



The Our American States podcast—produced by the National Conference of State Legislatures—is where you hear compelling conversations that tell the story of America’s state legislatures, the people in them, and the policies, process and politics that shape them.

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Building a Strong Workforce | March 27, 2022 | OAS Episode 154

Ed: Hello and welcome to “Our American States.” A podcast from the National Conference of State Legislatures. This podcast is all about legislatures, the people in them, the policies, process and politics that shape them. I am your host, Ed Smith.

“There is not an industry or a company or an organization that I’ve met with in the last six months that hasn’t haven’t had a workforce shortage.”

That was Tennessee Senator Becky Massey – one of my guests on the podcast. The economy in the U.S. went on a wild ride during the pandemic and many of the challenges in the workforce became headline news from drop in participation to the Great Resignation. My guests offer two key perspectives. Massey is a state legislator who has worked extensively on workforce issues and just recently took on the role of co-chair of NCSL’s Labor and Economic Development Committee. She talks specifically about what states can do to aid workforce development.

Eric Seleznow is with the Center for Apprenticeship & Work-Based Learning at Jobs for the Future. He previously served as deputy assistant secretary for the U.S. Department of Labor’s Employment and Training Administration. He has also had other roles in state and federal government focused on workforce development. He discussed apprenticeships and other efforts that are needed in workforce development. Here’s our discussion starting with Senator Massey. Senator Massey, welcome to the podcast.

BM: Thank you for inviting to join you today.

Ed: Senator, let me first congratulate you on your new role as co-chair of the Labor and Economic Development Committee at NCSL.

BM: I’m looking forward to doing it. It’s such an important committee and it’s really something that we all need to continually be looking for improvements.

Ed: Let me start with the big picture question. Why are labor and economic development issues generally so important to you and to Tennessee?

BM: There is not an industry or company or an organization that I've met with in the last six months that haven't had a workforce shortage. As a former intellectual disability provider, we had the workforce shortages before it really became a problem. But I think the pandemic just really increased that. It really is just across the field. There are very few sectors that probably have more workers than they actually need.

Ed: Many of us who are not too keyed into workforce issues have become more aware of them in the last two years as the pandemic upended the economy. We've all seen the headlines about labor force participation and the Great Resignation. Why are these labor issues so critical to states?

BM: It was real interesting in Knox County where I live and represent, we are fortunately to have the Howard Baker Center. And recently I met with the head of the Baker Center, and she actually presented to one of our commerce committees here in the senate and she is a labor expert. And so, she talked about the issues of the Great Resignation and the shortage and basically what she was saying is that it really is going to continue to be a focus. But that what has happened in many states, their economic output is back to their pre-pandemic levels in terms of goods and services. And Tennessee really is one of the states leading in the nation in economic recovery. From an output perspective, it's like the pandemic never happened. But the pandemic worsened the workforce participation rate which was already struggling due to aging workers and a slow rate of population growth.

So, in Tennessee right now, we're 95,000 workers short. What that means is the level of output was generated beyond what was produced pre-pandemic with a labor force that is substantially smaller. So, what's happening is our part-time workers now have all gone full-time and they are actually having to work extra hours which really sometimes is driving the stress level, the burnout rate and things like that. The shift to retirement began immediately upon the outbreak of the pandemic which accounted for about half of the country's labor workforce shortages in 2020. It's unlikely that the 2.1 million workers who left the workforce will return. She went on to tell me that future economic growth is dependent upon population growth and it's going to be important that states are able to basically recruit people to move to their states.

(TM): 05:00

Ed: This labor situation exists in all parts of the country. What are the best tools state legislators have to connect workers and employers?

BM: One, as I said, you're going to have to recruit people to move to your state and of course it helps if you have a great state like Tennessee. But so, a lot of that is the light regulatory status and try to have low taxes so the cost of living and everything is reasonable for people to move to. I mean I've got folks in my county that are going why are all of these people moving to Knox County? We like it kind of like it was, but cuz it increases other things, but I think beyond that it's a multifaceted approach. You know you need to have workforce training for sustainable careers. You need to job exploration programs at an earlier age. We're doing some of that for our middle schoolers just to kind of see what levels they are going to go to. You know dual enrollment for high school students so they can graduate with the certifications and go straight to a job. Increase

funding for career and technical education. Licensure reductions and portability operations opportunities. So, you know as people move from state to state, they need their licenses to be portable or needed to be ease of transferring that license. And I know a lot of states nationally – I know NCSL has had a lot of help with that. Scholarships for free post-secondary and training opportunities. And we were one of the first states to have free post-secondary education in Tennessee. Blend and braid the processes that people have to go to too often because the state bureaucratic levels are so extensive, you may call one department to get something done but then you got to call somebody else to get your business license and somebody else to get your license. So, we need to make sure that it's user friendly. Oh, and then increase the quality, quantity and accessibility of childcare.

Ed: Also on this podcast is my conversation with Eric Seleznow from Jobs for the Future about apprenticeships and other work-based learning programs. Do you see these as a useful tool in building a strong workforce?

