August 15, 2016

TO: The Honorable Bruce Rauner, Governor
The Honorable John J. Cullerton, Senate President
The Honorable Christine Radogno, Senate Minority Leader
The Honorable Michael J. Madigan, Speaker of the House
The Honorable Jim Durkin, House Minority Leader

FROM: Dr. James L. Applegate, Executive Director

RE: Report on the Future of the Workforce in response to
House Joint Resolution 52

As Chair of the Commission, I am pleased to submit to you the report on the Higher Education Commission on the Future of the Workforce.

House Joint Resolution 52’s charge to the Commission included:

- Examining current and projected workforce needs in the economic regions of the state;
- Identifying the higher education and business partners to meet regional workforce demands; and
- Recommending effective practices and policies for key stakeholders to scale up efforts to match college degree production with needs of the workforce around the state.

By 2025 Illinois is committed to increasing from 49.6% to 60% the proportion of working aged adults who hold a high-quality college credential or degree aligned with current and future workforce needs at the state and regional levels. This Commission was supported by the strong and effective partnerships of Illinois state education and economic development agencies and by active participation of stakeholders committed to the state’s achievement of the 60% by 2025 goal. The Commissioners respectfully offer this report as a platform from which to continue to connect successful state and regional efforts as well as bridging the gaps for new and additional multi-sector groups all across Illinois.

We look forward to continuing work with you, as well as with the leaders of our committed state agencies and other public and private groups upon the review of our findings and recommendations.

cc: Tom Cross, Chair, Illinois Board of Higher Education; Karen Hunter Anderson, Executive Director, Illinois Community College Board; Eric Zarnikow, Executive Director, Illinois Student Assistance Commission, Tony Smith, Superintendent of Schools, Jeff Mays, Director, Illinois Department of Employment Security, Bryan Schneider, Secretary, Illinois Department of Financial & Professional Regulation; Sean McCarthy, Acting Director, Illinois Department of Commerce & Economic

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Opportunity, Hugo Chaviano, Director, Illinois Department of Labor; Beth Purvis, Secretary of Education
Illinois’ higher education system is an essential partner with the state’s businesses and industries, government agencies, elected officials, and economic development policymakers to ensure that the state has an educated workforce to meet the needs of Illinois’ employers. These key stakeholders are working towards the same goal: to increase the number of Illinoisans with high-quality postsecondary credentials and degrees to meet the demands of the Illinois economy. This mirrors the goals of the Illinois Public Agenda for College and Career Success, the state’s blueprint for enhancing investment in education in order that 60% of Illinois’s workforce has a postsecondary credential or college degree by 2025.

To advance the shared goal, the 99th Illinois General Assembly enacted House Joint Resolution 52 creating the Higher Education Commission on the Future of the Workforce. Named in December 2015, the eleven members included legislators, presidents of higher education institutions, and representatives of business and industry. Dr. James L. Applegate, executive director of the Illinois Board of Higher Education (IBHE), served as the Commission Chair.

The Commission’s charge included:

- Examining current and projected workforce needs in the economic regions of the state;
- Identifying the higher education and business partners to meet regional workforce demands; and
- Recommending effective practices and policies for key stakeholders to scale up efforts to match degree production with needs of the workforce around the state.

Before the Commission commenced, IBHE held two meetings to identify partnerships and resources to support the Commission and the implementation of its recommendations. The Lumina Foundation provided an HCM Strategy Labs Award to fund the meetings’ expenses. The first convening was held at the Memorial Center for Learning and Innovation in Springfield on August 28, 2015. The convening provided an opportunity for state agencies’ directors and key staff to join as partners in shaping the framework for the Commission and optimize the use of state resources. Represented were: the Illinois Community College Board, Illinois Student Assistance Commission, Illinois State Board of Education, Illinois Department of Employment Security, Illinois Department of Commerce, Illinois Department of Professional and Financial Regulation, Illinois Department of Labor, and the Illinois Secretary of Education’s office, in partnership with IBHE.
During the meeting, agency staff focused on four key areas:

- Data compilation and analysis at the state and regional levels;
- Policy and legislative issues supporting workforce development and higher education partnerships;
- Effective practices for regional collaborations to identify gaps in meeting workforce needs; and
- Identification of stakeholder groups as valuable partners for assistance and support of the Commission.

