

2016 State Legislative Round Up

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National Skills Coalition estimates that middle-skill jobs, which require education beyond high school but not a four-year degree, account for 54 percent of United States' labor market, but only 44 percent of the country's workers are trained to the middle-skill level. Many employers struggle to find employees with the skills needed to fill job openings. This year, numerous states enacted legislation to help close the skills gap. Such actions included expanding supporting job-driven training programs, work-based learning, aligning state law with the Workforce Innovation and Opportunity Act (WIOA), supporting career pathways, and increasing the use of workforce data. This paper outlines 2016's key state legislative actions.

Investing in Job-Driven Training

In order to close the skill gap, states must invest in education and workforce training programs that are aligned with employer skill needs. California, Colorado, Idaho, Mississippi, Nebraska, New Mexico, and Utah passed legislation supporting job-driven training programs.

- **California Senate Bill 830** appropriates \$200 million for the Strong Workforce Program, which provides funding to consortia of community colleges to expand the availability of career technical education and workforce development courses, programs, pathways, and credentials in order to meet employer demand. The bill calls for aligning the program with the California Workforce Development Board's Strategic Workforce Development Plan, and regional plans established under WIOA. Forty percent of the funds must be used to meet needs outlined in regional and WIOA plans, and sixty percent must be used by individual colleges to carry out activities that are consistent with the plans.
- **Idaho Senate Bill 1288** expands the appropriate uses of funds in Idaho's Workforce Development Training fund, which reimburses eligible companies for certain employee training costs. New language allows funds to be used for provision of "innovative training solutions to meet industry specific workforce needs or local workforce challenges." Previous legislation only allowed the use of funds for "training to upgrade the skills of currently employed workers at risk of being permanently laid off."



- **Mississippi Senate Bill 2808** creates the Mississippi Works Fund, which will provide funding to community colleges for workforce development and job training, using funds from the state's unemployment insurance compensation fund. The majority of funds will be used to specifically train workers for newly created jobs in the state. Up to 25 percent of these funds may be used to help with job retention and creating a work-ready applicant pool.
- **Nebraska Legislative Bill 956** provides a one-time appropriation of \$250,000 to the state's adult education program, for FY 2015-16, to implement the job-driven training and education components of WIOA. This money can go towards college and career readiness initiatives, curriculum alignment, support for partnerships with American Job Centers, staff development, instructional capacity, outreach, and technology.
- **New Mexico Senate Bill 92** creates the Rapid Workforce Development Board and Rapid Workforce Development fund. The bill authorizes the Secretary of Economic Development to identify potential employers that will bring new jobs to the state, and work with them to determine what skills, education, and training they will need to fill those jobs. Using this information, the Board may unanimously decide to use the Workforce Development fund to establish programs to train workers for jobs with that prospective employer.
- **Virginia House Bill 834** establishes the Virginia Growth and Opportunity Board to administer the newly established Virginia Growth Opportunity Fund. The fund is intended to incentivize cooperation amongst business, education, and the government regarding regional economic and workforce development. The bill provides that the Board may establish regions, which should create regional councils, with a majority of members from the private sector. Regional councils may apply for grants to fund collaborative regional projects that enhance private-sector growth, competitiveness, and workforce development. Some grant funds will be awarded based upon a region's population, while others will be awarded based upon expected outcomes.
- **Utah Senate Bill 103** creates a \$1.5 million fund to support the creation of programs produced in partnership between educational institutions and employers that lead to stackable credentials and meet regional workforce needs. The bill requires the Governor's Office of Economic Development to publish a biannual report detailing high-demand jobs in certain high need industries. For programs to be eligible to receive funding under this bill, they should respond to needs in one of the industries identified



in the Governor's Office of Economic Development Report, lead to the attainment of a stackable credential, and include both academic and CTE content.

In order to advance job-driven training, states can promote apprenticeship, on-the-job-training, and other forms of work based learning; they can also support programs tailored to employer needs.

In 2016, Alabama and Colorado enacted legislation to expand work-based learning in their states.

- **Alabama Senate Bill 90** will allow eligible employers that hire an apprentice in a Registered Apprenticeship program to claim an annual tax credit of up to \$1,000 per apprentice. Employers can claim the credit for up to five apprentices. The cumulative amount of tax credits issued pursuant to this bill will be limited to \$3 million annually.
- **Colorado House Bill 1288** creates the Industry Infrastructure Grant Program and Industry Infrastructure fund. The program is a matching grant, housed within the Colorado Workforce Development Council, awarded to industry associations to define industry competency standards and facilitate work-based learning. The bill also creates the Industry Infrastructure fund to pay for the program, using money from donations, gifts, grants, and legislative funding. The bill appropriates a total of \$900,000.000 to the fund, over the next three years.

