



# Texas Workforce Investment Council Policy News Highlights

Issue 2, Quarter 2, June 2008

**Texas Workforce Investment Council – Policy News Highlights** is a quarterly review of selected reports relevant to the policy and research functions of the Texas Workforce Investment Council (TWIC). Federal and state agency websites, in addition to numerous public policy and educational databases are scanned monthly for relevant and emerging issues. Reports are catalogued and stored electronically in TWIC’s Information Repository (IR). Topic areas include: adult education; child care; economic development; federal legislation; higher education; K-12 education; local workforce boards; state legislation; TANF; and training.

## Economic Development

**Cooperate: A Practitioner’s Guide to Effective Alignment of Regional Development and Higher Education**, Council on Competitiveness, for the Department of Labor Employment and Training Administration, March 2008.

This report focuses on the tight interrelationship between competitiveness, innovation and regionalism. As the global marketplace grows more competitive, innovation is increasingly key to sustaining economic advantage for the United States (US). Despite the ease of global communication and increasingly common global supply chains, regionalism remains critical to economic development. Higher education centers play a crucial role in regionalism because they are the primary source of intellectual and human capital, they influence where companies decide to locate their facilities, and they serve as a source of employment themselves.

“Innovation is the process by which individuals, companies, regions and even entire countries remake themselves in the face of changing markets. It is the driver of productivity growth and, ultimately, of a rising standard of living.”  
-Cooperate

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The authors of this paper believe that regional developers have not fully recognized the benefit that higher education institutions can offer. They suggest that educational and regional leaders cooperate in building stronger partnerships to benefit education centers and regional economies at large.

Recommendations to higher education institutions include:

- Making regional development an institutional priority
- Facilitating access to university resources
- Building long-term partnerships and supporting regional engagement

Recommendations for regional developers include:

- Better understanding of the higher education landscape
- Being proactive
- Focusing on relationships before transactions
- Supporting higher education assets

The paper describes the WIRED (Workforce Innovation in Regional Economic Development) Initiative begun in 2005 by the US Department of Labor to exemplify “Cooperate.” WIRED brings together state, local and federal entities, along with investment groups, academic institutions and business and industry to build globally competitive workforces throughout the US. The authors also mention the partnership led by South Texas College, several other Texas academic institutions and the regional economic development agencies party to the North American Advanced Manufacturing Research and Education Initiative for Rapid Response Manufacturing.

Link: <http://www.compete.org/images/uploads/File/PDF%20Files/Cooperate%20Final.pdf>

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***Boosting Productivity, Innovation, and Growth Through a National Innovation Foundation,***  
Brookings Institute, April 2008.

Starting from the premise that innovation drives America’s economic growth—in contrast to conventional economic theory that “accumulation of capital” is the essential economic growth driver which, in turn, raises the standard of living—this paper proposes a National Innovation Foundation. According to the authors, America currently faces three major innovation challenges:

- global competition is growing;
- America’s leadership in innovation is declining; and
- private markets in the US are plagued with innovation inefficiencies.

Compounding this state of affairs are the limitations of current federal policy:

- the US has no national innovation policy;
- the US lacks focus on services innovation and the important role services play in the commercialization process; and
- the US has no innovation partnership system in place between the federal government and state and local governments.

The authors’ solution is for the federal government to take an active role in promoting innovation, through the creation of the National Innovation Foundation (NIF.) NIF would be part of the Commerce Department with a proposed budget between \$1 and \$2 billion, and would:

- catalyze industry-university research partnerships via national sector research grants;
- expand regional innovation-promotion via state-level grants to technology commercialization and entrepreneurial support; and
- encourage technology adoption by helping small and middle-sized firms use best-practice processes and organizational forms not currently used.

The end goal is to boost the country's innovation leadership and raise productivity and incomes. Innovation is essential to future job growth for "low-tech" services and incumbent manufacturing workers, as well as for high technology industries. Innovation should reach companies and workers that depend on manufacturing as well as those more conventionally associated with innovation such as information technology. The paper also notes that a focus on innovation with regard to geographic industry and cluster-based initiatives has been successful in workforce development and that state governments are increasingly becoming aware of workforce development "as part of an innovation-led economic growth strategy."

