

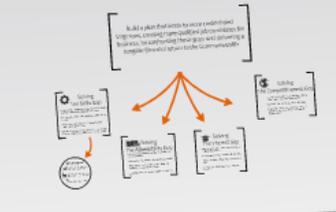
# Workforce Credentials: A Pathway to Virginia's Middle Class

**Assignment**  
Item 213 #1c of the 2014 – 2016 amended budget

The Chancellor of the Virginia Community College System shall develop a specific plan to expand the number of workforce training credentials and certifications to a level needed to meet the demands of Virginia's workforce. The plan should be outcome-based and include recommendations with regard to program accessibility, program costs, program investment, program quality and funding. The plan shall be developed in consultation with business, trade associations, the Virginia Economic Development Partnership, the Virginia Board of Workforce Development, the Secretary of Commerce and Trade, the Secretary of Education, the State Council of Higher Education for Virginia, and other entities involved with the issue. The Director shall submit the report to the Chairman of the House Appropriations and Senate Finance Committee by September 1, 2015.



**Solution: Confront Those Four Gaps to Create More Credentialed Workers and Boost Virginia's Middle Class**



Build a plan that works to close educational program, career, and skill gaps to create a single pathway to the middle class

- Skills Gap:** Businesses cannot find enough qualified candidates for the vacancies they have to fill in middle class careers.
- Interest Gap:** Not too many people enter careers because of outdated stigmas or they are unaware of opportunities they offer, or even how to get the necessary credentials to pursue them.
- Affordability Gap:** The financial aid that comes through pursuing traditional degrees is the same, and the fiscal is making the several, single pathway workforce they exhibit the greatest need for such aid.
- Competitiveness Gap:** Businesses need workers with skills that align with their needs to meet employment in Virginia.

**Process**

- 22 town hall meetings across Virginia
- With more than 1,500 business leaders
- Dozens of meetings with other state leaders and agencies and business organizations
- Information from these meetings, and further research, fuels the VCCS proposal.

**Findings**  
Solving Virginia's 1:2:7 Challenge Means Addressing Four Gaps

- The Skills Gap:** Businesses cannot find enough qualified candidates for the vacancies they have to fill in middle class careers.
- The Interest Gap:** Not too many people enter careers because of outdated stigmas or they are unaware of opportunities they offer, or even how to get the necessary credentials to pursue them.
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- The Competitiveness Gap:** Businesses need workers with skills that align with their needs to meet employment in Virginia.

**Benefits for Students-Turned-Job-Seekers**

- Earning level parity
- Job opportunities in the 21st-century workforce
- Career mobility
- A pathway to higher pay and more job options

**Today, Workforce Development is Economic Development**

- Job market change is outpacing education models.
- Employers need specific skills that can evolve.
- One-quarter of U.S. workers require a state license to do their job, a five-fold increase since the 1950s.
- 1.4 million Virginia jobs need to be filled by 2022.
- 50%-65% will require more than a high school diploma but less than a degree.
- 19 other states fund credentials training programs, including NC at \$92 million annually.

**Findings**  
Bolstering Virginia's Middle Class Means Solving its 1:2:7 Challenge



1 Graduate Degree  
2 Bachelor's Degree  
7 Associate Degree and/or Industry-Recognized Credential

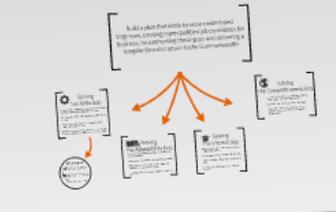
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**Findings**  
Solving Virginia's 1:2:7 Challenge Means Addressing Four Gaps

- The Skills Gap**  
Businesses cannot find enough qualified candidates (the demand) to fill the vacancies they have in middle-class careers.
- The Interest Gap**  
So few people pursue these careers because they are not as exciting or they are unaware of opportunities they offer, or even how to get the necessary credentials to pursue them.
- The Affordability Gap**  
The financial aid that comes from Virginia's financial aid program is insufficient to Virginia's pursuing workforce that they enter the greatest need for such aid.
- The Competitiveness Gap**  
Businesses need workers with skills that align with their needs to grow employment in Virginia.

