



# Texas Workforce Investment Council Policy News Highlights

Volume 1, Issue 1, March 2008

*Texas Workforce Investment Council – Policy News Highlights* is a bi-monthly 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.

## **Higher Education**

***Adding it Up: State Challenges for Increasing College Access and Success***, by the National Center for Higher Education Management Systems and Jobs for the Future, November 2007.

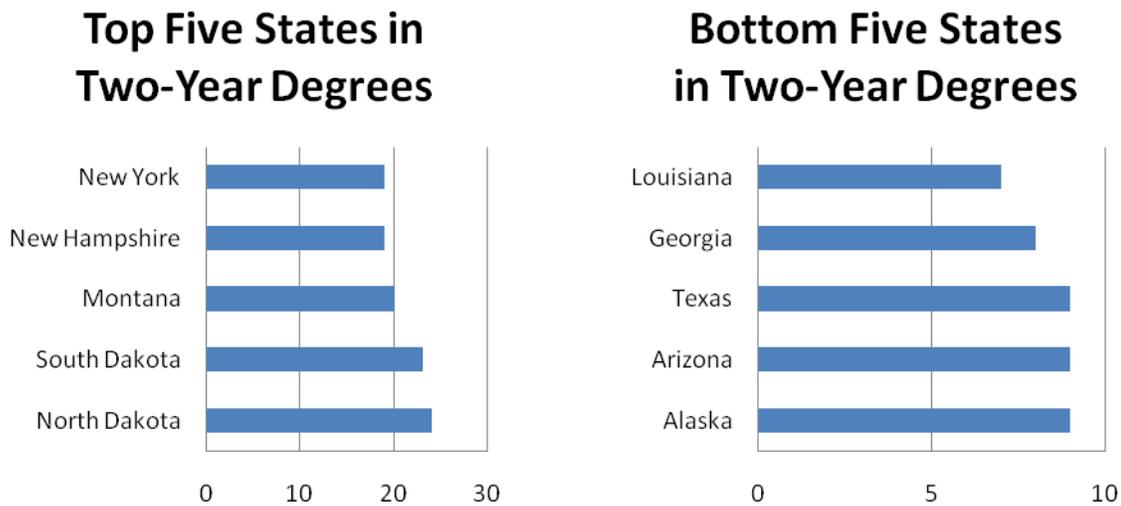
For many years the US has led the world in the number of adults with a college degree. The Organization for Economic Cooperation and Development (OECD) says the US now ranks 10<sup>th</sup> in the percentage of adults between the ages of 25 and 34 who have an associate degree or higher. The US is one of the only nations where older adults are more educated than younger adults. Within the industrialized world, the US is near the bottom in ranking for the number of students entering college and completing their degrees.

According to the National Center for Higher Education Management Systems, the US will produce 48 million new undergraduate degrees between 2005 and 2025. This organization also estimates that the US must produce approximately 64 million degrees to keep up with other leading nations and to meet domestic workforce needs. If the US could increase the number of African Americans and Hispanics (who are traditionally underserved by higher education but whose populations will grow substantially) about half of the 16 million degrees needed would be accounted for. Some highlights from the fifty-state report are:

- Only eight states are projected to meet the desired level of educational attainment by 2025.
- In half the states, the age group of 18-24 will not grow, suggesting that their efforts to produce degrees must focus on older adults.

- All states expect significant growth in their older populations and all states will have significant growth in sectors traditionally underserved by higher education (Native American, African American, and Hispanic).
- All states face disparities across racial and ethnic lines in their percentage of college graduates.
- In more than half the states, the high school graduation rate is below 75%.

If trends continue, Texas will be one of the lowest performing states in terms of meeting workforce demands and efficiently competing with best-performing nations. While Texas is in step with the rest of the country for the percentage of high school graduates, it lags in the percentage of recent high school graduates who go to college. Texas is among the lowest performing states for students completing two-year associate degrees. The charts below illustrate this, showing North Dakota as awarding 24 degrees per 100 full-time equivalent students enrolled in 2005, while showing Texas (along with Arizona and Alaska) as awarding only nine:



IR no. HE40

Web source:

[http://www.eric.ed.gov/ERICDocs/data/ericdocs2sql/content\\_storage\\_01/0000019b/80/38/2f/81.pdf](http://www.eric.ed.gov/ERICDocs/data/ericdocs2sql/content_storage_01/0000019b/80/38/2f/81.pdf)

***Good Policy, Good Practice – Improving Outcomes and Productivity in Higher Education: A Guide for Policymakers***, a joint report from the National Center for Public Policy and Higher Education and the National Center for Higher Education Management Systems, November 2007.