Link: [http://www.brookings.edu/~media/Files/rc/reports/2008/04\\_federal\\_role\\_atkinson\\_wial/NIF%20Report.pdf](http://www.brookings.edu/~media/Files/rc/reports/2008/04_federal_role_atkinson_wial/NIF%20Report.pdf)

**Note: On June 3, 2008 Senator Susan Collins (R-ME) and Senator Hillary Clinton (D-NY) introduced a bill in the US Senate calling for the establishment of a National Innovation Council, to be within the purview of the Executive Office of the President. The bill calls for grant programs that would support technology-based economic development initiatives directed by states themselves.**

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***Report of the Interagency Aerospace Revitalization Task Force***, pursuant to Public Law 109-420, 109<sup>th</sup> Congress, March 2008.

In December of 2006, President Bush signed a bipartisan bill establishing an Interagency Aerospace Revitalization Task Force charged with developing a strategy to deal with serious challenges currently facing the US aerospace industry. Led by the Department of labor, the taskforce is working to preserve one of the most competitive US industries within the global marketplace. Aerospace and defense combined products and services were valued at \$198.8 billion in 2007. Yet, this hearty industry must contend with much of its workforce approaching retirement and the fact that the rate of new workers entering the industry is at an historical low. In addition, not enough US students are sufficiently versed in math, science and technology to enter and sustain in the aerospace industries.

In terms of workforce solutions, the Task Force states that strategies for education and training should be in two main areas: building a strong pipeline of workers through traditional education with more emphasis on science, technology, engineering and math (STEM) curricula, dual enrollment and applied learning opportunities; and feeding the pipeline from non-traditional educational pools such as apprenticeship or transitioning adult workers from other occupations.

Link: [http://www.doleta.gov/pdf/REPORT\\_Aerospace\\_2008.pdf](http://www.doleta.gov/pdf/REPORT_Aerospace_2008.pdf)

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***Clusters and Competitiveness: A New Federal Role for Stimulating Regional Economies***, Brookings Institute, April 2008.

America is faced with the serious economic challenge of keeping up with the global economy's increasingly knowledge-based system. Regional industry clusters are a precious source of innovation, knowledge exchange, and higher productivity. According to this paper, the US government should be working hard to promote cluster development across the country. An

information center should be established at the federal level that would plot industry clusters geographically and maintain a register of initiatives, as well as create a grant program to support cluster initiatives. The paper defines the following key terminology:

- Regional industry cluster – a geographic concentration of interconnected businesses, suppliers, service providers, and associated institutions in the field.
- Cluster initiative – a formally organized effort to promote cluster growth and competitiveness through collaborative activities among cluster participants.
- Cluster initiative program – an effort to create and sustain a series of cluster initiatives.

Link: [http://www.brookings.edu/~media/Files/rc/reports/2008/04\\_competitiveness\\_reamer/Clusters%20Report.pdf](http://www.brookings.edu/~media/Files/rc/reports/2008/04_competitiveness_reamer/Clusters%20Report.pdf)

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**Advance. Benchmarking Industrial Use of High Performance Computing for Innovation**, Council on Competiveness, 2008.

This paper looks into the extent to which High Performance Computing (HPC) technology is impacting private sector competitiveness. HPC technology is used for virtual prototyping and large-scale data modeling. To illustrate, Boeing used HPC to make digital models of products and then evaluate and improve them for its newest generation of aircraft, the Boeing 787 Dreamliner. With HPC, Boeing restricted the number of live tests to 11 prototype wing designs, a dramatic reduction compared to the 77 live tests performed when it developed the Boeing 777. *Advance* examined four industries using HPC (aerospace, automotive, bio-life sciences and energy) for signs that the technology is being used to advance innovation. Such an application would be critical because Council research has shown that “innovation is the surest path to competitive success.” With regard to international competitors, the paper found that HPC technology is being used aggressively by global competitors and to a more profound extent within industry sectors than in the US. The paper states that failure to fully utilize HPC would “sacrifice a rare opportunity for the United States to make a quantum leap forward in innovation, productivity and competitiveness.”