The state agency partners discussed the timely opportunity the Commission presented to add synergy to the complementary efforts currently addressing the identification of postsecondary education resources to fill regional workforce needs. These efforts include:

- **The WIOA Unified State Plan for Illinois** required for the implementation of the federal Workforce Innovation and Opportunities Act (WIOA). Developed under the leadership of the State Workforce Innovation Board and the Department of Commerce’s Office of Employment and Training, the plan outlines the vision, principles, and goals for integrating workforce, education and economic development programs for Illinois.

- **The Illinois Community College Board’s Workforce Education Strategic Planning Process**. The vision of the planning process is to achieve alignment of the community college systems and the state’s workforce development system with economic development directions and workforce needs, to create a talent pipeline to fuel economic growth, and to create career pathways for all Illinois citizens. The results of Forums organized along the geographic lines of the state’s ten economic development regions identified employer skill needs, as well as priorities for employer engagement and alignment of both the talent development and education systems with these needs.

Next a collaborative session with interested stakeholder groups was held on December 10, 2015, at UI Labs in Chicago. Invited were stakeholders identified by the state agencies’ planning group as valuable for sharing experiences and resources for the Commission’s work. These stakeholders included educational institutions, business and industry associations, economic development groups, innovation and technology coalitions, and philanthropic groups, all with a focus on enhancing the education to workforce pipeline. At the session, attendees were briefed on the purpose of the Commission to align postsecondary credential and degree production with state and regional workforce needs. Then, the stakeholders discussed existing activities and available resources related to the Commission’s goals.

The Commission was successfully launched at its inaugural meeting on January 12, 2016, and convened in Springfield for three more meetings, on February 9, April 11, and May 2 to carry out their charge. The state agency partners and stakeholders continued their engagement during the Commission’s meetings, serving as presenters briefing the Commissioners on current regional and state activities and sharing resources. The IBHE will continue to keep the Commissioners, state agencies and stakeholders informed of continued higher education and workforce development efforts in the coming year, including opportunities for re-engagement with the Commissioners. The Commission’s meeting agendas and the resources provided to the Commissioners are available at the Commission’s website. The website will be maintained with current information in order to provide Future of the Illinois Workforce UPDATES.
Illinois must include its citizens with high quality certificates and certifications in addition to college degrees in the data counted towards the statewide goal of 60% by 2025. Illinois’ education, professional licensing, and workforce agencies should establish an operational definition of “high quality” specific to one year or less postsecondary certificates being awarded by Private Business and Vocational School (PBVS) programs, community colleges, and other degree granting entities. This plan must integrate ongoing statewide planning initiatives and identify and incentivize ways in which all sectors of public and private postsecondary institutions can assist with progress toward the goal. The Commission acknowledges and encourages the discussions that are underway about how the state agencies should include processes for linking that information with the Illinois Department of Employment Security, so that “high quality” credentials are uniformly defined and can be measured. The Commission concludes this is necessary to more accurately measure statewide progress toward the 60% by 2025 goal. The Commission also recognizes the need to protect Illinois citizens from predatory providers and low-quality programs and encourages any definition of "high quality postsecondary credentials" to include robust analysis of student costs, learning outcomes, and employment outcomes.

The Commission heard about efforts ongoing around the state to build partnerships between secondary education, two-year and four-year college degree programs, as well as graduate schools to meet critical needs areas identified by businesses and industries. The state education agencies continue to work together to share information necessary to promote guided career pathways from high school through college containing stackable credentials and degrees both within and across sectors (career and technical education, PBVS, community colleges, public universities, and private colleges/universities). This leads to more accessible opportunities for the workforce to pursue further education and higher college degrees that are better aligned and more affordable, due to transferability of credits. Career pathways documents, such as those being developed by the Northern Illinois Regional P-20 Network, are challenging postsecondary institutions to create new programs oriented to workforce needs and to increase the numbers of two-plus-two and three-plus-one programs. One example prevalent across the state is the establishment of two-plus-two enrollment programs between community colleges that offer registered nursing programs and universities that offer bachelors of nursing degree programs, often in partnership with hospitals. Another effort underway, led by the Governor’s Office of Early Childhood, is identifying strong pathways for higher levels of education for early childhood providers, leading to baccalaureate degrees, early childhood teacher credentialing, and improved workforce outcomes for those employed in early childhood education programs. These efforts are reinforced in a recent report, Transforming the Workforce for Children Birth Through Age 8: A Unifying Foundation, released by the Institute of Medicine and the National Research Council,
recommend higher levels of education for early childhood providers, with a goal of lead teachers attaining a bachelor's degree focused on competencies needed to educate and care for young children.