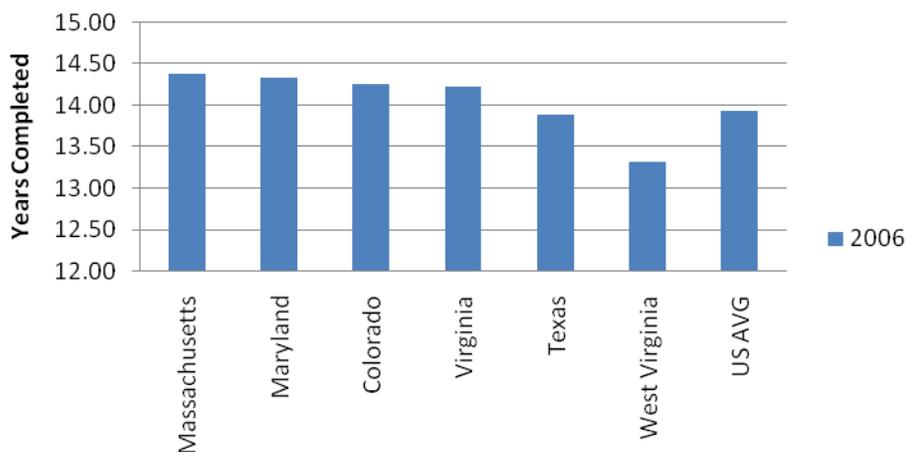
This report is divided into two parts, with the first one focused on strategies, programs and practices to improve educational productivity, and the second part enumerating the “levers” available to policymakers to actually implement such improvements.

In our knowledge-based global economy an increasingly higher premium will be placed on the college education and training that will be crucial to maintaining individual opportunity and economic competitiveness. In order to keep the country competitive in the global economy, a significantly higher proportion of people must complete higher education programs. Citing specific examples currently in place throughout the nation, the article focuses on these strategies:

- Better preparing both high school students and adult students for college-level courses and ensuring smooth transitions between schools and colleges.
- Streamlining for greater productivity and cost-effectiveness at educational institutions by reducing course repetition, providing incentives for degree completion, and recognizing academic proficiency gained outside institutions.
- Accommodating growing enrollment, facilitating collaboration between institutions to meet educational needs in underserved regions, and devising new systems of delivering educational programs.

While not included in this report, Texas lags behind other states in terms of the average level of education completed. Drawn from the forthcoming 2008 *Texas Index* (TWIC), the chart below reflects completed education levels in the adult population 25 years and older. The chart illustrates from left to right the top four states of Massachusetts, Maryland, Colorado and Virginia, followed by Texas ranked at 22<sup>nd</sup>, then the lowest ranked state of West Virginia, all followed by the US average.

### Workforce Educational Attainment



Many states have successfully implemented the “good policy, good practice” strategies noted by the National Centers, including Washington State’s Running Start program that assists high school juniors and seniors transfer credits to four-year institutions. This program enables them to earn their baccalaureate degrees with 33 fewer state-supported credits, resulting in significant savings to both students and the state. In Texas, the Texas High School Project offers secondary students an early college high school program. It provides traditionally underserved students with the opportunity to earn two years of

college credit or an associate degree at no cost, while simultaneously earning their high school diplomas.

Policy levers for implementing improvements exist and must be considered side-by-side with strategies. For example, volatile state funding renders effective planning very difficult for educational institutions. Thus, if states are to increase their proportion of college-educated students, they must commit funding with consistency and persistence, and resist the lure of trimming educational funding streams in times of economic difficulty.

**IR no. HE41**

**Web source:** [http://www.highereducation.org/reports/Policy\\_Practic/GPGP.pdf](http://www.highereducation.org/reports/Policy_Practic/GPGP.pdf)

***The Landscape of Noncredit Workforce Education: State Policies and Community College Practices***, by the Community College Research Center, January 2008.