Link: [http://www.compete.org/images/uploads/File/PDF%20Files/HPC\\_ADVANCE\\_FINAL0508\(1\).pdf](http://www.compete.org/images/uploads/File/PDF%20Files/HPC_ADVANCE_FINAL0508(1).pdf)

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**Define. Progressive Dialogue I: The Energy – Competitiveness Relationship**, Council on Competitiveness, 2008.

America faces serious hurdles as it takes on the “twin challenges” of energy security and energy sustainability in the 21<sup>st</sup> century. The participants in this dialogue argued that unless the country increases its energy productivity, US economic prosperity and growth will remain at risk. Energy productivity cannot be underestimated as an important indicator of economic competitiveness and business and industry are powerful agents at changing productivity and sustainability practices in this country.

Link: <http://www.compete.org/images/uploads/File/PDF%20Files/Define%20Final.pdf>

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***Meeting the Global Challenge***, North American Competitiveness Council, April 2008.

The North American Competitiveness Council (NACC) was created in 2006 as a coalition of private sector entities to speak on behalf of the trilateral business community in North America consisting of Canada, the United States and Mexico. Its original focus was in three areas critical to competitiveness: energy integration; border-crossing facilitation; and standards and regulatory cooperation. The organization has convened meetings of the three North American leaders to pass on recommendations for strategies to solve problems ranging from the threat of a pandemic influenza to intellectual property protection agreements. Over the course of the last two years, such meetings have also shown the benefit of cooperation between business communities and governments with regard to workforce issues through initiatives directed at problems related to sector integration and supply-chain development.

Link: <http://www.imco.org.mx/dwnlds/NACC%20Abril%2022.pdf>

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***Education and Tech Entrepreneurship***, the Ewing Marion Kauffman Foundation, May 2008.

This report drew from a Dun & Bradstreet database to assess the educational attainment and other characteristics of US-born technology entrepreneurs. Previous research showed that skilled immigrants were responsible for a quarter of technology startups in America from 1995 to 2005, and over half of startups in California's Silicon Valley.

US-born tech entrepreneurs turn out to be considerably older than popular myth holds: twice as many start in their fifties as in their twenties. A very high percentage holds bachelor's degrees, 92 percent, while 31 percent have master's degrees, and ten percent have PhDs. They graduate from many different schools but a great many do hold degrees from prestigious institutions.

Link: [http://www.kauffman.org/pdf/Education\\_Tech\\_Ent\\_042908.pdf](http://www.kauffman.org/pdf/Education_Tech_Ent_042908.pdf)

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***Technology, Talent and Capital: State Bioscience Initiatives 2008***, Biotechnology Industry Organization, June 2008.

The study contains data on national, state and metropolitan bioscience employment and growth trends from 2001 to 2006. It includes key performance metrics and describes state policies and programs designed to accelerate the growth of the biosciences. Highlights include: total US employment in the biosciences reached 1.3 million in 2006, up from 1.2 million in 2004; strong growth in the research, testing and medical lab subsector that experienced a 17.8 percent increase in employment; and a 32.7 percent increase in establishments between 2001 and 2006.

The following website has links to state reports, including Texas:

<http://www.bio.org/local/battelle2008/>

Link: [http://www.bio.org/local/battelle2008/State\\_Bioscience\\_Initiatives\\_2008.pdf](http://www.bio.org/local/battelle2008/State_Bioscience_Initiatives_2008.pdf)

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## **K-12 Education**

***One in 100: Behind Bars in America 2008***, PEW Center on the States, February 2008.

This report analyzes prison rates across the country, currently at their highest for many states. Prison populations in America have grown steadily for the last thirty years and a benchmark has been reached: more than one in every 100 adults in America is incarcerated. Below are some statistics:

- One in 30 men between 20 and 34 is imprisoned, and one in nine is African American
- Men are ten times more likely to be incarcerated than women, but the female prison population is growing
- For African American woman, the rate has also reached one in 100 behind bars
- One in every 53 people in their 20s is in prison, but only one in every 837 is over 55
- Texas leads the nation in incarcerations

According to the authors, a high prison population has deleterious effects in areas that do not always come to mind. For example, money spent on corrections is money not spent on education, and studies suggest that good early childhood education could very well reduce future incarceration rates. Policy changes in several states are highlighted, including Texas, where changes in the prison system were legislated in 2007, including modifications to the management of prison admissions and the duration of prison stays.

