



America Forward on Career and Technical Education

Innovation, Flexibility, and Data-Driven Results

America Forward is the nonpartisan policy initiative of New Profit, a national nonprofit venture philanthropy fund that seeks to break down barriers between all people and opportunity in America. To date, New Profit has invested over \$150 million in scaling innovative organizations' impact. America Forward unites social entrepreneurs with policymakers and advances a public policy agenda that fosters innovation, rewards results, catalyzes cross-sector partnerships, and translates local impact into national change.

The America Forward Coalition is a network of more than 70 social innovation organizations that champion innovative, effective, and efficient solutions to our country's most pressing social problems. Our Coalition members are achieving measurable outcomes in more than 14,500 communities nationwide, touching the lives of 8 million Americans each year, and driving progress in education, workforce development, early learning, poverty alleviation, public health, Pay for Success, social innovation, national service, and criminal justice reform. Since 2007, America Forward's community of entrepreneurs has played a leading role in driving the national dialogue on social innovation and advocating for lasting policy change. Together, our Coalition organizations have leveraged \$1.5 billion for social innovation and have driven millions of federal resources along with resources leveraged from donors and philanthropy toward programs that are achieving measurable results for those who need them most.

We believe that innovative policy approaches that foster innovation, reward results, and catalyze cross-sector partnerships can transform these local results into national change and propel all of America forward.

Who We Are

Every day we are doing the hard work of moving America forward. Some of us help students from under-resourced communities or with learning disabilities prosper in early childhood, elementary and high school, enabling them to graduate ready for college and career. Some of us help families through crisis periods and enable youth leaving foster care to live independently. Others offer "opportunity youth" the chance to gain the education and training they need to get back on track. Some of us help students persist in post-secondary programs by providing the extra supports they need. Others offer "bridge building" jobs that offer work experience accompanied by supports that help workers transition to future opportunities. And many of us provide critical supports, inspire and motivate those we serve, improve access to other providers, and help people navigate the often-confusing education, job training, and workforce systems.

We hold ourselves to high standards. We measure our results. And our success tells us that it is possible to achieve these goals and forge a pathway from poverty to economic prosperity. But it will take hard work, investment in effective efforts currently underway, and continued reform where change is still needed.

What We Believe

In our nation known for opportunity, the number of people moving from poverty to the middle class has been on the decline. Despite the assertion by economists that the current unemployment rate of less than five percent means that the U.S. is basically at full employment¹, 16 percent of working age men are not attached to the labor market and nearly a fifth of nonelderly household heads in the bottom third of the income distribution did not work at all in 2014.^{i ii} Additionally, almost six million youth and young adults are not in school or working, a group known as “opportunity youth,” and are costing taxpayers \$93 billion annually and \$1.6 trillion over their lifetimes in lost revenues and increased social services.ⁱⁱⁱ

At the same time, there is a growing “skills gap”, or difference in the skills required on the job and the actual skills possessed by employees, with many U.S. employers stating that a shortage of qualified workers is their biggest obstacle to growth.^{iv} Employers indicate they are unable to find qualified workers for an estimated five million U.S. jobs in critical, high-demand fields. According to the Bureau of Labor Statistics, many industries continue to have an unmet demand for labor, or in other words, they continue to need workers but are not hiring them. According to JPMorgan Chase, one-third of the U.S. unemployment rate is due to the imbalance between workers’ skills and open jobs.^v Based on the current pace, the U.S. will produce only slightly more than half of the degrees and credentials needed to fill these jobs of the future.^{vi} By 2020, 65 percent of all American jobs will require post-secondary education and training beyond high school.^{vii} But our nation is not preparing its citizens to meet these workforce demands, wasting the extraordinary human potential represented by Americans trapped in poverty.

Any effort to close the “skills gap” and change the circumstances of those now left out of the economic mainstream – as well as reverse the negative impact on our overall economy – demands that we rethink the way we invest public resources, as well as learn from and expand proven programs and practices that work to enable students, youth, and adults from all backgrounds and all regions to succeed economically. To date, our policies make it extremely difficult for organizations to work across programmatic silos by treating the spheres of education and workforce development as entirely separate universes, despite their obvious connections. These same policies have historically allowed the essential connection between workforce development and business to fray. And they have also failed to align training and skills development programs with the specific needs of employers, ultimately failing to integrate workforce and economic development so that we are training workers for the jobs of the future.

