

# Key Recommendation: Improve Education and Workforce Development DRAFT – 5/18/10

## Overview

For our region to prosper economically and sustain a high quality of life, it needs an educated, skilled labor force. Researchers, business leaders, and elected officials agree that the quality of our workforce is one of the most important factors – if not *the* most important – in strengthening the region’s economy. A skilled labor force does not develop on its own; investments in education and workforce development are needed. Therefore, *GO TO 2040* recommends that the region’s education and workforce development systems be improved to create a high-quality labor force for our future.

However, there are significant challenges to achieving this goal. Not just in the region but across the U.S., student achievement has been declining compared to other industrialized nations. Access to high-quality educational opportunities is quite inequitable, with dramatic differences in achievement across racial, ethnic, and economic lines. The workforce development system -- which is meant to provide people with skills they need to succeed in the workplace -- is complex, with a variety of programs, initiatives, and funding sources. Because of the number of players, coordination and communication both between the education and the workforce development systems is limited, and the actual needs of employers and workers are often not fully reflected. As the rate of economic and technological change increases, individuals increasingly need to learn new skills and be retrained multiple times, meaning that effective, adaptable, and coordinated systems for education and workforce development are increasingly important.

To improve the quality of the region’s labor force, *GO TO 2040* makes recommendations in the following areas:

- Coordination of education, workforce development, and economic development, with a strengthened role for community colleges. Coordination between these systems is difficult due to the large number of organizations active in each of these fields, but is necessary to create the efficient and adaptable systems that we need.
- Available information and data in the education and workforce development fields. Tracking progress, assessing program effectiveness, and planning for future needs require better data sources than are currently available.
- Delivery of workforce development services. Inflexible funding programs pose a particular barrier to improving workforce development systems; more flexible service delivery is needed.

- Education quality, access, and coherence. The plan does not make specific policy recommendations in this area, but supports efforts by state, local, and other groups that seek to improve the region's education system.

The focus of these recommendations is on improving the region's workforce. That is clearly not the only purpose of education, which also is meant to provide for social, civic, and personal development. The education system must not be viewed solely as a means of preparing individuals for the workforce. Therefore, while workforce readiness is the focus of *GO TO 2040's* approach to education, it is important to recognize there are numerous other important purposes of the education system that are not fully addressed in this recommendation area.

## **Benefits of Improved Education and Workforce Development**

The importance of education to our region's future is universally recognized. Education quality is among the top issues that people in our region, from members of the public to business leaders to elected officials, believe will drive our future economy and overall quality of life. Participants in CMAP's *GO TO 2040* "Invent the Future" workshops during summer 2009 consistently discussed the need for a strong economy that provides good jobs for all residents, and emphasized the need for better educational opportunities to reach this goal. Although the important role of workforce development is generally less recognized by the general public, it is also a central component of having a skilled, well-trained workforce, which is a precondition of a prosperous region. The benefits of quality education and workforce systems – including but not limited to their economic impacts – are described in the following pages.

### ***Economy***

For our region to maintain its place as an important player in the global economy, it must successfully compete with other major metropolitan areas, both nationally and internationally, to retain and attract businesses. Both businesses and people are increasingly mobile, easily able to move to desirable regions or leave undesirable ones, so there is a continual need to improve the region's global standing.

The quality of the labor force is probably the single most important factor driving future economic prosperity, according to academic research, surveys of businesses, and anecdotal evidence from economic development experts.<sup>1</sup> Academics and business leaders alike increasingly stress "human capital" – or the knowledge and skills of the labor force – as the primary driver of today's economy.<sup>2</sup> While workforce quality has always been an important component of economic success, there is evidence that this is increasing, as economic growth occurs in industries that require more knowledge and skills. A review of recent academic studies that examined the causes of economic growth found that educational levels were the most consistent predictor of future regional growth.<sup>3</sup> In other words, having an educated,

skilled workforce is more important than any other factor in creating economic prosperity.

This academic evidence is echoed by regional business leaders and the economic development community. Businesses of all types consistently rate the quality and availability of a diverse and talented workforce as one of the most important factors influencing their location decisions and ability to succeed. In an April 2009 survey conducted by the Illinois Chamber of Commerce, the availability of skilled and educated employees was one of the most important factors in site selection decisions. A 2008 survey by ComEd of businesses in northern Illinois generated similar results; respondents agreed that it was critically important but had mixed opinions as to whether the quality of the region's labor force was a strength or a weakness. This result indicates that the seven counties of metropolitan Chicago have some economic sectors where the labor force is meeting the needs of businesses, but more where it needs improvement.

