



AN AGENDA FOR THE OBAMA ADMINISTRATION AND THE 111th CONGRESS

TEN WAYS THE FEDERAL GOVERNMENT CAN RESTORE
ECONOMIC VITALITY AND INCREASE COMPETITIVENESS
THROUGH EDUCATION AND SKILL DEVELOPMENT

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JOBS FOR THE FUTURE

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Through research, analysis, action, and advocacy, **JOBS FOR THE FUTURE** develops promising education and labor market models, expands successful models in communities across the country, and shapes the policy environment that enables American families and companies to compete in a global economy.



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EXECUTIVE SUMMARY

The United States must dramatically increase the number of individuals with postsecondary credentials and college-level skills if we are to maintain our economy's vitality. This will require new, cost-effective national investments in innovative approaches to improving K-12 education, postsecondary learning, and adult skill development.

At a time when our country faces unparalleled economic uncertainty and unprecedented competition, investing in education and skill development cannot be put off. Now is the time to invest wisely to promote greater long-term growth and prosperity.

For 25 years, Jobs for the Future has been at the forefront of innovations in education and skill development for low-income and underprepared Americans. We work side by side with practitioners and policymakers in more than 200 communities in more than 40 states and the District of Columbia. This experience informs our efforts to help federal leaders implement policies to help more Americans obtain the education and skills they need to succeed in today's economy.

We present the following ten-point plan to the Obama Administration and the 111th Congress to promote more efficient and cost-effective investment in human capital, particularly for low-skill and low-income youth and adults. Such investments will address two pressing challenges simultaneously: greater equity and stronger economic performance.

Our proposals are grouped according to three areas where the education and skill development pipeline has serious leaks that threaten the future prosperity of our nation's cities, suburbs, and rural areas.

The Obama Administration and the new Congress should:

HELP MORE AT-RISK AND STRUGGLING STUDENTS GRADUATE HIGH SCHOOL READY FOR COLLEGE AND CAREER SUCCESS

- 1 Promote the creation and expansion of effective school models for struggling high school students and dropouts
- 2 Support access to expanded opportunities for college-level work in high school for a wide range of students
- 3 Support early warning systems to reduce dropping out
- 4 Increase the focus on high schools through a combined differentiated accountability and improvement agenda

HELP MORE HIGH SCHOOL GRADUATES COMPLETE A POSTSECONDARY CREDENTIAL

- 5 Support promising and tested pathways to postsecondary success for underprepared high school graduates and GED holders
- 6 Provide support and incentives for more useful student outcome data reporting by postsecondary institutions
- 7 Encourage states and postsecondary institutions to test varied strategies for raising persistence and completion rates for low-income students

HELP MORE WORKERS SUCCEED IN THE LABOR MARKET AND ADVANCE IN THEIR CAREERS

- 8 Increase the flexible use of federal workforce and other funds to help less-skilled adults advance in their careers and address employers' workforce needs
- 9 Strengthen local and regional workforce partnerships and collaborations that target career opportunities in high-growth industries
- 10 Support new pathways to postsecondary education and training for less-skilled working adults so they can advance to better jobs



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TEN WAYS THE FEDERAL GOVERNMENT CAN RESTORE ECONOMIC VITALITY AND INCREASE COMPETITIVENESS THROUGH EDUCATION AND SKILL DEVELOPMENT

POLICY BRIEF

The United States must dramatically increase the number of individuals with postsecondary credentials and college-level skills if we are to maintain our economy's vitality. This will require new, cost-effective national investments in innovative approaches to improving K-12 education, postsecondary learning, and adult skill development.

At a time when our country faces unparalleled economic uncertainty and unprecedented competition, investing in education and skill development cannot be put off. Now is the time to invest wisely to promote greater long-term growth and prosperity.

For 25 years, Jobs for the Future has been at the forefront of innovations in education and skill development for low-income and underprepared Americans. We work side by side with practitioners and policy-makers in more than 200 communities in more than 40 states and the District of Columbia. This experience informs our efforts to help federal leaders implement policies to help more Americans obtain the education and skills they need to succeed in today's economy.