Link: <http://www.pewcenteronthestates.org/uploadedFiles/One%20in%20100.pdf>

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***Cities in Crisis – A Special Analytic Report on High School Graduation***, prepared with support from America's Promise Alliance and the Bill & Melinda Gates Foundation, April 2008.

This report addresses the growing concern with plummeting high school graduation rates in the United States. While conventional wisdom has placed overall high school graduation rates in the US at about 85 percent, this paper states that the number is closer to 70 percent. High school graduation rate in the nation's largest 50 cities is considerably lower than the rates of other average cities in America. Only 52 percent of the students in the major school districts of the 50 largest cities complete high school with a diploma. In Baltimore, Cleveland, Detroit, and Indianapolis, the rate is lower: fewer than 35 percent of high school students receive their diplomas. The article states that the graduation rate for male students is about 8 points lower than that of females, and that gaps between graduation rates of white and minority populations can be as high as 25 percent.

Link: [http://www.americaspromise.org/uploadedFiles/AmericasPromiseAlliance/Dropout\\_Crisis/SWANSONCitiesInCrisis040108.pdf](http://www.americaspromise.org/uploadedFiles/AmericasPromiseAlliance/Dropout_Crisis/SWANSONCitiesInCrisis040108.pdf)

***A Stagnant Nation: Why America's Children are Still at Risk***, ED in 08, April 2008.

Twenty-five years after the National Commission on Excellence in Education released *A Nation at Risk*, this report says recommendations to improve curriculum, graduation standards, and quality of teaching in grades K-12, have not materialized. Furthermore, foreign countries have improved their

educational systems, with many now surpassing the US' former first place in education. The report card on progress enacting selected reforms recommended by *A Nation at Risk* looks like this:

**Content:** A in raising graduation requirements;  
F in developing a curriculum in grades 1-8 to prepare for high school and beyond.

**Standards and Expectations:** F in the goal of grades being indicators of academic achievement as grades are higher, but 12<sup>th</sup> grade achievement is significantly lower.  
C in achieving the recommendation that standardized tests of achievement should be administered at transition points from one level of schooling to another, particularly to college.

**Time** F in the recommendation that students should attend school beyond 180 days a year and that legislatures should consider 200 or 220 days and increase the school day from six to seven hours.

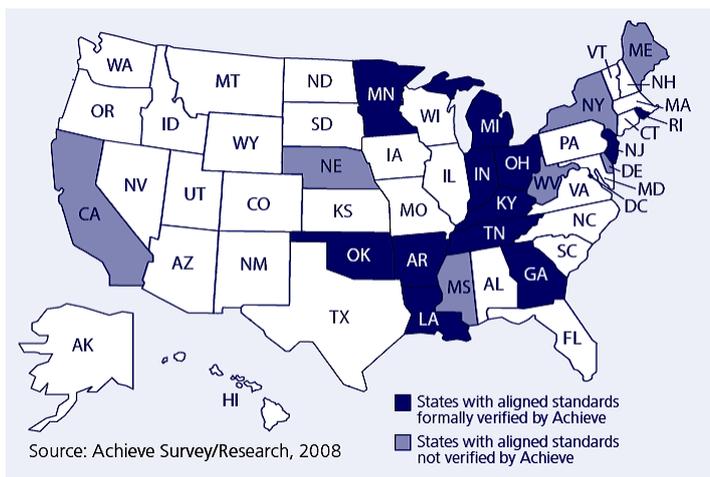
**Teaching:** F in increasing teacher salaries and making them professionally competitive, market-sensitive and performance-based.