The region is in constant competition with other metropolitan areas to attract both businesses and skilled workers. Regions that lack a strong labor force will have difficulty competing, because for most industries, labor force quality has become more important than physical assets or location.<sup>4</sup> Skilled and educated workers drive the productivity of today's economy and the decisions of businesses, making them the most valuable assets that a metropolitan area can have.<sup>5</sup>

An important consideration, but one that goes beyond the scope of this recommendation, is retaining skilled workers in the region after they graduate or receive training. Beyond developing highly skilled workers, the region also needs abundant economic opportunities and a high quality of life to keep them here or to attract skilled workers from other regions. In other words, developing a skilled workforce through education and workforce improvements is not by itself sufficient but is a primary component of prosperity.

In contrast, failure to improve education and workforce systems will have serious negative economic consequences. Lower levels of educational attainment correspond to lower workplace skills, with long-term consequences for individual earning power and the region's economic vitality. From an economic perspective, low educational performance can make some residents an economic liability to the region and its communities, rather than an asset; for example, incarceration rates of high school dropouts are double the rates of graduates.

### ***Quality of Life***

While the economic benefits of improving our labor force are clear, there are other quality-of-life benefits as well. Education is essential for an overall healthy society, and high levels of education are correlated with increased civic participation and health status, lower risk of incarceration, and improvements in most other measures of personal well-being. Educational attainment prepares residents to be positive participants in society, not just employees.

Therefore, while the economic impacts of education are critical and improved coordination between educational institutions and employers is needed, education should not be equated with vocational training only. It should also foster personal growth, social development, an appreciation for the arts, and other desirable outcomes. According to the “Education for the Future of Northeast Illinois” report:

*Preparing students for employment should not be the sole purpose of education, however. Although it is impossible to predict the relative proportion of information-intensive jobs vs. low-skill, service-sector jobs in the coming decades, or even whether there will be sufficient work to sustain a standard 40-hour work week, the workplace cannot be the sole or even the primary determinant of educational policy and curriculum in K-12 schools. As the nature of work changes and reduces the skill level required for some jobs, it may be tempting to “dumb down” the public school curriculum for lower-performing students to match the needs of the low-skill workplace, as historians tell us occurred a century ago. This temptation must be resisted on ethical and democratic grounds, as each student deserves to be educated to his or her fullest potential. It would likely be bad economic policy as well. Even in the service sector, inadequate levels of literacy and poor analytic and problem-solving skills are costly to employers.<sup>6</sup>*

This is not an argument against better coordination across educational institutions and workforce training programs; it is a reminder that quality education has many benefits beyond economic growth.

## **Current Conditions**

Although this recommendation addresses both education and workforce development, these two different systems exist in separate worlds. There are obvious logical intersections between them, but in practice, communication and coordination is limited and often inefficient. In the next several pages, current conditions within the region’s education system will be presented, followed by current conditions with the workforce development system. In conclusion, areas of current and potential coordination between education and workforce systems will be presented, as well as a discussion of why this coordination is so important in the changing economy.

### ***Current Conditions: Education<sup>7</sup>***

The education system is not a single, unitary system, but a variety of institutions and organizations, each with their own decision-making processes and funding structures. At the K-12 level, the region contains 287 public school districts (slightly higher than its number of municipalities) and over 2,000 public schools, not to mention a wide variety of private schools. The administration of early childhood education, which occurs before entry into the K-12 system, is quite complex; it is funded through federal, state, and local sources, and different elements of it are governed by the federal government and various state agencies (including the Illinois Department of Human Services [IDHS] and the Illinois State Board of Education [ISBE]).

Public universities and community colleges and private colleges and universities are also part of the mix; because community colleges are of particular interest to *GO TO 2040* due to their links with workforce development training, they will be covered in greater detail later in this section. With so many decision makers, coordinating reforms or changes to the education system is far from a simple task.

Funding of education is a critical issue, and there are significant concerns about both the overall level of funding and its distribution. In Illinois, public education at the K-12 level is funded through a combination of state and local funds. The primary funding source is the local property tax, which Illinois relies upon more heavily to fund education than most other states do; only Nevada relies on it more. For school districts where reliance on property tax would result in per-pupil-expenditures that are below a certain “foundation” level (\$6,119 per student), the state contributes funding to meet this foundation. Through this system, all school districts in the state are guaranteed at least a certain level of per-pupil-expenditures, but school districts with higher property tax receipts can exceed this level. The adequacy of the foundation funding level to provide a high-quality education remains a matter of debate. In contrast to K-12 funding, which tends to be publicly supported, higher education is for the most part individually financed. The State of Illinois Monetary Award Program (MAP) provides aid to lower-income college students and is one the nation’s largest and most successful programs of its kind. Despite this, the ever-increasing costs of higher education have made college inaccessible to many.

There is broad agreement that the quality of education in our region -- as measured through student achievement and overall educational attainment -- is lacking and in many cases getting worse. As a nation, the U.S. lags behind other industrialized nations in standardized test scores as well as high school and college graduation rates, and Illinois fares even worse than the national average in meeting basic achievement standards. This has occurred even though instruction has often focused on improving achievement test scores, to the neglect of broader educational goals.