Offering Illinois higher education institutions and workforce development agencies grant support to promote cooperation as well as public/private partnerships to meet the state’s 60% by 2025 goal is a worthwhile tool for consideration. The Higher Education Cooperation Act (HECA) (110 ILCS 220/2) was enacted in 1972, authorizing the IBHE to administer a competitive grant program to promote effective use of resources through cooperation, including development of innovative concepts. Programs such as baccalaureate completions and guided career pathways would benefit from targeted funding. State appropriations for the HECA program have not been enacted since Fiscal Year 2008, when $3.8 million supported 25 projects. IBHE has initiated legislation (SB 3023) to revitalize the HECA program to specifically allow IBHE to leverage private (e.g. foundation and corporate) funding to launch a competitive grant program, with an emphasis on developing programs to increase college success and completions. IBHE recommended a $500,000 appropriation request to rejuvenate this unique Illinois higher education grant with a renewed focus. The bill and the appropriation recommendation have not received final action by the General Assembly.

Prior Learning Assessment (PLA), a set of researched and validated methods for assessing non-collegiate learning for college credit, targets adult learners. The Commission learned about the efforts at both the state and institutional levels to identify barriers to broader implementation of PLA best practices related to this adult-focused strategy to increase their college completions. Adult learners are typically older than 22, employed, responsible for families, and not able or willing to attend classes full-time on campus. Research done by the Northern Illinois Regional P-20 Network identified lack of PLA among the top three barriers for adult learners. One effort underway is the Military Prior Learning Assessment (MPLA) Task Force, created by the General Assembly, which is currently examining how Illinois higher education institutions can recognize military learning for academic credit, industry-recognized credentials and college degrees through the use of PLA. Further attention to not only members of the military but also other adult students, who can benefit from receiving college credits increasing their chances for successful completion of college, is expected as an added contribution from the MPLA Task Force’s study and recommendations.

The Commission considered the need for additional financial assistance programs for the workforce to receive training, credentials and college degrees needed by employers as determined by regional economic development plans. Providing financial assistance for working adults and individuals with substantial college credit but no degree to complete their college degrees should be explored. Lumina has assisted Illinois by providing a preliminary policy scan and analysis of similar programs in other states. However, proposals that would include new state funding must be carefully conceived to compliment rather than compete with the existing Monetary Award Program (MAP) grants to low-income college students, since MAP is currently not funded at the level necessary to provide resources to all eligible students who apply.
Recommendations:

The Commission acknowledges that the state agencies are currently engaged in establishing the “high quality” definition of a postsecondary credential, while also taking into consideration the feasibility of measuring and tracking production once the definition is established. The Commission encourages this important effort to proceed quickly since many postsecondary credentials, along with certificates earned at community colleges and PBVSs, have important value in the workforce, and should be tracked.

The General Assembly should amend the Higher Education Cooperation Act so that the HECA program will be re-established to fund projects that leverage private dollars and incentivize innovative collaborations across higher education and industry sectors to develop capacity to produce the college credentials required to meet state and regional workforce needs, and the state’s completion goal.

The state higher education agencies should build upon the final recommendations of the Military Prior Learning Assessment Task Force in encouraging wider implementation of best practices for all adult learners pursuing college completion. Encouraging colleges and universities to adopt policies for PLA in addition to current CLEP and AP awarded credit could positively change the completion opportunities for adult learners.

The state higher education agencies should conduct a feasibility study on creating an Adult Promise Scholarship program, based upon effective best practices of state Promise programs already implemented or being considered nationally, that would ameliorate affordability barriers for low-income adults with some college and no degree to complete college credentials aligned with regional workforce needs.
Finding 2:
Illinois requires a statewide data system that will track and measure both employer demand and the supply of available workers with postsecondary credentials and degrees.

