People of all ages—including high school and college graduates—are finding themselves unprepared for the reality of today's evolving job market. And states are not looking at the full picture – the package you are considering can change that trajectory.

To solve this complex issue, developing policies and programs in isolation must go by the wayside. K-12, postsecondary and workforce systems must align policies, programs and institutions toward shared goals and outcomes. Most importantly, strategies must be informed by comprehensive, connected data from across systems and focused on results.

Thankfully, sound policies can stem the tide and solve the common problems created by a disconnect between education and the workforce when they are grounded in the following fundamental principles:

- *Align with Workforce Needs*: Students have access to clear pathways to mid- and high-wage, in-demand careers.
- *Deliver Quality & Value*: Pathways prepare students for college and careers while offering valuable college credit or industry credentials.
- *Close Equity & Access Gaps*: All students benefit from pathway opportunities, regardless of background, geographic location, or socioeconomic status.

To make this a reality in Pennsylvania, consider the following actions:

1) Set shared goals and metrics for in-demand and higher-wage careers that are used across all agencies and systems;
2) Conduct a return-on-investment (ROI) analysis to see how well current K-12 and postsecondary career and technical education and workforce program offerings align with those goals, whether students who complete each program achieve employment/wage success, and make the data available to prospective students so that they are empowered to make informed decisions about their future; and,
3) Ensure funding systems are prioritized based on those goals-- using aligned outcomes-based formulas across all postsecondary systems, ensuring that the targeted state investments support these goals and prioritize high-value pathways, and aligning targeted student aid programs with those credentials/degrees that lead to the most opportunity in the state.

Shared Goals

We must consider where Pennsylvania is as a state education-to-workforce system, what challenges need to be addressed, and an ideal scenario is after 5, 10, or 15 years – or further into the future. Are business and industry partners engaged in this planning process? Does the state have a common definition of an in-demand career field or a high-wage threshold? Do all agencies and systems have a common goal related to education attainment or labor force participation rate? Or is each department, agency, and system working in isolation?

Though many state agencies and public entities share the same goal—success for their state—their efforts are often disconnected. Working together, agencies can leverage existing programs, resources, relationships, and expertise to ensure alignment of efforts, avoid duplication, reduce costs, and increase return on investment. Strategic coordination will accelerate improvements to education to workforce pathways, benefiting learners and families in the short and long term.

<u>Data-Driven Decisions via an ROI Analysis</u>

As you consider policy solutions, it is critical to ensure all policies are data-driven and attempt to meet identified goals. Conducting a biennial <u>return on investment (ROI) analysis</u> of K-12 and postsecondary pathways will assess whether all learners have access to high-demand, high-skill and high-wage pathways—and will illustrate whether each pathway actually prepares learners for economic self-sufficiency by evaluating longer-term postsecondary credential attainment, employment, and wage outcomes.

A recurring ROI Analysis of CTE/Workforce Offerings allows the state to:
- Determine the alignment of each CTE/workforce offering with employer demand and higher-wage career opportunities;
- Evaluate student participation and outcomes (postsecondary credential attainment, employment, wages, etc.) associated with each CTE/workforce program;
- Understand how well the state's CTE/workforce offerings are delivering on federal, state, and local investments;
- Develop strategies and recommendations to improve the alignment and quality of CTE/workforce programs to increase access and successful outcomes for all students; and
- Inform the public about the availability, quality, and student outcomes of CTE/workforce offerings in their communities.

This type of analysis reflects the connected nature of education-to-workforce pathways as they flow from K-12 into postsecondary programs and careers. An ROI analysis will provide information that will empower stakeholders to make policy and program changes that support ongoing alignment and promote strong learner employment/wage outcomes—ultimately ensuring all Pennsylvanians are prepared for success in the state's most promising careers.

<u>Aligning Programs and Funding to Goals</u>

Once the data is analyzed and shared goals are set, all program and policy decisions can flow from that foundational effort.