The quality of education also varies tremendously between schools. Despite the negative trends and overall performance cited above, many schools in the region provide excellent educational opportunities. But there are serious, systematic inequities in access to education and in educational achievement and attainment by income and race and ethnicity. Educational outcomes at all levels of the education system are considerably lower for African Americans and Latinos than for other racial and ethnic groups. In 2004-2005, the high school graduation rate for African Americans in Illinois was 44 percent, compared to 83 percent for whites.<sup>8</sup> College attendance and graduation is also correlated with race and ethnicity; in 2000, only 12 percent of African Americans and 8 percent of Latinos in Illinois had college degrees, compared to a 34-percent statewide average. By 2040, African Americans and Latinos are expected to make up a much larger share of the region’s workforce than today. The negative effects of poor education outcomes often persist throughout a person’s life, so low educational attainment

leads to lower workplace skills and income levels -- and the disparities noted above will have ever-increasing economic impacts on the region as a whole.

### ***Current Conditions: Workforce Development<sup>9</sup>***

*GO TO 2040* broadly defines “workforce development” as services that provide people with skills they need to succeed in the workplace and advance their careers. The most identifiable workforce development program is the federal Workforce Investment Act (WIA), but it provides only a fraction of public funds for workforce development (about 16 percent of public workforce funding in Chicago). Nine federal agencies administer 20 programs related to economic development which often include training components, and six federal agencies administer 15 programs related to workforce development.<sup>10</sup> Funding flows through ten state departments, and local governments and philanthropy add to the myriad of workforce development programs and services.

The role of the private sector is also substantial. Workforce development is highly related to and partially funded by other systems, such as economic development, education, and human services, which often have goals and policies related to workforce. However, this has resulted in a fragmented approach to improving the region’s labor force, in which institutions and programs often operate independently of each other despite sharing similar goals. A variety of services and programs are needed to serve the diverse regional labor market, of which a quarter has only a high school degree and an additional 15 percent has less than a high school degree. Despite the range of workforce development programs offered, access to training by low skilled adults continues to be limited. Overall, the workforce development “system” -- which is really a dispersed network of organizations that provide training and other types of services -- has an extremely important role to play in making our region economically strong, but is not currently meeting its potential.

The core workforce development program, WIA, receives funding from the federal government, which is passed through the Illinois Department of Commerce and Economic Opportunity (DCEO) to local Workforce Investment Boards, which are tasked with administering this funding for workforce development purposes. There are eight of these boards in the region, organized primarily by County, and made up of representatives from education, community based organizations, human service agencies, the business community, and others. Service delivery generally takes place at workNet Centers (as they are called in Illinois) -- local one-stop centers for all types of workforce training needs – or at community-based providers or affiliates. At the 60 service delivery locations in our region, most provide general services but two (in Chicago) are focused on specific industries.

Public investment in workforce training also occurs outside of traditional workforce development systems. Having long recognized the importance of a skilled labor force, economic development organizations often sponsor programs to help employers pay for training; the Employer Training Incentive Program, administered through DCEO, is an example

of this. Workforce training has become increasingly important to human service organizations, as federal public assistance programs are oriented toward workforce participation by recipients. Private and nonprofit organizations also play a significant role in workforce development systems, sometimes acting as contractors for publicly-funded workforce services.

It should be noted that most workforce development is not publicly funded at all. Beyond traditional education systems, most training occurs through employers and is funded entirely by the employer or the individual; this includes professional development activities, for example. Generally, low-income workers are more likely to use publicly funded systems for their workforce training needs, while higher-income workers either pursue this individually or through their employer.

To summarize, the region's network of workforce development services is extremely complex, reflecting the diversity of the groups interested in improving the region's labor force and the funding streams available for workforce training. This complexity presents a challenge to the efficiency and effectiveness of the workforce development system. Because so many public and private entities operate workforce development programs, service delivery is at best complicated and in some cases duplicative. These problems are exacerbated by limited coordination between the many different workforce programs, each of which operates within its own "silo" of funding and decision making. Job seekers and businesses often have difficulty navigating the maze of systems and programs; due to the variety of organizations offering assistance, there is no comprehensive source of clear, up-to-date information for job seekers and businesses. The same lack of coordinated data and information can be equally problematic for the service providers themselves, as they try to design effective and non-duplicative programs.

A particular challenge in the workforce development field is the lack of flexibility in many public funding streams. The federal WIA program requires that "universal services," such as basic work-readiness and job-search skills, must be provided before direct training can occur.<sup>11</sup> This requirement has reduced the amount of actual training -- arguably the core function of workforce development -- that programs funded through WIA can offer. At the same time, these programs have needed to serve more people due to workforce-focused requirements of public assistance programs, which have increased demands on the workforce development system without accompanying funding increases or policy guidance. In fact, the focus of public assistance (placing recipients in jobs) sometimes is contradictory to workforce development efforts, as recipients are encouraged to take any job they can find, rather than developing their skills for more productive employment later. These federal requirements have limited the ability of publicly funded workforce development efforts to adapt to changing conditions and needs. To add to these challenges, public workforce funds are often geographically specific to political jurisdictions. This does not align with the reality that economies are regional in scale, meaning that workers and jobs are quite mobile and frequently cross jurisdictional boundaries.

