherent

and effective system, and in order to emphasize career advancement and family-sustaining jobs throughout its policies, the state should:

- Better align career and technical education at the high school and post-secondary levels, including aligning curriculum and articulating programs across educational institutions and fully supporting dual enrollment of high school students in college courses.
- Provide statewide support and incentives to improve the linkages between basic skills/ESL programs and career preparation programs, both academic and vocational.
- Expand the availability of high quality post-secondary career and technical education programs through a variety of means, including increasing the state funding to community colleges needed to develop and equip expensive career and technical education programs.
- Expand outreach programs and increase career pathway counseling at both the high school and college levels. This includes training counselors about high wage jobs in their communities.

- Work from a “dual customer” perspective with employers and the traditionally untapped workforce in creating new employment entry and career development options, while also providing support systems for persistence and completion for Iowans progressing through such pathways.

4. Provide Iowans with Lifelong Access to Skills Training and Educational Opportunities

The most ambitious and demand-driven systems change will be an incomplete success unless all Iowans, at whatever point in their lives, have the incentives and resources to access post-secondary education. This is true as much for the mid-career incumbent worker pursuing continuing education as it is for the high school graduate looking to enroll in college for the first time. Just as the research shows that post-secondary education is an increasingly necessary foundation for economic success, it also suggests that American workers in the churning labor markets of the 21st century economy will have to change jobs several times over the course of their working lives. At the same time, Iowa's systems of assisting Iowans in the pursuit of lifelong education are increasingly out of sync with

State Model: The Arkansas Career Pathways Initiative

The Arkansas Career Pathways Initiative is aimed at systemically reforming the way the state delivers post-secondary training to low-income, low-skill adult students. Under the Initiative, administered by the Arkansas Department of Higher Education, 11 of Arkansas's 22 community colleges are receiving funds to develop and implement career pathways initiatives on their campuses. The initiatives include: (1) remedial curriculum redesign — delivered via adult education or college-based developmental education, or a partnership of both — to improve student completion and transitions into and between college credit programs; (2) a comprehensive student support services system, often delivered in partnership with local non-profits, that provides individualized assessments, career

counseling, academic advising and monitoring and support services such as tutoring, personal counseling and student mentoring; and (3) supplemental support services for students, including childcare, transportation and student emergency vouchers, as well last-resort tuition assistance.

In addition to supporting student persistence and completion, the career pathways initiatives better connect post-secondary training to local labor market and employer workforce needs. They target high demand careers and specific occupational ladders verified by local employers and broker an ongoing dialogue with employers to continually improve the alignment of curricula to demand-occupations and requisite skills. The industry sectors within which the pathways progress include manufacturing, welding, nursing, EMT/paramedic and education.²²

²² Based on material written by Mike Leach, Southern Good Faith Fund

the changing demands of Iowa's students, workers and businesses. To modernize its systems of access and opportunity, Iowa should:

- Develop a pilot program that provides a basic guarantee of two years of education and training after the age of 18 to a capped and targeted group of Iowans. The targeting should focus on Iowans who access skill development programs connected to the regional strategies and career pathways developed under Points 2 and 3, thereby ensuring that their training is linked to local employer demand and family-sustaining jobs. Capacity for rigorous evaluation to determine the program's effectiveness should be built into any legislation authorizing such a pilot.
- Improve access to state-funded financial aid for working adults and those supporting families. Make additional funds available so that financial aid for other students is not reduced and Iowa's poor standing among states in the provision of need-based aid is improved.
- Maximize the flexibility in federally funded programs such as Temporary Assistance for Needy Families—PROMISE JOBS in Iowa—to ensure access to education and training.
- Revive and expand the Retired Iowans Community Employment Program (RICEP), which assists eligible older Iowans in preparing for and finding suitable employment. Expansion of the program should ensure that older worker specialists are available in each of the state's local workforce investment areas to provide job matching services tailored to older workers and that dedicated tuition assistance is available for participants in need of new job skills.

State Model: Illinois's Monetary Award Program (MAP)

The Monetary Award Program, Illinois's need-based tuition assistance grant for low-income students, is a key facet of the state's strategy for increasing college participation by adults. Virtually half of MAP recipients are independent adult students. The maximum MAP grant is close to \$5,000 and can be combined with federal Pell grants (a portion of Pell grants are disregarded when MAP grant amounts are calculated) so that students can more readily close the gap between available financial aid and the rising cost of tuition. MAP grants are also a source of support for working adult students who cannot access federal assistance due to the antiquated eligibility criteria for Pell grants. Under MAP, students who are taking as few as 3 credit hours in certificate as well as degree programs are eligible to receive awards. This is particularly valuable for working adults attending school less than half time for vocationally-focused programs.

The Illinois Legislature voted to increase funding for MAP by \$34.4 million in the 2006 session for a total appropriation of \$350 million. Illinois awarded over 150,000 grants, with an average award of \$2,198, in the most recent school year for which data is available (2004-2005). The mean Grade Point Average for MAP recipients is 3.19 (on a 4.0 scale). In a recent survey of MAP recipients, 86 percent said the grant helped them to enroll in school and 85 percent said it helped keep them enrolled.²³

²³ Based on material written by Nicole Sauler, Women Employed

Conclusion

The four-point plan outlined in this paper is informed by best practices in Iowa and around the nation. These are proven strategies that have used substantial new investments in workforce training, coupled with new support for industry-specific planning involving a range of public- and private-sector stakeholders, to chart out a new path for state economic growth. They are also strategies that can respond to the impending crisis that will face Iowa's economy if more is not done now to increase the skills and productivity of every available working Iowan, thereby offsetting the impending shortages of skilled workers that threaten key sectors in the state's economy.

Beyond the particulars of the recommendations above, this paper argues that investments in human capital should represent the centerpiece of Iowa's economic development policy, now and into the future. In a 21st century economy, Iowa's competitive advantage will be found in the skills and work ethic of its people. A series of accountable, investment-oriented state policies—such as the four measures outlined above—would raise the productivity of Iowa's workers, increase the prospects for prosperity for Iowa's working families, and help improve the competitive edge of Iowa's various regions and industries. The people of Iowa deserve no less.