Noncredit workforce education, also referred to as continuing education, is increasingly common and at some community colleges it enrolls more students than does credit programming. This type of educational program can also include customized training specifically designed to meet the needs of employers. Noncredit programs are critical to providing quick response to changing workforce demands and to providing skills commensurate with employer needs. This study asks questions such as: to what extent do noncredit workforce education and state policies impact workforce development? How do they serve disadvantaged groups? How do they generate revenue for colleges? Does noncredit workforce education provide students recorded outcomes such as transcripts or industry certifications?

Noncredit workforce education can respond to local workforce demands by providing opportunities to students, and it can provide students with access to credit programs and assist in their long-term goals for degree completion. To this end, some of the study's recommendations are:

- state funding should support noncredit workforce education to promote workforce development and help students connect to credit education by improving ties to career pathways;
- promote better coordination between credit and noncredit programs with the benefit of both students and employers in mind; and
- improve assessment of student needs and promote efforts to recruit noncredit students into credit programs.

Research forming the basis of this study drew from reviews of state policy on the funding and regulation of noncredit workforce and case studies of 20 colleges in 10 states including two colleges from Texas.

**IR no. HE39**

**Web source:** <http://ccrc.tc.columbia.edu/Publication.asp?UID=572>

## **Economic Development**

***Iowa Best Practices: How to Recruit and Retain “Generation Iowa,”*** by the Generation Iowa Commission, January 2008.

The Iowa legislature created the Generation Iowa Commission to study the acute problem of young Iowans leaving their state in large numbers. The commission produced a “best practices manual” targeting Iowa business with guidelines for recruiting and retaining “Generation Iowa,” young people between ages 18 and 35. This age group is comprised from the latter half of Generation X (1965-1980) and Generation Y or “Millennials” (1980-present). Even though the article is Iowa-specific, it contains important information about how this young population thinks and feels and how it differs from preceding generations. The study forms the basis of a series of recommendations for recruiting and retaining Generation Iowa.

In terms of character, Generation Iowa is:

- opinionated and autonomous, but also collaborative, with an “almost skeptical” outlook on life;
- resourceful, but requiring flexibility in its working environment;
- highly productive, appreciating diversity more than any other generational group;
- efficient, collaborative and diverse, making them good team players, but weak leaders; and
- open to mentoring and to the opportunity to learn from preceding generations because they are not strong leaders.

Generation Iowa is accustomed to “mass customization,” and prefers a more personalized approach, expecting individual needs to be met. “Mass customization” refers to the phenomenon where products, services and options in both marketplace and workplace can be manipulated to match personal and specific temperaments. For example, this population is adept at tailoring cell phones and PDAs to personal use, and to structuring their lives through a balancing between social and professional websites. Being technologically savvy has diminished face-to-face communication and may lead others to view this generation as having undeveloped personal skills. On the contrary: their proficiency with electronic tools enables them to be in constant community with others. Generation Iowa tends to seek fulfillment in a work/life balance, preferring an integrated lifestyle where work and home are not distinctly separate, but rather just a phone call or website away.

How does this translate into workforce development? Looking for flexibility, community and relationships, Generation Iowa wants to work for a company with a family-like atmosphere. The Generation Iowa Commission suggests companies be community focused and for example, offer a green office strategy at work with new-employee input, or adopt a local not-for-profit, giving employees flexibility to volunteer. Other general strategies recommended are that companies should create internship programs, devise

recruitment strategies, perform future needs analyses by identifying positions and skills sets within companies where there is currently a labor shortage and where future recruitment will be focused, and raise starting career salaries immediately for critical needs areas and for high potential employees.

The disparity between what Iowa companies pay and what graduates can earn out of state is why so many young Iowans leave their state and do not return. In response, the Commission makes the following recommendations for Iowa companies recruiting:

- enumerate and include the value of all benefits they offer, from health insurance to company cell phones, as part of their total compensation;
- implement a variety of incentives to attract young workers, ranging from sign-on bonuses to student-loan repayment and tuition reimbursement; and
- implement mentorship programs and extend the “customization” model Generation Iowa has grown up with by providing flexible career paths within the company as their recruits mature.

Clearly, these recommendations are useful in terms of recruiting and retaining potential Generation X and Millennials everywhere.