Federal education and skill development efforts should be guided by a few core principles:

The federal government should create incentives for innovative solutions that increase the supply of high quality educational options. We need to increase the supply of quality schools and pathways to success for low-income and low-skill youth and adults, building on the best of what works to help those who are off track earn the credentials and skills they need. Federal investments should spur and support innovation: new school models that lead to college and career

readiness and success; new pathways to college and new strategies for supporting college completion for underprepared individuals; and new civic partnerships that target workforce investments to high-growth industries with good wages and career opportunities.

Investments in innovation and improvement must be coupled with a focus on performance and results. Education and workforce development entrepreneurs have generated significant evidence on models and approaches that deliver results. Long-term improvement depends on a laser-like focus on outcomes and the return on public investment. Federal action can support quality data systems, performance measurement efforts, and accountability systems that target poor performance quickly and accurately and drive investments toward improvement and results.

Postsecondary credentials and skills must be the ultimate goal of education and workforce investments. Increasing Americans' postsecondary knowledge and degree attainment is critical to long-term economic competitiveness. Innovative efforts to improve the pipeline from high school through college, including efforts for working adults, must make postsecondary credentials their ultimate goal, not a GED or high school diploma. This will require support for new pathways to postsecondary success and "on ramps" that help underprepared individuals get back on a path to success.



New skill development partnerships are needed at the local and regional levels.

Schools cannot do it alone, and adult education and training programs that are disconnected from employers and the regional economy fall short. New partnerships that align fragmented and disconnected institutions and interests are critical—partnerships between K-12 and higher education systems, employers and the educational institutions in their region, and different levels of government. The federal government should match state, local, and private investment to create, grow, and sustain local partnerships. Investments should be structured to leverage additional funds and to demonstrate the effectiveness of collaborative approaches.

We present the following ten-point plan to the Obama Administration and the new Congress to promote more efficient and cost-effective investment in human capital, particularly for low-skill and low-income youth and adults. Such investments can address two pressing challenges—equity and economic competitiveness—simultaneously.

Our proposals are grouped according to three areas where the education and skill development pipeline has serious leaks that threaten the future prosperity of our nation’s cities, suburbs, and rural areas.

The Obama Administration and the new Congress should:

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HELP MORE AT-RISK AND STRUGGLING STUDENTS GRADUATE HIGH SCHOOL READY FOR COLLEGE AND CAREER SUCCESS

Far too many U.S. students do not graduate from high school at all, graduate late, or complete high school only to find that they do not have the requisite skills for postsecondary learning and 21st century careers. This is unacceptable—and our nation can no longer afford the high costs of this inefficiency.

The federal government has historically underinvested in high school improvement; yet improving our high schools has proven the most intractable K-12 education challenge. Current efforts to increase standards and to align expectations and assessments between K-12 and higher education will help traditional high schools, as will attention to the supply of quality teachers. But meeting the needs of our increasingly diverse students will require a greatly expanded supply of new schools and pathways that help more young people achieve postsecondary readiness and success.

Federal leaders should act to promote an expanded supply of quality educational options for high-school age youth. They should make sure that schools have efficient and accurate ways to identify struggling students who can benefit from these options. And they should support state efforts to identify and address underperforming high schools that lack the capacity to serve these students effectively.

To help achieve these goals, the Obama Administration and the new Congress should:

1 PROMOTE THE CREATION AND EXPANSION OF EFFECTIVE SCHOOL MODELS FOR STRUGGLING HIGH SCHOOL STUDENTS AND DROPOUTS

There are not enough high-quality schools in this country that serve high school students who are off track for successful graduation or young people who have already left high school without a diploma. Effective practices for accelerating learning and spurring motivation for in-school struggling students are the same as those for dropouts—smaller school and class size, frequent feedback and assessment, a close connection to a caring adult, and a school-wide culture of achievement and commitment to learning.