## ***Coordination Between Education and Workforce Development***

Though there are significant challenges within education and workforce development, one of the most difficult issues involves transitions between systems -- for example, going from an early childhood education program into kindergarten, or from a low-skilled job to a workforce training program and then on to a higher-skilled job.. In the education system, students need considerable support during points of transition. If institutions are not ready to provide this -- and often they are not, due to incomplete coordination across education levels -- it can begin a downward spiral of student performance and ultimately lead to lower educational attainment. An even greater challenge is moving from the education system or workforce training programs to employment. There are mismatches between the skills that employers need and the focus of education and training programs. Ironically, this is particularly true in fast-growing industries, because education and workforce development programs do not adapt quickly enough to changing business needs.

The importance of having an advanced degree (beyond a high school diploma) to succeed in the labor market has increased for decades, and this is expected to continue.<sup>12</sup> However, a recent analysis of the Illinois economy showed that nearly half of the jobs in the state were at a skill level between some post-secondary education and a four-year college degree.<sup>13</sup> In other words, “middle skill” jobs -- that require more than a high school degree, but not as much as a four-year college degree -- make up the majority of the jobs in the state’s economy, and this is expected to continue. There are actually labor shortages in this skill range, particularly in critical industries such as health care and freight. This further emphasizes the importance of institutions like community colleges and accredited occupational training institutions, which are well-placed to provide specialized workforce training at this level.

Improving coordination between education, workforce development, and the needs of employers is critical in our constantly changing economy. As technological changes continue to accelerate, workers are likely to hold multiple jobs and need to learn new skills multiple times over their careers. It is simply not possible to predict which specific workplace skills will be most desirable in 2040. Therefore, in the long term, our education and workforce systems need to be flexible enough to constantly adapt to the changing skills needed by businesses and the changing demographic characteristics of the labor market.

## **Indicators and Targets**

This section needs to be developed using agreed-upon indicators. Suggested options:

- High school graduation rate
- Overall educational attainment
- Poverty rate / average wages or income

## Recommendations

*GO TO 2040* recognizes that improving education and workforce development systems is absolutely necessary for our region's future, and this is a high priority of the plan. The plan's recommendations approach education and workforce development from a primarily economic perspective, and therefore their focus is improving the quality of the region's labor force. *GO TO 2040* makes recommendations for improvements in four major areas: coordination between education, workforce, and economic development; availability of information and data to guide both education and workforce development decisions; delivery of workforce development services through increased funding flexibility and other means; and education quality, access, and cohesion. It does not provide detailed education policy recommendations, but focuses on strengthening coordination between education and other systems, and supporting the work of other organizations as they seek to improve our region's education system.

More detailed recommendations are contained in the source reports on education and workforce development, developed for *GO TO 2040* with funding from the Chicago Community Trust. These are available at <http://www.goto2040.org/education/> and <http://www.goto2040.org/workforce/>.

### ***Improve Coordination of Education, Workforce Development, and Economic Development***

One of the most difficult challenges in improving the quality of our labor force is aligning education and workforce training programs with the needs of employers. The importance of strengthening the connections between these systems is clear: the education and workforce development systems have central roles in creating a skilled labor force, but cross-system coordination between these players is limited and not well aligned with employer needs. Solving this will require proactive efforts to improve communication by educational institutions, workforce training providers, and representatives of the economic development and business community.

A first step in addressing this challenge is analyzing the degree to which coordination occurs now. Performing this analysis for the entire economy is impossibly complex, due to the thousands of organizations involved. Therefore, *GO TO 2040* recommends focusing on a few key economic sectors and drilling down in detail to understand current conditions. To start with, the sectors of focus should be the freight/logistics and energy industries, because these are growth industries within the region, have a rather high level of public sector involvement, are related to other *GO TO 2040* priorities, and are the subject of ongoing coordination work by CMAP and its partners.<sup>14</sup> The assessment should include identifying and convening existing economic development, education, and workforce leaders who are active in each sector, determining areas of duplication or gaps, and producing an "assessment report" that describes current practices and recommends steps to improve coordination. The assessment report

should be used as a baseline for further work, including setting common goals among the economic development, education, and workforce organizations involved in each industry, establishing ongoing mechanisms for communication between them, and beginning to implement the assessment report's recommendations. While CMAP should assist in the preparation of the assessment report and can serve as the official convener of the effort, it should be led by an agency with workforce development expertise.

A number of successful regional examples can serve as best practices to guide efforts to improve coordination within specific industries. For example, the Chicago LEADS (Leading Economic Advancement, Development, and Stability) program was formed in 2007 to improve the performance of workforce development programs in the city and better match them to employer needs, having shown positive results already in sectors such as health care, transportation and logistics, and hospitality; this program has now been transitioned into the work of the Chicago Workforce Investment Council (CWIC).