**IR no. ED49**

**Web source:** <http://www.iowalifechanging.com/generation/downloads/bestpractices.pdf>

*Workplace Flexibility: Employers Respond to the Changing Workforce*, by the Institute for a Competitive Workforce, an Affiliate of the US Chamber of Commerce, December 2007.

This report states that two major demographic trends in the United States will greatly impact employers’ future human resource practices: for the first time in American history, four generations are working side by side; and in the next 10 years, over 78 million Baby Boomers are expected to retire. Recruitment and retention policies must accommodate this multigenerational workforce and the diminishing pool of labor, along with an increased demand for skilled workers.

What exactly is workplace flexibility? Scheduling features such as flexible hours and training, telecommuting, job sharing, team and work partner rotations, career transitions and moving from full-time to part-time and back, and continuing training and opportunities. To illustrate how increasingly common telecommuting is, the percentage of Americans working from home one day a month increased from 12% in 2000 to 23% in 2005.

Why is workforce flexibility so important? It is in demand and permitting it will create the most effective workplace possible. In turn, this will increase profits throughout the marketplace. The result of no workforce flexibility is turnover, which is extremely costly: industry surveys estimate costs per employee range from \$19,700 to \$57,500 depending upon the position. Other examples are that supermarkets spend \$1.40 on employee turnover for every \$1 of profit, and that health care cost per patient is 35%

higher in centers with high nurse turnover. Despite this, according to the Institute for a Competitive Workplace, recruitment and retention policies are given fairly low scrutiny because only 46% of organizations conduct exit interviews and 79% do not have dedicated staff for recruitment, training or career development responsibilities.

Some examples from companies with creative (Sloan Award-winning) workplace flexibility practices are:

- ARUP Laboratories, a medical and testing reference laboratory operated by the University of Utah, allows employees to work a week of 10-hour days, alternating with 7 days off. The company also offers employees the option of working 10-hour days with four-day weeks. ARUP more than doubled its employees in 12 years and cut turnover rate from 22% to 11%.
- Menlo Innovations, in Michigan, is a software company that has redefined its work culture. They have eliminated cubicles and assigned PCs and replaced them with work tables, flexible work spaces and changing work teams for various projects. The company keeps track of projects with cork boards and index cards, not computer programs, and reports it has virtually eliminated turnover.
- Bon Secours Richmond Health System, in Richmond, Virginia, has met the nation-wide problem of nursing shortages by instituting workplace flexibility. It has allowed nurses to move easily between full- and part-time schedules. For persons close to retirement, the company allows employees to negotiate reduced-time schedules. As long as 1000 hours per year are logged, employees receive pro-rated contributions to their pensions. ICW cites the specific example of an 84 year-old former operating room nurse who now works 15 hours a week giving tuberculosis tests. This allows her to collect retirement, salary and part-time benefits. The result for Bon Secours Richmond: in the last two years it has opened a new hospital, has plans for a new treatment and teaching facility, and its emergency and critical care departments are expanding.

The report closes with suggestions for implementing flexible workplace practices. Some guidelines for setting and sustaining these strategies are:

- View flexibility as a strategic business tool.
- Clearly define goals.
- Query employees about their needs.
- Include middle and top management.
- Describe flexibility as mutually beneficial to both employer and employee.
- Keep staff communication open.
- Recognize and reward success resulting from flexibility policies.

**IR no. ED50**

**Web source:**

<http://www.uschamber.com/NR/rdonlyres/egpmc4x3eghgqmpzpc3fe4w3cmppojujubzciat7zdpwjg6dw t7hfucmhg2fv3j7scidtu44uae7jl64n67iulsdyqc/ICWFlexBook2007.pdf>

## **Federal Legislation**

*Introduction to the Federal Budget Process*, by Martha Coven and Richard Kogan of the Center on Budget and Policy Priorities, December 2007.

Annual federal tax and spending legislation is guided by procedures set forth in the Congressional Budget Act of 1974, the cornerstone of which is the requirement that Congress develop a “budget resolution” each year that limits the federal government’s spending and tax cutting. This overview briefs the federal budget process by explaining:

- What is the President’s annual “budget request?”
- How does Congress develop its “budget resolution?”
- How do the House and Senate enforce the terms of the “budget resolution?”
- What exactly is the special procedure known as “budget reconciliation?”

**IR no. Fed87:**

**Web source:** <http://www.cbpp.org/3-7-03bud.htm>