To change this trajectory for Americans and our economy alike, every individual must have access to a high-quality education and workforce training programs that prepare them for success in college and/or career and equip them with the skills to compete in the 21st century economy. Far too many individuals from under-resourced communities, including those from low-income backgrounds, those living with a disability, adult learners and opportunity youth, continue to face significant barriers to accessing innovative and high-quality post-secondary education and training programs that provide them with the internships, apprenticeships, and service opportunities that set them up for success in the workforce. To ensure all individuals have access to high-wage, high-skill, high-demand careers, we must increase the diversity of our country’s talent pipeline and improve career prospects for all individuals, regardless of their chosen pathway or current stage in their career lifetime.

¹ Full employment is the condition in which virtually all who are willing and able to work are employed

We believe that career and technical education is critical to achieving this goal by preparing a skilled American workforce to meet the needs of employers and opening doors to opportunities that would not otherwise be available. The reauthorization of the Carl D. Perkins Career and Technical Education Act gives federal policymakers the opportunity to leverage the capacity of nonprofit organizations familiar with the workforce needs of local communities and innovative policy and funding models to build capacity for positive results to effectively meet the needs of future employees and employers alike. It creates an occasion to leverage the important role high school, community college, and other avenues of training can play, including through dual-enrollment or early college and apprenticeships starting in high school to foster interest in pathways and contribute to a higher likelihood of staying in school and graduating with the skills needed to succeed in the professional world. It provides a key moment to continue to open doors that create multiple pathways and support individuals who seek additional training, credentials or credit hours to achieve their career goals and equip them with the skills for the jobs of today and the future.

As part of this effort, federal policies must embrace innovation, promote competency, and reassert a focus on outcomes. Such a shift in our mindset regarding post-secondary education is critical if we are to be more responsive to the needs of all Americans. Through the work of our member organizations, America Forward has learned of the power of leveraging effective partnerships, rewarding results, and incentivizing innovation to create person-centered, flexible systems of support that are able to respond to the changing needs individuals seeking to further their education or enter the workforce. Now, our goal is to apply the lessons we have learned more broadly to the career and technical education system.

Specific Policy Proposals

Increase collaboration and coordination between secondary and post-secondary institutions

- Provide preference when awarding subgrants where partnerships between districts and institutions of higher education are identified to develop and implement articulated programs of study that begin in high school and terminate either with a high school diploma and an industry certification or with a post-secondary credential and an industry certification;
- Provide students with the opportunity to receive post-secondary credit while in high school, such as through dual- or concurrent-enrollment programs; and,
- Ensure that states target subgrants based on areas of high need. Because rural and lower income areas may face challenges in preparing competitive applications, states should provide subgrants to these jurisdictions based on a proportion of funds that is consistent with the percentage of residents living in poverty.

Increase collaboration between CTE and the private and nonprofit sectors and align CTE programs with regional and state workforce needs

- Authorize states to make subgrants to partnerships between districts and institutions of higher education only if they have developed their proposed programs of study with the involvement of local employers and nonprofit organizations who understand the broad workforce needs of the community, and can document that those programs of study reflect the needs of local employers, as demonstrated by local, state or regional labor-market data;
- Ensure that each partnership between districts and institutions of higher education receiving a subgrant includes one or more employer partners (which may be for-profit, private nonprofit or

public), as well as one or more partners that are nonprofit community or intermediary organizations; and,

- Incentivize and provide greater flexibility for institutions or programs to engage in partnerships with nonprofit entities focused on both the academic and non-academic barriers students can face including practical barriers like access to affordable child care, transportation, food, housing, and other comprehensive support needs.

Expose students to career and work-based learning opportunities

- To the extent feasible, each program of study should provide students with work-based learning opportunities, and ensure that those programs of study are widely available to students;
- Launch a “power skills” grand challenge. Power skills are defined as leadership, grit, critical thinking, problem solving, communication, teamwork, etc., and are highly valued by employers. The federal government should use a portion of existing career and technical funding to build on progress already made in the field to define and measure these skills and accelerate change through a grand challenge, including incentivizing institutions and programs to expand evidence-based, out-of-classroom experiences that develop such skills, and sparking a market for job seekers and employees to grow their power skills competencies; and,
- Support “bridge building” work experience through social enterprise, internships, and national service.