Link: [http://www.edin08.com/uploadedFiles/Issues/Issues\\_Pages/EDin08\\_Stagnant\\_Nation.pdf](http://www.edin08.com/uploadedFiles/Issues/Issues_Pages/EDin08_Stagnant_Nation.pdf)

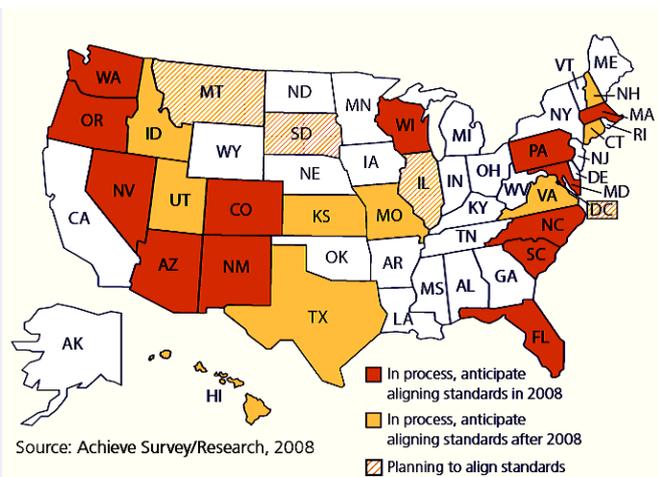
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**2008 Closing the Expectations Gap – an Annual 50-State Progress Report on the Alignment of High School Policies with the Demands of College and Careers**, Achieve, Inc., February 2008.

Achieve, Inc. reports each year on the progress of states as they move toward aligning high school standards, graduation requirements, and assessment and accountability systems in preparation for college and careers. This year’s report indicates that states have made the most progress in aligning academic and graduation standards with college and career expectations, but less progress on assessments data and accountability. The report contains many graphs and maps indicating the various progress levels of states across the union.



**19 States Have Aligned Standards**



**25 States and DC are in the Process of Aligning Standards**

Link: <http://www.achieve.org/files/50-state-2008-final02-25-08.pdf>

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***Parent Expectations and Planning for College - Statistical Analysis Report***, US Department of Education, Institute of Education Sciences and National Center for Education Statistics, April 2008.

Parents' educational expectations for children aged six to 12 to attend and complete college vary depending on race, ethnicity, sex, parent education, family income, family structure and parental involvement. Based on survey data from 2003, the study shows about nine out of every 10 students in grades six through 12 had parents who expected them to continue their education beyond college. Two-thirds had parents expecting them to finish college. About one-third had parents who thought their children's high school did a good job of providing information to help them on to postsecondary education, but 27 percent said that the schools provided no information. For students whose parents expected them to continue their educations, about 82 percent came from families that were planning to help them with college expenditures. Of that group, 66 percent felt they had enough information to start planning for postsecondary college expenses.

Link: <http://nces.ed.gov/pubs2008/2008079.pdf>

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***Where the Girls Are – The Facts about Gender Equity in Education***, the American Association of University Women (AAUW), May 2008.

Over the past 35 years, girls' academic performance has improved, but it has not been at the expense of boys' improvement. Overall, both boys and girls have enjoyed a higher academic performance. Data shows the greatest indicator associated with academic success is family income. Race and ethnicity also factor in, with whites and Asians, both boys and girls, generally performing higher on standardized tests than African-Americans and Hispanics. More men and women take college entrance exams and more men and women are graduating from college than ever before in history and the gender gap is almost imperceptible for those students entering college right after high school. However, there is still an earnings gap between men and women. Data show that a year after graduating from college, women earn 80 percent of what men earn and ten years later, women earn 69 percent of what men earn. The study focused on children between fourth grade and college. AAUW is working to encourage more girls to go into science, technology, engineering and mathematics.

Link: <http://www.aauw.org/research/upload/whereGirlsAre.pdf>

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## **Higher Education**

***Ten Years After College: Comparing the Employment Experiences of 1992-93 Bachelor's Degree Recipients with Academic and Other Career-Oriented Majors***, US Department of Education, Institute of Education Sciences and National Center for Education Statistics, February 2008.