Another example is the Shifting Gears initiative, led by the state's community colleges, which developed "bridge" programs that combine basic education and occupational training, allowing participants to acquire both post-secondary education and specific, short-term credentials that help them with finding employment immediately. And finally, in the state's Critical Skills Shortage Initiative led by DCEO, health care employers worked with workforce and education stakeholders to identify their most pressing employment needs and develop strategies to fill them. These efforts combined public and private funding, with significant support from philanthropic organizations, and they serve as models for future cross-system coordination work and opportunities to apply lessons learned to future projects.

*GO TO 2040* supports a stronger role for community colleges (which include the City Colleges of Chicago) as a critical link between the education and workforce development systems. These institutions are well-positioned to effectively link education, workforce development, and employers. There are 20 community colleges in the region, many of which have multiple branch campuses, meaning that they are widely accessible. These institutions offer degree programs, along with specialized occupational training and adult education that include basic math and reading, English as a second language, and high school completion programs. Many community colleges collaborate with nearby employers, non-profits, or public agencies to support programs focused on particular industries or businesses; these are positive initiatives that should continue and expand. *GO TO 2040* does not recommend significant changes to the structure or function of community colleges, but they should assert their role as a critical link in preparing our workforce, and actively engage the business community in designing programs. Increasing coordination between community colleges with the region would help with this and should be pursued.

Both within and beyond community colleges, "career pathways" are recognized as useful workforce development tools. Career pathways lay out long-term programs of education and training that prepare students for future employment and advancement in a certain industry or

combination of industries, or occupation. These should be developed in partnership with representatives from the selected industry, to ensure that the pathways accurately show which skills are needed by employers. There has been considerable work already completed to determine and map out career pathways; the state's community colleges have done this for a variety of industries.<sup>15</sup> Due to the variety of organizations involved in workforce development, however, the components of these career pathways analyses are dispersed, resulting in gaps and the potential for duplication of effort. These disparate career-pathway analyses should be compiled to identify areas of duplication, overlap, and gaps. Publishing the results online, continually updating them, and making them widely available to workforce development organizations, education institutions, and economic development agencies would help to avoid future duplication of effort. Most importantly, making this information broadly available would help workers to advance their careers and employers to have access to the skilled labor they need. This activity would be most effectively undertaken by a regional non-profit organization with expertise in workforce development, with funding from interested philanthropic groups.

### ***Information and Data***

Education and workforce development experts agree that better information and data are necessary to improve the performance of both of these systems. Tracking our progress, assessing the impact of programs, and planning for future needs all rely on robust, comprehensive sources of data. Unfortunately, complete sets of such data are not currently available. In addition, available data from the variety of local, state, and federal programs as well as other sources are not fully utilized due to lack of integration and analysis. In partnership with the Chicago Community Trust, CMAP will launch the Regional Indicators project website, which will track the region's progress in implementing the principles of *GO TO 2040*. This is a necessary step, but further work is needed to completely fill the need for better data in both the education and workforce fields.

The Illinois State Board of Education (ISBE) is currently developing a longitudinal data resource, the Student Information System, which will track education information over time. When fully developed, the system could track student performance as they progress through the system, from entering state-funded preschool programs to finishing high school. Beyond tracking academic performance, it is hoped that the system can also compile data that can be used to assess physical health, social development, and participation in the arts. This type of robust data is critical because it allows researchers to assess the performance of pilot programs, for example, or to identify transition points that negatively affect student performance. *GO TO 2040* supports the state's efforts, and further encourages ISBE to coordinate with early childhood, higher education, and workforce training providers to expand the Student Information System beyond preschool and K-12 education.

A particular need for improved data exists for early childhood education. Considerable scientific research has shown that early childhood learning improves educational outcomes, and

this research has been effectively used by advocates to make Illinois a leader in offering early childhood education. But more data and information on the effectiveness of early childhood education programs is necessary to ensure that they are increasing school readiness. A critical transition point in the education system occurs when students first enter kindergarten; not being prepared for kindergarten can limit student performance for the rest of their educational careers. Measuring school readiness can help to ensure that students are prepared to succeed, and many states -- but not Illinois -- use kindergarten readiness assessments to monitor trends and improve educational outcomes. The state should create an early childhood education data system, linked with the Student Information System described above, for this purpose.

Better data and information are also needed in the workforce development system. The Regional Indicators project should be used as the initial basis for improved data provision. It should collect and warehouse existing relevant data, and should continually be improved through input from educational institutions, workforce development providers, and economic development groups. More than just raw data, there is also a need for data to be analyzed and translated into information that guides decision making and communicates labor market and industry trends. This goes beyond the function of the Regional Indicators project and would require leadership and dedicated staffing, but it could be accomplished in the near term with moderate investment.