New back-on-track schools and pathways that incorporate these practices are being created and supported by districts, institutions of higher education, nonprofit organizations, and partnerships of these entities. The federal government can be a powerful catalyst for innovation and improvement by encouraging and creating incentives for the expansion of quality high school options.

The federal government should:

- > Create a 21st Century High Schools Innovation Fund as a competitive federal grant program requiring matching state and local funds. The Innovation Fund would stimulate the development, implementation, and replication of effective, back-on-track high school models for both struggling students and dropouts in districts with high need.
- > Expand the federal Public Charter Schools Program and target a percentage of available funds to the development of high schools with charter-like flexibilities for struggling students and dropouts.
- > Create incentives for states to design and implement new and needed GED-to-college pathways (working with K-12 and community college partners) that combine GED preparation with the development of academic skills essential to success in credit-bearing college courses.

2 SUPPORT ACCESS TO EXPANDED OPPORTUNITIES FOR COLLEGE-LEVEL WORK IN HIGH SCHOOL FOR A WIDE RANGE OF STUDENTS

Perhaps the best signal of college readiness and the best preparation for college success during high school is direct experience with college-level expectations, coursework, and rigor. Research evidence on the power of early college high school models, dual enrollment, Advanced Placement, and International Baccalaureate programs all show that the more college courses one takes in high school, and the more that high school and college are blended into a seamless progression, the better the chances of college success and completion.



The federal government should:

- Create and align incentives in support of state and local investments that make college credit courses more widely available in high school. College options in high school include dual enrollment, Advanced Placement, and International Baccalaureate programs and new school models such as early college high schools (*see the Fast Track to College Act, introduced during the 110th Congress*). The federal government should encourage states and districts to develop a coherent and balanced set of incentives for expansion of these varied accelerated learning options.

3 SUPPORT EARLY WARNING SYSTEMS TO REDUCE DROPPING OUT

Promote efforts by schools, districts, and states to use school-based indicators to identify supports for students in grades 6 through 9 who are likely to drop out without an intervention.

The federal government should:

- Continue to support improvements in state education data systems through the Statewide Longitudinal Data System Grant Program, so that all 50 states establish effective P-16 longitudinal student data systems by 2012.
- Create grants for states to strengthen their ability to collect and track student-level transcript data, so that likely dropouts can be identified more quickly and effectively.

4 INCREASE THE FOCUS ON HIGH SCHOOLS THROUGH A COMBINED DIFFERENTIATED ACCOUNTABILITY AND IMPROVEMENT AGENDA

States and districts need help turning around the subset of high schools with the lowest graduation rates and worst student performance. A differentiated high school improvement and accountability system, which tailors the intensity of school improvement actions to the amount and type of supports necessary to improve student outcomes, is critical to transforming low-performing high schools. The federal government can implement such a system in a reauthorized Elementary and Secondary Education Act. Federal action can guide state and district decisions to shut down high schools that are persistently underperforming across subgroups and to reallocate resources to more effective school options (*see the Graduation Promise Act, introduced during the 110th Congress*).

The federal government should:

- Hold local education agencies and high schools accountable for making adequate yearly progress on a cohort graduation rate by all students and subgroups (*see the Every Student Counts Act, introduced during the 110th Congress*).
- Require districts and their low-performing high schools to identify students not on track to graduate on time; and implement evidence-based credit recovery and acceleration practices and new back-on-track models tailored to their academic needs.
- Ensure that when the worst performing high schools are closed down, federal funds can be reallocated to finance new schools and pathways to serve students who are not on track to graduate.



HELP MORE HIGH SCHOOL GRADUATES COMPLETE A POSTSECONDARY CREDENTIAL

Two years of college and a recognized credential are becoming the prerequisite for a family-supporting income. College-going is up, but college completion is not. Since the beginning of the 1990s, college enrollment by 18- and 19-year-olds has risen about 4 percentage points, but completion rates have been flat. Our national leaders must ensure that college success joins college access as a top federal priority, particularly for low-income students who are disproportionately underprepared for college-level work.