This report finds that most college graduates are earning up to 60 percent more than their non-college graduate peers within a few years of entering the labor force. The report looks at their status in the labor force, employment stability, occupations, salaries and benefits, and finally, their perceptions concerning their jobs. It also tracks the experiences of graduates who chose academic

majors (arts and humanities, biological, mathematics and physical sciences, and behavioral and social sciences) as compared with experiences of career-oriented majors (business, education, health, engineering, and computer science). Most bachelor's recipients had been in their current jobs about 5.2 years. Academic majors were out of the workforce longer periods of time, which is consistent with their pattern of returning to school for further education. The most common occupation in the sampling was business and management at 23 percent, followed by educators making up 16 percent, and last, service workers, at 15 percent. By 2003, ten years after receiving their bachelor's degrees, most college graduates had a job they considered a career, using their education. Most were satisfied with their salary, benefits, job security and their opportunity for promotion.

Link: <http://nces.ed.gov/pubs2008/2008155.pdf>

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***Building Tomorrow's Workforce: Promoting the Education & Advancement of Hispanic Immigrant Workers in America***, Corporation for a Skilled Workforce, with the Lumina Foundation, the Center for Workforce Success of the National Association of Manufacturers, the National Council for Workforce Education, and *Excelencia* in Education, March 2008.

Hispanic employees are an emerging workforce asset. One in every four new immigrants to the US in the next ten years will be from Latin America, and over half lack a high school education. This paper looks at the progress Hispanic immigrants are making toward obtaining higher education and the innovative partnerships between employers, community colleges, and community organizations enabling them to do so. The authors see a gap in opportunities for Hispanic immigrant laborers who must work but who want to seek out college opportunities. Recommendations for practice and policy include:

- viewing work as an asset and not a barrier on the road to higher education;
- building regional and national partnerships based on the shared interests of Hispanic immigrants, employers, college and leaders in educational and economic development; and
- bringing together leaders from community, state legislatures, government agencies, community colleges and business.

Link: [http://www.skilledwork.org/pdfs/Lumina\\_March13.pdf](http://www.skilledwork.org/pdfs/Lumina_March13.pdf)

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***Engaging Higher Education in Societal Challenges of the 21<sup>st</sup> Century***, National Center for Public Policy and Higher Education, April 2008.

Manufacturing once made middle class life possible without a college degree. However, in the new knowledge-based global economy, America needs to refocus and refine policies for higher education. Stakeholders in higher education – federal government, state government, administration and faculty, higher education governing boards, and businesses in the community – must work to inform the public that higher education is “an instrument of economic vitality” and that it must remain accessible and affordable to everyone. The paper outlines how each sector can help. For example, state governments can set clear expectations for higher learning centers, hold them accountable for achieving same, and more directly siphon state funding toward these

particular outcomes. Federal government could enlarge the Pell grant program, making need-based financial aid more available, and thereby expanding educational opportunity in America.

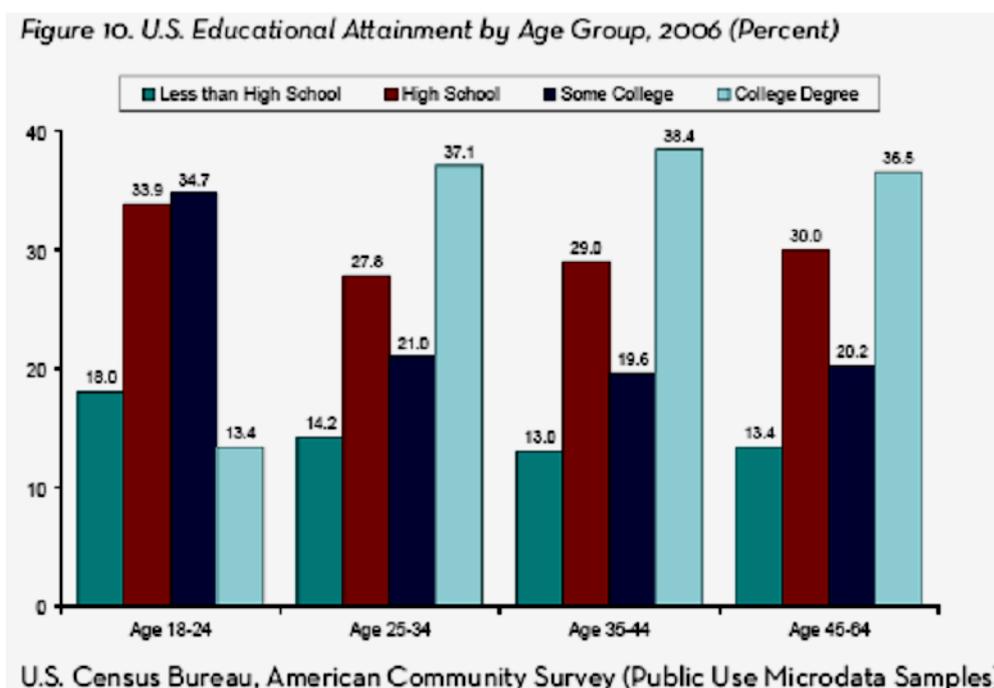
Link: <http://www.highereducation.org/reports/wegner/wegner.pdf>