As you seek to create new **scholarship programs** and update existing offerings, you should ensure that all prioritized programs lead to higher-wage occupations and careers to ensure the careers can provide for a family-sustaining income. The proposed Build PA Scholarship Grant Program should incentivize individuals to enter programs that lead to in-demand, high-wage careers.

Contact: Ashley DeMauro Mullins
Ashley@ExcelinEd.org | www.ExcelinEdinAction.org
ExcelinEd in Action is a 501(c)4 nonprofit organization.

College acceleration opportunities, like dual enrollment, can set students up for success. But before this can happen, PA needs to thoughtfully advance college acceleration opportunities that prioritize quality, value, equity and access for all students. Acceleration programs need to be accessible to all students and prepare students for later coursework. Additionally, instructors and students must have the capacity to teach and take these courses, and sustainable funding for programs is critical to support access, quality, and capacity.

Dedicated state funding for CTE programs is critical—but is most impactful when the programs are aligned to high-demand, high-skill, and high-wage occupations. Successful states have: 1) state funding streams that grow and sustain CTE programs aligned with high-demand, high-skill, high-wage occupations; 2) recurring funds that remove burdensome costs for K–12 learners, including tuition and/or fees for industry credentials and college acceleration experiences; and 3) incentives that reward districts, schools and teachers for desired learner outcomes, such as attainment of high-value industry credentials or program completion.

As you consider increased investments to support CTE programs, transitioning your existing funding formula to a tiered CTE funding model could help incentivize programs that will lead to in-demand sectors. A tiered system of funding provides higher levels of funding when students enroll in and complete CTE programs aligned with high-skill, high-wage, high-demand (H3) occupations; and lower levels of funding when students participate in less-aligned programs and courses. This approach encourages local education agencies to offer—and promote completion of—CTE programs that provide the most value for students and are best aligned with the state/region's labor market opportunities.

Outcomes-based funding is also critical at the postsecondary level. Enrollment-based funding puts quantity over quality, providing more funding to postsecondary institutions simply based on the number of learners enrolled, not the success of their programs or graduates. This hurts learners and the state economy. Allocating funding based on results, such as job placement of graduates in high-demand, high-skill, high-wage occupations, prioritizes quality over quantity. This results in data-driven programs and institutions building pathways that reflect, and grow, regional and state economies.

To successfully transition to meaningful outcomes-based funding, the policy should include:
- A significant portion of funds distributed based on learner performance and longer-term outcomes.
- Performance metrics that reward progress toward completion, degree/credential attainment, and post-completion outcomes such as employment and wages. While these metrics should be aligned and complementary across institution types, they can be differentiated by degree/credential type (e.g., terminal associate vs. transfer vs. workforce development credential), institutional mission (e.g. dual enrollment metrics for community colleges, research metrics for universities), and additional investments when students earn degrees/credentials aligned with high-skill, high-wage, high-demand occupations, etc.
- Weighted funding that provides additional funds when underrepresented learners meet the outcomes-based funding metrics.
- Clear criteria and consistent metrics with transparent, public data reporting for all institutions and programs.
- A regular review of the outcomes-based formula and metrics to ensure responsiveness to state and regional labor market demands.

Contact: Ashley DeMauro Mullins
Ashley@ExcelinEd.org | www.ExcelinEdinAction.org
ExcelinEd in Action is a 501(c)4 nonprofit organization.

Additionally, outcomes-based funding can be used to encourage cross-agency priorities, such as dual enrollment. This could build on Grow PA's investment in dual enrollment by rewarding postsecondary institutions who help students earn postsecondary credits, degrees, and credentials while in high school.

While Grow PA's proposal to establish outcomes-based funding for state-related universities is a step in the right direction, it may also send mixed messages about the state's postsecondary priorities if it is disconnected from how community colleges and PASSHE institutions generate funding. Including all institutions of higher education would ensure a focus on outcomes for all students from across education systems.

By setting shared education-to-workforce goals, analyzing current investments in K-12 and postsecondary programs, and prioritizing outcomes as a mechanism for postsecondary funding, Pennsylvania can strategically strengthen aligned pathways for individuals, leading to greater economic opportunity for families, communities, and the Commonwealth.