In the longer term, the region should investigate possibly expanding the City of Chicago's CWICstats program. This program tracks individual participants as they use services through public agencies, including Chicago Public Schools, the City Colleges, and various City departments. In addition, the new system aims to measure impact by tracking program participants' wage earnings. In general, as individuals enter and leave education, workforce, and employment systems, their history is not tracked, meaning that each new system starts with no information about the individual. For example, a person may drop out of high school, work for a period before earning a GED, receive public assistance while taking classes at a community college, and receive training through a WIA-funded program; currently there is no communication between the public agencies involved in this sequence. This data can be used not only to improve service delivery, but also to determine what types of services are in greatest demand, and allow robust analysis of different types of programs. Expanding this program across jurisdictions faces many barriers -- not the least of which are privacy concerns -- but it also has promise to improve the workforce development system considerably. *GO TO 2040* recommends that the regional implementation of a program like CWICstats be scoped by identifying obstacles, determining data management needs, and estimating approximate costs. CWICstat leaders are well-positioned to lead this scoping, which could be supported by philanthropic resources.

### ***Improve Workforce Development Service Delivery***

In general, *GO TO 2040* recommends that the workforce development system play a stronger role in meeting the region's labor force needs. The recommendations described above --

improving coordination with education systems and the needs of employers, and improving data and information -- would go a long way toward improving its performance. Beyond these, increasing the flexibility of workforce development funding sources, strengthening community-focused delivery of workforce training, and increasing regional coordination would also strengthen the workforce development system. Further details on all of these recommendations can be found in the workforce development report prepared for CMAP by the Chicago Jobs Council, with funding support from the Chicago Community Trust.<sup>16</sup>

A critical barrier to improving workforce training programs is inflexible public funding. Federal WIA programs have requirements that limit flexibility in service delivery. During the upcoming reauthorization of WIA, the federal government should loosen the restrictions on using these funds, allowing workforce boards to be more adaptive and effective in their design of programs. Other public funding sources that can be used for workforce training, like Community Development Block Grants (CDBGs), have considerably fewer requirements, and increasing their use should be explored; other state-funded programs have varying degrees of flexibility. A region-wide documentation of existing public funding streams is a necessary starting point to address this issue, and to make it possible to make informed recommendations for changes; the Chicago Jobs Council should take on this project, with funding support from philanthropic organizations or public sources like DCEO.

It should be noted that *GO TO 2040* does not recommend dramatic changes to the structure of workforce development programs, nor the establishment of a regional entity that would add another layer of administration to the system. The current structure has challenges associated with it, but these can be overcome through better coordination and shared information. In addition, the structure of the current system does have strengths; for example, a community-focused, decentralized system with multiple funding sources can often respond to new opportunities or challenges more quickly than a centralized and entirely publicly-funded system. In fact, workforce training by community-based organizations, often offered in conjunction with other services, can be very effective. *GO TO 2040* recommends that community-focused workforce efforts should continue, but that duplication should be avoided through regional coordination.

### ***Improve Education Quality, Access, and Coherence***

The above recommendations have focused mostly on workforce development, rather than education. This is not because reform of our education system is unimportant; it is critical to our region's future. The approach of *GO TO 2040* is to highlight the extreme importance of this issue, and support the work of other organizations that are trying to solve the difficult and intransigent challenges of improving our region's education system.

The "Education for the Future in Northeast Illinois" report, prepared for CMAP by a coalition of education groups and funded by the Chicago Community Trust, lays out a framework for improving the region's education system. An overarching recommendation is to support a "P-

20” approach – which goes beyond K-12 to include early childhood and post-secondary education – to comprehensively improve education. The recent establishment of a statewide P-20 Council, which is tasked with integrating education policy and smoothing transitions between levels of education, is a necessary and useful first step, and *GO TO 2040* supports the work of this group.

Beyond taking a comprehensive, P-20 approach, the region should address three major challenges to improve education:

- Raise the *quality of education* in the region. Education quality relies heavily on quality of educators, so professional preparation of teachers and principals should be a focus.
- Strengthen *equitable access* to high quality education and ensure all students’ readiness for success. Students from lower-income families simply do not have adequate access educational opportunities; addressing public school funding and the rising cost of higher education is necessary to solve this problem.
- Create greater *coherence and collaboration* within and across levels of education. Improving data systems and strengthening transitions between levels of education, and beyond that to the workforce, should be pursued.<sup>17</sup>

As noted earlier in this section, the “education system” is really made up of a variety of institutions and organizations, so improving it will require considerable coordination, and ultimately action by many groups. The state’s P-20 Council shows promise to help coordinate this, but grassroots support for education reform is also needed. *GO TO 2040* recommends that the “Education for the Future in Northeast Illinois” report, which was developed through an inclusive and consensus-based process, be used by leaders of education, civic, business, and community-based organizations to lay out a strategy for improving education in the region.

