

Assembly Select Committee On The Master Plan For Higher Education in California

Ensuring The Master Plan Meets California's Workforce Needs

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Problem Statement/Context

- According to the California Economic Summit, while California is the 6th largest economy in the world, more Californians live in poverty than any other state— nearly 8 million people, or 22 percent of the population.
- 3.1 million people live just above the poverty line who rely on income supports to keep their households functioning—and who are one lost job or health issue away from poverty.
- An additional 6.8 million people are considered “economically fragile,” living in households earning below their area’s median income
- For decades, the middle class has been shrinking -- a trend that needs to be reversed for the sake of California's economy and future generations.
- We’ve seen a tale of Two California economies. The inland and coastal regions have not recovered at the same pace. Overall, inland areas of California experienced deeper job losses than coastal areas during the Great Recession.
- While California is enjoying resurgent economic growth, the recovery has been uneven with some regions of the state and some populations faring significantly better than others.
- California’s economy continues to be marked by demographic and regional inequality.

- Some of this inequality stems from differences in educational attainment, differences in demand by industry and occupation, and the sectoral composition of varying regional labor markets.
- The labor market today is characterized by much greater volatility and puts more competitive pressure on workers to upskill than in the past.
- New technologies have eliminated some jobs but also have raised the skills needed to perform others, especially in occupations that rely on science, technology, engineering, and math. And globalization has placed many California workers in direct competition with workers in developing nations.
- According to the National Skills Coalition, California is facing a substantial shortfall of middle-skill workers over the next ten years.
- Much of the job growth in the next decade will be in middle-skill occupations particularly in jobs where replacement needs are significant as a result of workforce retirements.
- These jobs will require education beyond high school but not necessarily a four-year degree and can provide opportunities for economic mobility.
- By focusing on these middle skills, community colleges can align its workforce and education programs to serve populations with barriers to employment as well as meet the needs of the business community.

How our organization is partnering with educational and workforce institutions to address California's workforce needs.

- Earlier this year, the Chamber and its partners launched the Center for a Competitive Workforce to assist employers, workforce development organizations and educational institutions in meeting labor market demand.
- The Center is a partnership of the 19 L.A. community colleges, the Chamber, the Los Angeles Economic Development Corporation, the Center of Excellence for Labor Market Research at Mt. San Antonio College and the Southern California Leadership Council.
- The Center's partners believe that this coordination will position our region for great success as the economy transitions at an accelerated pace toward intellectual property and knowledge as primary factors for job performance.
- The Center's three pillars of work are focused on:
 - o Research and supply/demand analysis
 - o Formation of six regional industry councils responsible for validating labor market data, advising on necessary occupational skills, and designing curriculum and programs.
 - o Supporting business and education partnerships
- Recently, the Center released its first report, [L.A. & Orange County Community Colleges: Powering Economic Opportunity](#) that includes an analysis of 20 middle-skill occupations for which community colleges offer degree and certificate programs. It is estimated there will be approximately 67,450 job openings over the next five years in these 20 occupations.

- Post-secondary institutions now have valuable information to guide decisions on investments necessary to fill skills gaps. This data will help build systems and curriculum that tightly align workforce development programs with the needs of local business and industry.
- The Center will deliver on the vision of the statewide Strong Workforce Program with new and better coordination among workforce development organizations and educational institutions, by combining research on the supply and demand for talent.
- Together, the Center's numerous partners believe and support this approach as a way to position their region for greater success as the economy transitions at an accelerated pace away from one that is characterized by labor being the primary factor of production to one where capital, intellectual property and knowledge are the primary factors – presenting the challenge to ensure more Californians have an opportunity for economic success in this new economic context.

What does California need from higher education to ensure that we are meeting workforce needs today and in the future?

As part of the California Economic Summit, we've begun to identify opportunities and strategies to ensure we are doing better as a state to ensure 1 million more workers with industry valued credentials. The Summit and its partners have identified the following:

- Deep partnerships will be the primary strategy for dealing with the accelerating pace of change, the impact of new technologies and increasing global connectivity and competition.
- California policymakers and higher education leaders could further develop a 21st century workforce system by doing the following:
 - Employer engagement: Promote transformational strategies that connect employers with higher education and workforce programs to improve student outcomes.
 - Student success: Elevate strategies that help students and workers navigate career pathways and get the skills they need.
 - Strong Workforce program: Support implementation of the program as a foundational mechanism for aligning resources with market needs.
 - Create a state-level cross-agency team between workforce and higher education to identify strategies and funding streams across organizations to more effectively serve business and industry.
 - Create incentive funding and accountability for workforce system stakeholders to coordinate regional engagement strategies that align with demand-side measures.
 - Support investments in sector partnerships, convening employers with higher education, training, labor, and community-based organizations to close skill gaps. Create regional pilot projects with business-engagement cross-agency teams.

- Support and document regional pilot projects to identify promising practices to benchmark and incentivize statewide business-engagement measures for workforce and education initiatives that are focused on bridging the skills gap and building a talent pipeline.