To help achieve these goals, the Obama Administration and the 111th Congress should:

5 SUPPORT PROMISING AND TESTED PATHWAYS TO POSTSECONDARY SUCCESS FOR UNDERPREPARED HIGH SCHOOL GRADUATES AND GED HOLDERS

Many high school graduates and GED recipients are unprepared for college success; and family and financial challenges make it hard for many to persist in college long enough to earn a credential. Our education system provides few quality learning options designed to meet the needs of this critically important and large group of young people. Some social entrepreneurs, along with innovators in community colleges and proprietary schools, are addressing this gap by working closely with employers in high-demand sectors to create new, transparent career pathways for young people. One impressive model, Boston-based Year Up, which operates in six cities, helps young adults obtain career-track employment with advancement opportunities through a year-long, intensive postsecondary program. These “CareerFirst” programs, as some have labeled them, combine developmental education, foundational academic skills, technical/professional training, postsecondary credits, and a paid apprenticeship.

To help expand efforts to serve this important population segment, the federal government should:

- > Create a national fund to stimulate public/private investment to scale the work of social entrepreneurs, community colleges, and proprietary schools to implement and replicate more of these intensive, accelerated career-focused pathways.

6 PROVIDE SUPPORT AND INCENTIVES FOR MORE USEFUL STUDENT OUTCOME DATA REPORTING BY POSTSECONDARY INSTITUTIONS

Until colleges and high schools know more about how different groups of students perform, they cannot target improvement strategies effectively. Do students enter college ready to do college-level work? If they start in developmental education courses, do they succeed in first-level college math and English courses? If they start as part-time students, how likely are they to earn a degree? How long does it take to complete their degree program? What kind of jobs do they get? The federal government can help make student progress more transparent through postsecondary institutions’ federal reporting requirements. This is particularly important for community colleges, which have been hampered by reporting requirements more appropriate for four-year institutions.

The federal government should:

- > Continue to fund grant programs to help all states create a longitudinal P-16 data system for use by K-12 and higher education institutions and systems.
- > Extend the timeframe for tracking community college student outcomes required in IPEDS reporting from three to six years, include students who enter as part-time students, disaggregate students by age at initial enrollment, and include transfer students as successful exits. These changes will provide a fuller, more accurate picture of how community college students perform.



7 ENCOURAGE STATES AND POSTSECONDARY INSTITUTIONS TO TEST VARIED STRATEGIES FOR RAISING PERSISTENCE AND COMPLETION RATES FOR LOW-INCOME STUDENTS

States and postsecondary institutions are experimenting with diverse approaches to improving student success, particularly for first-generation and low-income students who tend to be less college-ready. State strategies include requiring student success courses for underprepared incoming students, restructuring financial aid, and implementing technology-rich and high-support instructional strategies for developmental education and first-level general education courses. Institutions, too, are testing new ways to help improve student outcomes in the all-important first and second years. The federal government can help accelerate these efforts by providing incentives to institutions to help more low-income students not only gain access to college, but also complete their studies.

To promote and test innovative ideas, the federal government should:

- > Provide incentives to states through an Innovation Partnership grant program that matches state dollars to encourage innovations that support student success, with particular attention to the first two years of college. This competitive, multi-year grant process would require interested states to track performance and outcomes, provide a dollar-for-dollar funding match, engage key stakeholders, and manage against clear annual progress goals for improved persistence and completion, particularly for low- and moderate-income students.
- > Reward colleges and universities with incentive grants whose size is tied proportionally to the institution's success in helping Pell-eligible students progress beyond the first year, with the funding to be used as the college sees fit to promote student success—as recommended by the Rethinking Student Aid Study Group.



HELP MORE WORKERS SUCCEED IN THE LABOR MARKET AND ADVANCE IN THEIR CAREERS

In this era of rapidly evolving education and skill demands and increasingly volatile economic conditions, the nation's workforce system must be more flexible, agile, and closely aligned with other education, employment, and support systems. To serve the needs of 21st Century workers, employers, and regions, the U.S. will require a reorientation away from restrictive funding that narrowly targets specific populations and favors rapid attachment to employment over career advancement. This will require more flexible and strategic approaches to supporting local workforce partnerships that serve regional economic priorities. It will also require a greater emphasis on the importance of postsecondary credentials for working adults and for the economic vitality of their employers and region.