The Commission examined current and projected workforce needs and postsecondary credential and degree production capacity and goals. It concluded that the state agencies should continue strategic conversation about the strengths and limitations of diverse data sources that exist to track and measure employer demand particularly as they relate to educational requirements of current and future job openings. The state agencies also should analyze their respective longitudinal data systems and determine how best to integrate geographic information, so the information can be used at the regional level for collaborative strategic planning efforts.

IBHE is establishing a near-term plan for fully integrating student and completion data from Private Business and Vocational Schools (PBVS) programs into the Illinois Higher Education Information System (IHEIS). IBHE also is exploring integrating this data with the Illinois WorkNet system in order to streamline and simplify the data collection and assessment for those PBVS programs that are eligible participants in the WIOA program.

Recommendations:
The state agencies should collaborate to develop a publically-available data resource that will track and measure both employer demand and the supply of available workers based on certificate and degree production. This data resource should be developed to assist regions in identifying critical workforce needs and support postsecondary training programs, colleges and universities that improve employment outcomes for graduates.

Adequate state funding is required for workforce demand and higher education program capacity data and analysis, both statewide and regionally. Tracking sub-groups by gender, race and ethnicity as well as other key factors that highlight inequities where action should be targeted in order to increase college completions. The state agencies should coordinate in the development of budgets and funding requests, including state appropriations, for continued development and enhancement of their longitudinal data systems in order to contribute to the efficacy of the Illinois Longitudinal Data System (ILDS).
Finding 3:

More efforts are needed to establish regional cross-sector approaches which engage both postsecondary education and business and industry stakeholders. By building upon existing partnerships and initiatives, the state agencies should assist with data and technical assistance to successfully scale up regional efforts.

The Commission received reports highlighting effective practices around multi-sector approaches led by both higher education and business coalitions. These efforts, whether Illinois-based Northern Illinois Regional P-20 Network or the Greater Peoria Economic Development Council, or tied to a national initiative such as the US Chamber of Commerce Foundation’s Talent Management Pipeline initiative at Vermilion Advantage, have produced promising results and highlight the importance of the collaboration between higher education and industry partners.

Regional collaboratives often utilize the research resources at public universities, including dedicated research centers such as the Illinois Education Research Council (IERC) at Southern Illinois University, Edwardsville, the Office of Community College Research and Leadership (OCCRL) at the University of Illinois at Urbana-Champaign, the Center for Governmental Studies (CGS) at Northern Illinois University, and the Illinois 60 by 2025 Network project of the Education Systems Center, also at Northern Illinois University. The Commission encourages the involvement of state higher education research centers such as these, which will ensure that resulting initiatives are firmly grounded in research and reliable data.

The Commission observed that while community college engagement has been high, public universities, PBVS programs, and private colleges have not always been major contributors to existing workforce development planning, e.g. WIOA State Unified Plan and the ICCB Strategic Plan for Workforce Education. Engaging the attention of postsecondary faculty in order to accelerate development and launching new degree programs or certificates is an important challenge. More Illinois businesses and industries also must be encouraged and enabled to participate in regional plans for workforce development and ensure that their financial investments in tuition assistance programs and training programs are targeted toward students who will be trained to meet the employment demands in the regions as established by regional supply and demand data. Higher education and employers should work together to develop credentials, taught whenever possible, at workplace facilities.

Recommendations:

State agencies should assure that current planning efforts, including the WIOA State Unified Plan and the ICCB Strategic Plan for Workforce Education, as well as existing data resources are utilized to address education to workforce regional pipeline efforts that exist or are in formation.

IBHE should provide assistance and information to PBVS programs, public universities, and private colleges so that they may become more engaged in their respective regions’ efforts to meet the state’s 60% by 2025 postsecondary completion goal, including WIOA planning.
Businesses and industries employee training and tuition assistance programs should be more strategic in their alignment with regional workforce needs that would yield positive return for the investment in their employees. Higher education institutions should partner with employers to provide on-site learning, during work hours where feasible, and provide faculty assistance in the design of credential and degree programs aligned with the current and changing workforce demands in regional businesses and industries.