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## **Adult Education**

***Adult Learning in Focus – National and State-by-State Data***, Council of Adult and Experiential Learning (CAEL), the Lumina Foundation for Education, and the National Center for Higher Education Management Systems (NCHEMS), May 2008.

CAEL offers a comprehensive study of adult learning in America at both the national and state level. Future jobs in the US will need a workforce that is both skilled and adaptable, but the study concludes that traditional K-16 education will not be sufficient to meet the educational and workforce needs of America. For example, demographic patterns show that 30 percent of the adult education in the US has no postsecondary education and in 35 states, over 60 percent of the population does not have an associate’s degree or higher:



Texas has fewer young adults graduating from high school than the rest of the country, and fewer Texans have completed a postsecondary degree or certification. There is good news: a clear trend that adults are comprising more and more of the total enrollment in postsecondary institutions.

Link: [http://www.cael.org/pdf/publication\\_pdf/State\\_Indicators\\_Monograph.pdf](http://www.cael.org/pdf/publication_pdf/State_Indicators_Monograph.pdf)

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## **Training**

***Thrive. The Skills Imperative***, Competitiveness Council, 2008

This paper is first in a series under the guidance of the Council on Competitiveness concentrating on significant areas of competitive advantage for America in the 21<sup>st</sup> century. Its authors call for a “national skills agenda,” to meet the new challenges brought on by globalization. They argue that the US must plot four strategies: 1.) Meet the demand for jobs that require more education than high school but less than four years of college (middle-skills jobs), which will account for most job openings in the next decade, pay well and cannot easily be moved offshore; 2.) Build service skill jobs, more than three-fourths of US jobs and which are not all low-skill, low-wage as commonly thought; 3.) Focus on innovation; 4.) Train and educate a skilled workforce to attract and sustain global investment and hiring patterns.

While the US is feeling a contraction in its domestic labor force, the global workforce is booming. According to *Thrive*, the global workforce quadrupled between 1980 and 2000, and China alone accounted for 800 million workers, which is five times the size of the American labor force.

The paper ends with an interesting observation: the success of global competitors is due to their copying of the American innovation model, and if the US is to stay ahead, it must create a new model. Human capital is the country’s greatest asset and we must invest in it by adhering to the four strategies outlined above.

Link: <http://www.compete.org/images/uploads/File/PDF%20Files/Thrive.%20The%20Skills%20Imperative%20-%20FINAL%20PDF.PDF>

***Employment and Training Occasional Paper 2008-04: Assessment of Strategies to Retain Experienced Technical and Professional Healthcare personnel after Retirement Age***, US Department of Labor/Employment and Training Administration, January 2008.

This report is an extensive collection of information gathered through focus groups made up of technical and professional healthcare workers, approaching retirement or recently retired. Individuals discussed strategies that could be implemented to improve the retention of nurses and allied health workers on the verge of retirement. Many questions on ways to make postponing retirement more appealing were posed and answered. The paper documents a broad consensus among workers who wish to continue working at a slower pace, but these main problems: part-time work was unavailable, and/or health insurance for part-time work was prohibitively expensive. Older workers with years of experience are not appreciated or given deference when requesting paid time off, receiving holidays off, and the like.

Link: [http://wdr.doleta.gov/research/FullText\\_Documents/ETA%20Occasional%20Paper%202008-04%20-%20Appendices.pdf](http://wdr.doleta.gov/research/FullText_Documents/ETA%20Occasional%20Paper%202008-04%20-%20Appendices.pdf)