The Obama Administration and the new Congress should:

8 INCREASE THE FLEXIBLE USE OF FEDERAL WORKFORCE AND OTHER FUNDS TO HELP LESS-SKILLED ADULTS ADVANCE IN THEIR CAREERS AND ADDRESS EMPLOYERS' WORKFORCE NEEDS

Federal workforce investments, across adult education, workforce training, and postsecondary education, have historically been too fragmentary and uncoordinated. And they have not been sufficiently guided by the priority of regional economic vitality and opportunity. The federal government can make great strides in reorienting its workforce investments to be more flexible and have higher impact for both underprepared adults and for the employers who rely on their skills and productivity.

To improve the outcomes of its workforce investments, the federal government should:

- > Maximize flexibility in workforce investments by funding for outcomes rather than funding targeted populations and allowing workforce leaders to create customized workforce solutions to meet regional needs.
- > Promote more coherent training and career pathways by creating stronger incentives for federal, state, and local workforce efforts to integrate programs and funding streams across multiple agencies.
- > Establish goals and performance measures that support and reward longer-term interventions that lead to career advancement rather than immediate job placement.

9 STRENGTHEN LOCAL AND REGIONAL WORKFORCE PARTNERSHIPS AND COLLABORATIONS THAT TARGET CAREER OPPORTUNITIES IN HIGH-GROWTH INDUSTRIES

The workforce challenges America faces are too large, complex, and immediate for one entity to solve alone. Across the country, local public/private funding collaboratives are emerging to transform the way adult education, workforce training, and postsecondary education systems function for underprepared adults and their employers. These innovative regional efforts are based on a set of core principles: a focus on regional economic dynamics and needs in high-growth sectors; vibrant civic partnerships to target investments; new labor market institutions that help educational institutions, employers, and other key interests and resources align programs, priorities, and investments; and promotion of career advancement and mobility for lower-skilled adults.



To help local communities better meet worker and employer skill needs, the federal government should:

- > Create incentives for federal and state workforce systems to organize their efforts around high-priority industry sectors, where appropriate, and to coordinate with regional economic development investments and strategies.
- > Building on the philanthropically driven National Fund for Workforce Solutions model, strengthen regional workforce partnerships by providing federal matching grants to collaboratives of civic leaders. These “challenge grants” would support alignment and integration of public and private resources under a shared strategic vision focused on career advancement and regional prosperity.

10 SUPPORT NEW PATHWAYS TO POSTSECONDARY EDUCATION AND TRAINING FOR LESS-SKILLED WORKING ADULTS SO THEY CAN ADVANCE TO BETTER JOBS

Many working adults need access to postsecondary programs that meet their particular needs and constraints if they are to get to and through college credential programs that can significantly increase their skills and earning power.

To help more underprepared working adults advance in their careers through postsecondary learning and credentials, the federal government should:

- > Reorient the mission of the federal adult education program toward moving students into workforce training and postsecondary education.
- > Strengthen incentives in WIA to promote access to and completion of postsecondary credentials by lower-skilled adults and to support the creation of more adult-friendly program offerings (e.g., accelerated or modularized programs).
- > Sustain and expand the Community-Based Job Training grant program that builds the capacity of community colleges to prepare individuals for high-demand occupations.
- > Fund adult worker-friendly provisions of the recently reauthorized Higher Education Opportunity Act, including: Student Success Grants for support services and coaches; Performance-Based Scholarships for non-traditional students; Business Workforce Partnerships to provide “venture capital” for new occupational credential programs; and Bridges from Jobs to Careers for innovative remedial education.
- > Expand or create new student aid programs tailored to low-income working adults and expand the Hope and Lifetime Learning Tax Credits to reach more working adults.