**Benefits for Students-Turned-Job-Seekers**

- Earning more money
- Getting more training and education
- Getting more job opportunities
- Getting more job security
- Getting more job satisfaction
- Getting more job stability
- Getting more job growth
- Getting more job security
- Getting more job satisfaction
- Getting more job stability
- Getting more job growth

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**Findings**  
Bolstering Virginia's Middle Class Means Solving its 1:2:7 Challenge



# Assignment

## Item 213 #1c of the 2014 – 2016 amended budget



"The Chancellor of the Virginia Community College System shall develop a specific plan to expand the number of workforce training credentials and certifications to a level needed to meet the demands of Virginia's workforce. **The plan should be outcome-based and include recommendations with regard to programs, accessibility, leveraging private investment, measuring outcomes and funding.** The plan shall be developed in consultation with businesses, trade associations, the Virginia Economic Development Partnership, the Virginia Board of Workforce Development, the Secretary of Commerce and Trade, the Secretary of Education, the State Council of Higher Education for Virginia, and other entities involved with this issue. The Chancellor shall submit the report to the Chairmen of the House Appropriations and Senate Finance Committees by September 1, 2015."

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# Today, Workforce Development is Economic Development

- Job market change is outpacing education models.
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- One-quarter of U.S. workers require a state license to do their job, a five-fold increase since the 1950s.
- 1.4 million Virginia jobs need to be filled by 2022.
- 50%-65% will require more than a high school diploma but less than a degree.
- 19 other states fund credentials training programs, including NC at \$92 million+ annually.

# Benefits for Students-Turned-Job-Seekers

- Fastest way out of poverty
- Training program students, on average are 10 yrs older than VCCS transfer-oriented students
- Affordability
- 1/3 credential holders go on to earn a college degree

# Findings

Bolstering Virginia's Middle Class  
Means Solving its 1:2:7 Challenge

**1**  Graduate Degree

**2**   Bachelor's Degree

**7**        Associate Degree and/or  
Industry-Recognized Credential

1



Graduate Degree

2



Bachelor's Degree

7



Associate Degree and/or  
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What are these  
"?" jobs?

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**What are these  
"7" Jobs?**

# Cyber Security

Annual Salary  
\$95,492

# Electricians

Annual Salary  
\$47,103

# Network Support Specialists

Annual Salary  
\$65,358

# Welders

Annual Salary  
\$40,186

# Pharmacy Technicians

Annual Salary  
\$32,302

# Dental Assistants

Annual Salary  
\$36,233

# Industrial Mechanics

Annual Salary  
\$45,978

# Findings

Solving Virginia's 1:2:7 Challenge Means Addressing Four Gaps



## The Skills Gap

Businesses cannot find enough qualified candidates (the sevens) today to fill the vacancies they have in middle class careers.



## The Affordability Gap

The financial aid that serves Virginians pursuing traditional degrees (the ones and the twos) is insufficient to Virginians pursuing workforce training (the sevens), despite evidence that they exhibit the greatest need for such aid.



## The Interest Gap

Too few people pursue these careers because of outdated stigmas, or they are unaware of them, how well they pay, the advancement opportunities they offer, or even how to secure the necessary credentials to pursue them.



## The Competitiveness Gap

Businesses need workers with skills that align with their needs to grow employment in Virginia.

# Solution: Confront Those Four Gaps to Create More Credentialed Workers and Boost Virginia's Middle Class

Build a plan that leads to more credentialed Virginians, creating more qualified job candidates for business, by confronting those gaps and delivering a tangible financial return to the Commonwealth

## Solving The Skills Gap

- Virginia relies on income tax collections to fund the state government more than all but one other state
- Can we create a formula that delivers a tangible ROI for the state?
- Can we create a plan that is performance-based to address lawmaker concerns?
- Can we create a plan that creates a big enough incentive to inspire action among individual community colleges?



## Solving The Affordability Gap

- Those who most benefit from these credentials can least afford them.
- How can we make workforce training more accessible?
- How can we forge financial aid parity with what's available for the ones and the twos?
- How much "skin in the game" should these students have?

## Solving The Interest Gap

- Stigmas and unawareness lead too few Virginians to pursue these careers.
- No one appears to be confronting this issue well.
- Who do we talk to? What do we say? How do we say it?
- Leveraging the NGA Credentials to Complete Grant?

## Solving The Competitiveness Gap

- Can we attract new businesses and retain existing ones through a public-private partnership?
- Can we boost Virginia's income tax collections?
- How can we best leverage private resources and federal resources to create new jobs or up-skill Virginia workers?

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### Key Features?

- Performance-based Funding Pays Only Credentials, Not Degrees
- Direct Business Feedback Informs the Regional Prioritization of Credentials
- Creates Veterans' Opportunities

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