## Implementation Area #1: Improve Coordination Between Education, Workforce Development, and Economic Development

Action	Implementers	Specifics
Prepare assessment reports on cross-system coordination	CMAP, non-profit with workforce expertise	Focus initially on the freight and energy industries of the economy; later expand to other industries. Identify and convene economic development, education, and workforce leaders in each industry, and determine areas of duplication or gaps. Summarize the conclusions of this work in a report for each sector with recommendations for next steps, including setting of common goals and pursuit of pilot programs to improve coordination.
Expand on successful workforce development coordination programs	DCEO, community colleges, Workforce Investment Boards	Build on successful programs like the Chicago Workforce Investment Council (CWIC) to expand it beyond the City of Chicago. Also build on the Shifting Gears initiative of the state's community colleges and DCEO's Critical Skills Shortage Initiative to expand them to cover additional industries.
Strengthen role of community colleges	Community colleges, other education, workforce, and economic development groups	Expand programs that have succeeded at individual community colleges to be applied at other community colleges across the region. Improve communication between community colleges through regional forums that also involve other education institutions, workforce development providers, and economic developers. Increase the profile of community colleges as a critical link in the education and workforce development system.
Collect, compile, and publicize career pathways analyses	Community colleges, non-profit with workforce expertise	Identify existing analyses of career pathways, or programs of education and training that prepare students for future employment in a certain field. Compile these and make them available to education institutions, workforce service providers, and employers. Update this compilation frequently to reduce duplication, and prepare new career pathways to eliminate any gaps in coverage of new or expanding industries.

## Implementation Area #2: Data and Information Systems

Action	Implementers	Specifics
Launch and continually improve the Regional Indicators website	CMAP, Chicago Community Trust	Develop and maintain a website that describes the tracking indicators and allows users to tabulate, graph, or map this information. The website will be continually improved to incorporate new data sets and new technologies as they become available. Education and workforce development indicators are among those featured on the website.
Identify additional data sources concerning education and workforce	CMAP, other groups that are potential data sources	Analyze existing education and workforce information and data sources, including CWICstats, IDES, DCEO, ICCB, NIU, and Shifting Gears, among other sources. Identify barriers to making new data sources publicly available on the Regional Indicators website and determine incentives or mechanisms needed to overcome these barriers.
Expand the CWICstats system to cover the region	CMAP, CWICstats leaders, education institutions, workforce providers	The CWICstats program tracks workforce development participants as they move through public education, workforce development, and other social service systems. It promises to be an extremely useful data source for monitoring program effectiveness, but currently only covers the City of Chicago. There are significant barriers to expanding it, including institutional coordination, data management, and cost; these should be scoped in partnership with current CWICstats leaders and potential participants outside of Chicago.
Expand the Student Information System beyond K-12 education	ISBE, early childhood educators, higher education institutions, workforce providers	Implement the Student Information System to track student performance over their educational careers, including data beyond academic achievement. Expand this to coordinate with early childhood education, higher education, and workforce development data systems.
Create measures of school readiness to improve early childhood education programs	ISBE, early childhood educators	Create a measure of school readiness for students entering kindergarten. Use this to evaluate the effectiveness of various early childhood education programs at preparing students for success in school. Link this assessment with the Student Information System described above.

## Implementation Area #3: Improve Delivery of Workforce Development Services

Action	Implementers	Specifics
Increase the flexibility and federal funding for workforce development	Federal government	Modify the requirements of WIA funding to allow workforce boards to exercise more flexibility in how these funds are used. Permit differences in how WIA funds are used between regions to reflect their different economic profiles and related training needs.
Investigate the use of other funding sources for workforce development	Chicago Jobs Council	Explore the use of more flexible funding sources such as CDBG to be used more extensively for workforce development. Create a region-wide documentation of existing public funding streams to allow the development of specific recommendations for funding changes.
Monitor impact of more flexible funding and communicate outcomes	Federal governments, recipients of public funds	The outcomes of modified policies and funding streams should result in better matches in workforce skills and business needs. Routine and regular monitoring of effectiveness in meeting regional goals will be an ongoing activity.
Strengthen community-focused provision of workforce services	Community based organizations, Workforce Investment Boards, other workforce funders	Continue offering workforce development services through community-based organizations, in conjunction with other services. Evaluate local community-focused programs, determine which approaches are most effective, and promote further use of these programs.

## Implementation area #4: Improve educational outcomes

Action	Implementers	Specifics
Support work of P-20 Council	Illinois P-20 Council	A P-20 approach to education (early childhood to higher education) can integrate education policy across levels and smooth transitions. The state's P-20 Council should be empowered to make a positive difference in these areas.
Support grassroots efforts to improve education	Education, civic, business, and community stakeholders	Actions by a variety of stakeholders to address education quality, equitable access, and greater coherence and collaboration in the education system are necessary to improve educational outcomes.