The state agencies should continue to collect and curate an inventory and asset map of initiatives that can be scaled up or used as exemplars in other areas of Illinois. Multi-sector efforts at the regional level that include local anchor institutions such as banks, community development corporations, chambers of commerce, and other community groups should be highlighted as well. This information should be accessible and usable for regional collaboratives and other sub-state level workforce development activities, encouraging action as soon as possible.
Conclusion: Preparing for a Statewide Impact

By 2025 Illinois is committed to increasing from 49.6% to 60% the proportion of working-aged adults who hold a high-quality college credential or degree aligned with current and future workforce needs at the state and regional levels. The Higher Education Commission on the Future of the Workforce, supported by the strong and effective partnerships of Illinois state education and economic development agencies, and by active participation of stakeholder groups committed to the state’s achievement of the 60% by 2025 goal, views its work’s completion as a platform from which to continue to connect the dots among successful state and regional efforts, as well as bridging the gaps for new efforts.

The Commission presents this report to the General Assembly and Governor Rauner, and respectfully requests their review of our findings and recommendations for action.

At this time we are pleased to report activities that have already begun as a result of the productive partnerships and conversations among the Commissioners, the state agency directors, and key stakeholders. These include:

- The continued development of a dynamic data system that will provide resources to the regional networks, and to education and training providers, to assist in workforce pipeline planning process; allow state agencies the ability to collaborate to gather and update data to be used within the system; and provide a feedback mechanism to ensure that the system maintains utility, particularly as workforce demand changes.

- In cooperation with the Illinois Department of Employment Security and the Illinois Student Assistance Commission, a database is under development for employment outcomes for students graduating in 2015 to be included in the institutions report to the newly developed Illinois Higher Education Information System (IHEIS). Also, baseline measures and improvement goals for tracking employment outcomes over time will be developed.

- Illinois has been selected by USA Funds, a nonprofit corporation promoting student access and success in postsecondary education, to pilot a technical assistance program to align higher education programs in four Illinois regional communities with the workforce needs identified by local businesses. IBHE, as the state’s agency for planning and coordination of higher education, including connecting the needs of the state’s workforce with college degrees and postsecondary training programs, is partnering with the Council for Adult and Experiential Learning (CAEL), a national non-profit leader in workforce and economic development to create trained employees, to provide technical assistance at no cost to selected Illinois communities within the coming twelve months. This is funded as part of USA Funds’ “Completion with a Purpose Program” with a critical goal of ensuring a smooth transition from education to employment in the 21st Century global workforce. The request for proposals was issued.
to interested Illinois communities that want to move forward with a successful strategy for alignment of workforce development with higher educational opportunities, especially for adults rooted in their communities who are looking to complete college. It is anticipated leadership teams from selected communities will be established and ready to receive assistance by August, 2016.

Recent analyses have shown workforce needs at every postsecondary level: from industry recognized credentials to baccalaureate degrees and above. For example, a recent cataloguing of job advertisements across Illinois in 2014-15 showed that 54% of those ads required applicants with a baccalaureate degree (Achieve, 2016). Analyses presented to the Commission documented the needs for highly trained employees to be welders, information technology staff, and health workers, as just a sampling of the jobs requiring abilities for analytics, problem solving, effective team building with diverse colleagues, and strong oral and written communication skills; knowledge and skills higher education imparts. The Commission encourages all Illinois communities with emerging or existing educational, economic and workforce development partnerships to dedicate themselves to improve the educational capabilities of their citizens for available work. Job openings in Illinois are being advertised, requiring postsecondary credentials, and especially college degrees. The Commission looks forward to progress in the establishment of streamlined and productive pathways for young adults and all workers looking for advancement to jobs that ensure better futures for them and their Illinois communities.

Submitted by the Higher Education Commission on the Future of the Workforce

Commissioners Douglas Baker, President, Northern Illinois University
Representative Kelly Burke, 36th State District of the Illinois House of Representatives
Senator Jacqueline Collins, 16th State District of the Illinois Senate
John Comerford, President, Blackburn College
Edgar Curtis, President and Chief Executive Officer, Memorial Health System
Bridget Gainer, Vice President of Global Affairs, Aon
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