

TOPIC: LEGISLATIVE REPORTS: TALENT PIPELINE REPORT AND SKILLS FOR JOBS ACT REPORT

PREPARED BY: DR. LAUREN VICTOR, RESEARCH & POLICY ANALYST AND DR. BETH BEAN, CHIEF RESEARCH OFFICER

I. SUMMARY

In accordance with C.R.S. §23-1-130, the Colorado Department of Higher Education (DHE) has prepared this year's Legislative Report on the Skills for Jobs Act. DHE has also collaborated with the Colorado Workforce Development Council and other state agencies to develop the Talent Pipeline report, in accordance with C.R.S. §24-46.3-103 (see attached reports).

The Talent Pipeline report provides an overview of the state's educational attainment and educational pipeline data, occupations with positive outlooks, analysis of in-demand skills by key industry, and education/training strategies currently being enacted by the state. The Skills for Jobs Act report examines the state's anticipated workforce needs and presents potential areas of training/education where supply (completions) may not be meeting demand (projected job openings).

II. BACKGROUND

In 2012, the "Skills for Jobs Act" was put into state law (C.R.S. §23-1-130), thus mandating the preparation of an annual report on workforce needs and credential production. New features include alignment of a "Top Jobs" list with the Talent Pipeline Report. In 2014, SB 14-205 was passed, codifying cross-agency workforce development strategies and collaboration, and mandating an annual Talent Pipeline Report.

III. STAFF ANALYSIS

Experts deem that by 2020, Colorado jobs will require 74 percent of the state's workforce have some level of postsecondary training/education (Carnevale, Smith & Strohl, 2013). Indeed, Colorado has a high percentage of highly educated residents. Colorado has a reputation for meeting its workforce needs in part by importing a large share of highly educated workers; the state also retains educated Colorado-born residents quite well, relative to other states.

While our state's overall educational attainment levels are quite high, there is variance in education levels for different subsets of our population, most notably between the Hispanic and non-Hispanic white segments of our population. Just 19 percent of Hispanic adults over 25 years old hold a college degree, as compared to 52 percent of non-Hispanic white adults. We also know that the ethnic composition of our state is changing, with the young Hispanic population being the fastest growing segment of the state's population. Yet, postsecondary enrollment and

completion rates still lag significantly for our Hispanic, and overall underserved minority, population. By 2040, the non-white share of our primary working adult population (ages 25 to

64) is projected to be 43 percent (in 2010 it was 26 percent). With such a large and growing minority population, it is essential that this population has access to and finds success in educational and career pathways, if we are to continue to nurture a thriving state economy.

While our state continues to be an attractive state for in-migration, Colorado must also ensure that the education and training pipelines within the state are adequately preparing youth and adults for the workforce and are aligned with the needs of the economy, especially in light of our changing demographics. Our conventional talent pipeline—as measured by the number of 9th graders that complete a Colorado public high school degree, directly enter college, and earn a degree on-time—accounts for about 23 of every 100 9th graders. We know that other education and training opportunities exist and that many of the other 77 out of 100 students follow successful alternate paths, but we have limited data on most of these alternative pipelines.

Using Colorado labor market data, we have isolated 116 occupations with above average growth, high average annual openings, and typically offer a sustainable living wage. Of these jobs, 81 percent are jobs that typically require some level of postsecondary education for entry, whether it is an apprenticeship, certificate or degree. From this list, occupations are concentrated in construction/extraction, healthcare, business/finance, and information technology job clusters.

When we analyze projected annual openings alongside related annual completions for Colorado public and private institutions, fields where we may be falling short of meeting workforce demand include various skilled trades, mid-level/bachelor's level IT workers, bachelor's level financial specialists and graduate level healthcare practitioners. Beyond just issuing credentials to meet a numerical goal, we must continue to offer high quality educational programs while adequately meeting the demand for certain credential levels and areas of postsecondary training.

IV. STAFF RECOMMENDATIONS

This is a discussion item only; no formal action is required by the Commission.

ATTACHMENTS:

Attachment A - The Colorado Talent Pipeline Report

Attachment B – 2015 Legislative Report on the Skills for Jobs Act