BM: I think it's very important, but as I've said, it's a multifaceted approach. But I think apprenticeships really are a shining example of things that really do help build your workforce. It helps people kind of earn to learn. Internships, apprenticeships, middle college which is kind of where people are in their last year of high school and their first year of college at the same time and so they will graduate from high school with also certifications. Remote programs are critical. So, I think it's a combination. We've developed and I think a number of other states have an Office of Apprenticeship that's a part of our Department of Labor and Workforce which helps kind of facilitate some of these opportunities.

Ed: I know given your previous work that you would have an interesting perspective on how to ensure that people who are living with disabilities or people living in poverty have access to these programs.

BM: Well, it's really important. I tell you my first experience working with kind of on the national level with NCSL and it was actually a unique opportunity. It was NCSL NSCG combined to do the work matters program. I was at another just weekend training, and they go oh your day job is running an agency for people with disabilities. Can you come to a couple of meetings? Well, that kind of sucked me in hook, line and sinker on a lot of other things, but it was a fascinating process. We developed a lot of good policies for states that people can access. It's still very current now. When you are talking about disability, the state is a model disability employer. It's real important that we here in Tennessee oftentimes our departments will ask our providers to find jobs for folks with disabilities because it is the largest unemployed group in any sector. But they don't always walk the talk. I actually finally passed that. It got kind of caught up in the pandemic year and we got that passed last year. Another one that we did kind of as a result of that was Office of Accessible Transportation. Actually, the No. 1 barrier to employment is not childcare - it's transportation. We were the first state to have an Office of Accessible Transportation as a part of our State Department of Transportation. And what that's going to do is oftentimes there's silos of transportation opportunities for folks with disabilities or our seniors. Well actually our people in poverty too. They don't work together so they may take somebody to the county line, but they can't take them the next mile over to their doctor or to their worksite.

You know accessing where we are, accessing what the gaps are and working together to develop the kind of statewide or even regional solutions to the transportation issue. Many times, people

that are working non-traditional hours and that's even harder to get the transportation in. I think those are two of the big things with disability employment. It's highlighting that folks, you know, just because somebody has a disability doesn't mean they don't have something to offer to our community. And everybody with a disability all isn't the same. We all have different strengths and different weaknesses and we like to refer to it as differing abilities.

As far as folks in poverty, I think the scholarships, the free college, I mean. You know and it is interesting you know I was with the fellow that actually created the Tennessee Promise here after he first started. And he said you know a couple of other states, even the president at the time had talked about oh we got to do this. But he goes, they didn't want to have a mentor which is critical for the success of it to have a mentor. They didn't have volunteer service which was a key component so you know the individuals that are receiving that free education need to give something back. They need to have some vested buy-in for it to really work. And I think it's important to kind of model it after and ours is the last dollar scholarship. So, they do have to apply for the federal grants and the scholarships and then what's left then we fund. And it's been really a very successful program.

(TM): 12:04

Ed: I wonder if there are any other efforts you've made in Tennessee that you would like to share?

BM: Well, we are doing all kinds of things, but you know there is always more to do. So, it's just like on the Tennessee Promise that funds two-year programs. We are wanting to see them fund the shorter terms certification programs that might be say a CDL license that may take six months you know. We want to see them fund that out of the Tennessee Promise because I think in the long run, if you find somebody that wants you know that is more suited to a certification program as opposed to a two-year program, they might do the two-year program because they don't have the funding for it. I'm going to add one thing about the Tennessee Promise. You've got kids that are in kindergarten that maybe nobody in their family have ever gone to post-secondary. And before they didn't have that as an option, and it wasn't something that they really felt like they could realize that dream. And now those kids they know that if they graduate from high school in Tennessee, they can receive the Tennessee Promise to go to post-secondary. Some of them may not be able to afford four years of post-secondary, but if they get the first two years free, that's help them with the second two years.

So, a couple of other things, we've done the Tennessee Reconnect. What that is is folks that have had some college, but because they may have started a family, they may have needed to work. They may not have been ready for post-secondary. They've left. This helps them come back and finish what they started. We also are looking at – I'm sponsoring legislation this year that will allow basically like a gap year, so you finished high school, but you are not quite ready, and you know you're not quite ready. So, this allows you to pick up the Promise say a year later. Another new program that we've got is a registered teacher occupation apprenticeship and we were the first state to be approved that by the U.S. Department of Labor which established a permanent grow your own model and this allows people to get teacher certification for free.

Those are just a few. I think I mentioned some of the others as we were kind of moving through the questions. But lots of good things. But I think the key is look for those opportunities to see where you can kind of make improvements. There's not a one size fits all and there's not, you're

not going to be able to solve everything at once, but just keep building on what you've got; building on the momentum to kind of help solve this issue and it's not going to get any better without by just sitting around looking at it. It's going to take a lot of effort by a lot of not only legislators, but by governors and by administrations.

Ed: Senator, thanks for sharing your experience working on this issue. Take care. I'll be back after this break with Eric Seleznow from Jobs for the Future.