Implementing the Workforce Innovation and Opportunity Act

The Workforce Innovation and Opportunity Act (WIOA) came into effect July 2015. It is intended to better align education, the workforce system, and economic development. WIOA sets requirements for the composition and responsibilities of workforce boards, and requires states to use key skills strategies to create a more skilled workforce.

This year, Colorado, Hawaii, and West Virginia have adopted legislation that implements portions of the law, or aligns state law with WIOA.

- **Colorado House Bill 1302** aligns Colorado's laws with WIOA. In addition, it clarifies the roles of specific entities in workforce development programs.
- **Hawaii House Bill 2362** updates the composition and duties of the state's workforce development council, in order to align with WIOA.



- **West Virginia Senate Bill 461** is intended to align West Virginia law with WIOA. It creates the West Virginia Workforce Development Board (as opposed to the previous Workforce Investment Council) to make workforce investment recommendations, as required by WIOA. It also outlines the composition of the board, sets forth requirements for board members, and details the board's duties.

WIOA also requires states to support local sector partnerships, which bring together multiple employers, colleges, schools, labor, workforce agencies, community-based organizations, and other stakeholders to align training with local industry needs. Nebraska enacted legislation to support this key method of reducing the skills gap.

- **Nebraska Legislative Bill 1110** adopts the Sector Partnership Program Act as well as the Nebraska Workforce Innovation and Opportunity Act. The Sector Partnership Program Act requires the Department of Labor, in conjunction with the state Department of Economic Development, to administer a program supporting local sector partnerships. As a part of these duties, they should establish a process to study labor supply and skills gaps for all labor shed areas in the state on a rotating basis, report the results of those studies to the Governor and Legislator annually, and provide technical assistance to local sector partnerships or prospective sector partnerships. The bill also creates a Sector Partnership Program fund to pay for sector partnership activities and related administrative costs. The Nebraska WIOA provides guiding principles for the state's workforce investment system in order to ensure that it creates a skilled workforce. The bill also authorizes the state's Department of Labor to administer Title I of the Federal WIOA, and adopt any rules or regulations needed to implement the Nebraska WIOA.

Career Pathways

Career pathways combine education, training, career counseling, and other support services that align with industry needs in order to help participants earn secondary school diplomas, equivalencies, or postsecondary credentials and get middle-skill jobs. Several states enacted legislation promoting key components of career pathways.

- **Virginia Senate Bill 245** added a section to existing law requiring community colleges to enter into agreements with local schools to facilitate dual enrollment into a Career Pathways program. This program would prepare students to pass a high school equivalency exam and to pass a postsecondary credential, certification, or license attainment program offered by the community college.



Tuition assistance and other student supports are a critical element of career pathways. Virginia and Oregon have passed bills that provide tuition assistance and supports to help students earn postsecondary credentials.

- **Virginia Senate Bill 576 and House Bill 66** create the New Economy Workforce Credential Grant Fund, administered by the State Council of Higher Education for Virginia (the Council). The bills direct the Council to disperse funds to statutorily proscribed institutions of higher education (primarily community colleges), so that they may provide grants to students in noncredit workforce training programs. Initially, the student will pay one-third the cost of tuition. Upon completion of the program, the Council will reimburse the institution for another one-third the cost of the program. Upon proof that the student has attained a credential, the Council will reimburse the institution for the remaining third of the cost of the program, up to \$3,000 per completed program per eligible student. If a student fails to complete the program, student will be responsible for paying an additional one-third of the cost of the program (instead of the state). The bill also requires eligible institutions to report data about the program completion and credential attainment rates of participating students.
- **Oregon House Bill 4076** relates to Oregon Promise, passed in 2015, which provides grants to new high school graduates or GED recipients who enroll in community college courses during Fall 2016. This bill intends to ease the transition to postsecondary education for students receiving these grants by allocating \$1,659,800 to the Higher Education Coordinating Commission, to distribute to community colleges, so that they may provide support services to recent enrollees and grantees. The support services can include creating a "first-year experience" or student success team, or for faculty and staff professional development.

Career pathways include adult basic education services, typically offered at the same time as, or in the same context as workforce preparation or occupational training. Adult basic education services help individuals with different skill levels excel in postsecondary education and employment. Maryland and Michigan each passed bills related to adult education.