Target federal funding to support innovation and scale-up outcomes-based programs and interventions

- Authorize the Secretary of Education to award competitive grants for the development, validation and scaling up of innovative programs under current funding streams or through the development of a new Innovation Fund;
- Encourage the Secretary of Education to award grants for development, validation and scaling up of CTE activities based on the level of evidence submitted by applicants;
- Establish an authorization for the use of a Pay for Success² initiative to support feasibility study work, to fund evaluations, to help structure Pay for Success projects and contracts, and to contribute to success payments to improve student outcomes;
- Create a Pay for Success Pell grant premium paid to accredited and certified public, private, or non-profit post-secondary providers that achieve specified retention, completion, and job outcomes among Pell-eligible students;
- Allow income-eligible students concurrently enrolled in high school to access their Pell grants to participate in approved early college high schools by using a Pay for Success or retroactive payment model where students would draw down Pell based on the cumulative number of transferable college credits they earned in the early college high school; and,
- Incentivize states and localities to transition to performance-based funding models for career and technical education, which award funding at least partly based on persistence, graduation and other factors, rather than enrollment and provide incentives for private, non-profit colleges

² Pay for Success: An approach to government decision-making that supports policies and funding decisions that focus on outcomes over inputs and outputs, incentivize innovation and emphasize prevention, that help unlock siloed resources, and that support the development of and access to data.

and universities to increase persistence and completion.

Ensure effectiveness of proposed CTE activities by strengthening performance measurement and accountability for results

- Establish a common set of performance measures across states and programs. Measure the success of secondary-level programs based on academic achievement, attainment of career and technical skills, grade advancement, graduation, continuation into post-secondary education, and, as appropriate, labor-market outcomes;
- Measure the success of post-secondary programs based on retention, completion of a degree or credential, attainment of technical proficiencies and labor-market outcomes;
- Provide the Secretary with clear authority to establish common definitions for these measures and to collect the needed performance data;
- Ensure the Secretary could terminate competitive grants that are not achieving identified outcomes; to take corrective action when states are not implementing formula grants effectively; and, to provide recognition and rewards to states and other grantees that demonstrate the highest levels of success in meeting the needs of opportunity youth; and,
- Subject to appropriate privacy protections, the federal government should amend laws and regulations to permit federal, state, and local education and workforce agencies, state and local workforce boards, nonprofit workforce development organizations, social enterprises, and post-secondary institutions certified by the Department of Education for participation in Title IV of the Higher Education Act (HEA) to have access to the National Directory of New Hires and to Unemployment Insurance Wage Records. Access to such data could be used to help determine provider payments under Pay for Success-type approaches in such federal programs.

ⁱ <https://www.brookings.edu/research/one-third-of-a-nation-strategies-for-helping-working-families/>

ⁱⁱ <https://www.brookings.edu/research/an-agenda-for-reducing-poverty-and-improving-opportunity-2/>

ⁱⁱⁱ C.R Belfield, H.M. Levin and R. Rosen. “Economic Value of Opportunity Youth,” January 2012, www.civicerprises.net/MediaLibrary/Docs/econ_value_opportunity_youth.pdf; <https://opportunitynation.org/latest-news/5-6-million-youths-school-work/>

^{iv} High Growth Entrepreneurs Plan to Continue Growing,” Kauffman Foundation, <http://www.kauffman.org/newsroom/high-growth-entrepreneurs-plan-to-continue-growing.aspx>

^v <https://www.jporganchase.com/corporate/Corporate-Responsibility/document/54876-new-skillsara2014-aw7-final.pdf>

^{vi} <http://www.bls.gov/news.release/pdf/jolts.pdf>

^{vii} https://cew.georgetown.edu/wp-content/uploads/2014/11/Recovery2020.ES_Web_.pdf

SUPPORT FOR THE AMERICA FORWARD CAREER AND TECHNICAL EDUCATION POLICY PLATFORM



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