# Costs and Financing

## **Education**

Education makes up a significant portion of the expenditures of federal, state, and local governments. As noted in the “current conditions” section of this document, different types and levels of education are funded through different means, both public and private. It is expected that the actions included in this recommendation -- in particular, improving educational quality and making access to educational opportunities more equitable -- will require additional public sector expenditures. Because these recommendations are quite high-level and conceptual, cost estimates for their implementation have not been prepared. *GO TO 2040* encourages the state’s P-20 Council and other education stakeholders to develop more specific recommendations for policy changes, and estimate the cost of achieving them.

## **Workforce Development**

The recommendations related to the workforce development system are likely to be revenue-neutral, and may even reduce costs. Improving coordination and reducing duplication in service delivery are likely to make the workforce development system more efficient; relatively small expenditures to catalog existing career pathways and make them broadly accessible, for example, will help to prevent this work from being unknowingly duplicated by other groups in the future. Some recommendations, such as those related to regional data systems, will have start-up costs in the short term, but these will be more than compensated for by the improved coordination and efficiency that they will create.

*GO TO 2040* calls for a central role for philanthropic organizations in some of the plan’s recommendations; this is among them. Because philanthropic groups have considerable flexibility and discretion in their funding decisions, they can fund coordination efforts -- such as the coordination assessment reports and career pathways research -- that may be difficult or unwieldy to fund with public sector resources. Therefore it is recommended that philanthropic groups take a leadership role in working with non-profit organizations with expertise in workforce development to achieve many of the recommendations on the previous pages.

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<sup>1</sup> Based on internal CMAP research and interviews. Other significant factors include infrastructure supply and quality, the overall business environment (including tax policy, the regulatory environment, and support for innovation), proximity to consumers and suppliers, and amenities.

<sup>2</sup> Weissbourd, Robert. August 1, 2006. *Into the Economic Mainstream: A Discussion Paper on Bipartisan Policies for Inclusive Economic Growth*. Opportunity Finance Network and Robert Weissbourd, RW Ventures, LLC.

<sup>3</sup> From “what makes regions grow.” Either list studies, or post report.

<sup>4</sup> This sentiment is expressed in Economic Modeling Specialists Inc. *Labor Market Data & Analysis for Site Selection*. White Paper. February 2008. [http://www.economicmodeling.com/resources/wp-content/uploads/2008/02/ems\\_i\\_siteselectionworkforcewhitepaper-final.pdf](http://www.economicmodeling.com/resources/wp-content/uploads/2008/02/ems_i_siteselectionworkforcewhitepaper-final.pdf)

<sup>5</sup> Robert Weissbourd of RW Ventures discusses the main attributes of global economies, and especially the importance of human capital, in Moskow, Michael H., Henry H Perritt, Jr., and Adele Simmons *The Global Edge: An*

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*Agenda for Chicago's Future*. 2007. The Chicago Council on Global Affairs, Chicago.

[http://www.thechicagocouncil.org/UserFiles/File/Task%20Force%20Reports/Global%20Chicago\\_FINAL.pdf](http://www.thechicagocouncil.org/UserFiles/File/Task%20Force%20Reports/Global%20Chicago_FINAL.pdf)

<sup>6</sup> Education report.

<sup>7</sup> This section relies heavily on the education report prepared for GO TO 2040 with funding from the Chicago Community Trust. Further information on all topics covered is available in that report.

<sup>8</sup> *The Schott 50 State Report* (2008).

<sup>9</sup> This section relies heavily on the workforce development report prepared for GO TO 2040 with funding from the Chicago Community Trust. Further information on all topics covered is available in that report.

<sup>10</sup> Report online at:

[http://www.surdna.org/images/stories/content\\_img/docs/pubs/mt%20auburn\\_economic\\_development\\_workforce\\_w\\_hitepaper.pdf](http://www.surdna.org/images/stories/content_img/docs/pubs/mt%20auburn_economic_development_workforce_w_hitepaper.pdf)

<sup>11</sup> <http://groups.ucanr.org/CCP/files/33964.pdf>

<sup>12</sup> [David H. Autor](#), [Frank Levy](#), [Richard J. Murnane](#), "The Skill Content of Recent Technological Change: An Empirical Exploration," Federal Reserve Bank of San Francisco, Nov. 2003. The authors found that computerization between 1970 and 1998 decreased the demand for rote manual and cognitive labor and increased demand for workers with college degrees.

<sup>13</sup> The Workforce Alliance. *Illinois' Forgotten Middle-Skill Jobs*. September 2008.

<sup>14</sup> Mention Green Collar Jobs initiative, the CR3 program, and State Energy Sector Partnership (energy) and Critical Skills Shortage Initiative research on freight – more details on these either here, or within the text.

<sup>15</sup> <http://sp.eths.k12.il.us/cc/Public%20Docs/Illinois%20Career%20Cluster%20Model.pdf>

<sup>16</sup> <http://www.goto2040.org/workforce/>

<sup>17</sup> This section is taken from the education report prepared for GO TO 2040 with funding from the Chicago Community Trust.