- **Maryland Senate Bill 1173** creates a task force to study adult high schools, whereby adults can obtain a high school diploma outside of traditional high schools. The task force comprises 17 persons, representing a variety of stakeholders, and is staffed by the Department of Labor, Licensing and Regulation, in consultation with the State Department of Education. The bill requires the task force to study best practices regarding eligibility requirements, accreditation, data collection, curriculum content,



funding models, and other relevant issues. It also requires the task force to submit recommendations to the General Assembly by June 30, 2017.

- **Michigan Senate Bill 216** changes existing policy so that the General Education Development (GED) test is no longer the only high school equivalency test in the state. The bill enables the Department of Education to approve a new high school equivalency test and replaces references to the GED test and certificate with references to the high school equivalency test and certificate.

Data Sharing and Use

In order to better understand potential skills gaps, states should utilize data to determine future occupational needs and the workers trained to fill them. Data can also be used to evaluate programs to ensure that they are performing well, and to help students and workers make decisions about postsecondary options.

Both Indiana and Louisiana passed legislation requiring supply/demand reports, which assess the alignment between education and workforce programs and labor market demand to ensure that individuals are prepared for jobs that require skilled workers.

- **Indiana Senate Bill 301** requires Indiana's Department of Workforce Development (DWD) to produce an occupational supply and demand report. The report will show Indiana's expected workforce needs over the next decade, as well as the supply of education and training necessary to meet those needs. The occupational demand report will categorize workforce needs and training requirements by occupation, for both the state as whole and designated regions. DWD will have to submit the report to relevant stakeholders by July 1, 2016. Once released, the report will be used to align secondary and postsecondary career, technical, and vocational education programs with employer needs.
- **Louisiana Senate Bill 446** directs the Board of Regents, in collaboration with the Department of Economic Development and the Louisiana Workforce Commission, to conduct a comprehensive review of the state's need for postsecondary education and evaluate the state's postsecondary offerings (including credit and noncredit academic programs). The bill also requires a report to the Senate and House Committees on Education that includes current and forecasted demand and recommendations about how to close potential skills gaps.



Arizona and Massachusetts have both increased access to data from unemployment insurance wage records to support program evaluation or reporting.

- **Arizona House Bill 2666** allows the Governor’s Economic Opportunity Office (GEOO) to fulfill requests for unemployment insurance data from specified entities to support evaluation of the state’s workforce and education programs, as well as to develop labor market information. Entities eligible to receive the data include the Arizona Department of Economic Security, the Department of Education, universities, and community colleges. Requesting entities must prove that they can keep the data confidential, must have security safeguards in place, and cannot disclose information that might identify individuals or their employers.
- **Massachusetts House Bill 4116** includes language that authorizes the state to share wage records in order to comply with WIOA reporting requirements.

North Carolina has enacted scorecard legislation to increase accountability and help people select career paths, majors, and postsecondary institutions.

- **North Carolina Senate Bill 536** requires the North Carolina State Education Assistance Authority (NCSEAA) to build a “Know Before You Go” webpage providing information on the state’s projected employment needs and outcomes for graduates of the state’s public and private postsecondary institutions. Specifically, the website will detail the state’s projected employment needs, the salary ranges of needed employment areas, the associated college majors, and the institutions offering those majors. NCSEAA’s website will contain outcomes information such as average and median loan debt, average and median salary, and the percentage of graduates employed within six months of graduation, broken down by major.

Michigan enacted legislation appropriating funds to improve its data infrastructure.

- **Michigan House Bill 5294** appropriates \$8,778,500 to the Michigan Department of Talent and Economic Development to replace the state’s current workforce reporting system with the Michigan Integrated Data System, in order to comply with new federal reporting requirements. The funds will also be used to enhance the state’s existing Workforce Longitudinal Data System, by increasing data sharing between state agencies in order to determine outcomes of state and federal workforce and education programs. The appropriation is a one-time appropriation.



Other

Finally, South Carolina has created a Council to provide recommendations to the legislature about how to increase student access to workforce training.

- **South Carolina House Bill 4145** creates the Coordinating Council of Workforce Development and establishes its membership. The Council's duties will include creating a method of identifying long-term workforce needs; investigating workforce programs to identify duplicates and ineffective programs; and making recommendations to the General Assembly about workforce development matters and programs (like scholarships and tax credits) intended to increase student access to workforce training.