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Ed: Eric, welcome to the podcast.

ES: Thank you Ed. It's my pleasure to be here.

Ed: Eric, thanks for taking the time to come on the show. I want to start with an overarching question about the workforce. This is a topic that was not front of mind for a lot of Americans before the pandemic, but it has been hard to avoid for the last two years. You've been working in the world of workforce development for more than 30 years including with the State of Maryland at the U.S. Department of Labor and now with Jobs for the Future. What's your assessment of the state of our workforce?

ES: Wow. Can you start with an easier question, Ed? I mean this is a really fascinating time and it is very different. I lived through the great recession back in 2009, 10 and 11 and this is very different. You know pandemic, politics, labor market, childcare, wages are all swirling around now like as you put it like we've never seen really top of mind like this and all the articles and analysis that are going on. The labor market is despite what people say putting inflation to the side which seems to be the main conversation, our labor market has grown incredibly right. Wages are up. There are 3 jobs open, 2 ½ jobs open for every single job seeker out there. There are plenty of jobs for people to get should they have. Well, the key thing is should they have the experience and skills and credentials required for those. But there's an incredible amount of opportunity out there for a wide range of students and workers. So, I think it's a mixed bag. You know if you read the newspapers, there's a really significant issue of post-pandemic childcare for folks. That is huge and front and center. And then you know, it's making sure that people are getting their skills in line with all these great openings that are out there. I mean just look at the monthly reports of DOL on the labor market growth. The industries and occupation opportunities are growing and there's great opportunity out there. The question is can the public workforce through some community colleges, state legislatures, state workforce agencies rise to the occasion and think innovatively and creatively about addressing some of these issues at the state level?

Ed: Well, I think you did a pretty good job of tackling that big picture question. Thank you for that. And I can't tell you how often childcare comes up in conversation. Not just about workforce, but how it effects all sorts of areas. Now more specifically, what the state of workforce developments efforts in this county and how has that changed over your experience?

ES: Well, I think we've gotten smarter over the years. We've gotten smarter and more targeted. We understand how important demand really drives what we do in workforce and job training and education. At least it should drive what we do. We need to be looking at the labor market information and the opportunities within our states and local areas and then crafting programs and

solutions to fit them. I think the Workforce Innovation Opportunity Acts, the public workforce system and one stops and all of that have their role to play. Community colleges are you know are a terrific partner in that system. Sometimes they are great partners. Sometimes there are challenges with those partnerships. But the partnerships, the only other really important part is partnerships and the partnerships it takes to do really high-quality workforce programs is critically important whether it's with a college or a private training provider. Your understanding of the labor market, of the skills and credentials needed by employers. We are a lot smarter at that. I think the credential world is still a little bit confusing to many folks, but if you are doing workforce right, you really need to look at it regionally. And I think that's where a lot of focus is. You know I worked at the federal level. Well, the country is very different. I worked at the state level. Well, the east part of the state is different than the west part of the state and the north different than the south. You know you may have manufacturing in this part of the state. You may have boat building in another part. So, you really have to understand your local and regional labor markets. One size doesn't fit all, and you really have to customize your approach to what the industries and the opportunities are and then how you craft those opportunities to do them. And you know certainly at the state level with a lot of your constituents, state legislators I think they need to be if they are not but have gotten more into workforce or are asking better questions of their state and local agencies. And so, I think it's a great opportunity for state legislators to support and provide some support for what's going on in the state. You know, too often, and I know I'm not answering your question directly, Ed, so forgive me, but you know for too long I think many state's policymakers have sort of looked at the federal funds that come into the state ... and said okay well it's federal funds. We don't have a dog in this fight, but when you look across the country you see some states that have invested general fund money and specific targeted money and have supported the federal funds right. And I don't think anybody should just leave it to the federal funds in those programs right. I think the states, the governor's office, the state workforce board, economic development, commerce, apprenticeship all can be brought together in different parts of the system to help it so. I think it's good that states and legislators can sort of support not only with the federal funds, but some of the other activities that are going on. And not to go on too long although I'm known to do that, Ed. You know look you've got college systems. You've got K-12 systems. You got a public workforce system. How do you sort of bring that together in a regional or local area to make workforce happen? Well not only for workers, but also for the employers that you are trying to attract and keep in your state.

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Ed: Well, I'm glad you brought that up. One question I wanted to ask was about the roles of the federal and the state governments in workforce development and I think you did a great job of addressing that. Let me ask you now about your role as Director of Apprenticeship and Work-Based Learning at JFF. This is an area that has seen a lot of change in the last ten to fifteen years. Can you talk about how apprenticeships have evolved?

ES: Well so I've seen more change in the last six years than the last hundred years. I'm still not sure everybody out there in the workforce, education and policy system quite understands it. Apprenticeship for the last hundred years in this country was centered around the building trades, the manufacturing, labor union programs and projects and a lot in the building trades right. And that's fine. And there are some of the best apprenticeship programs you will find today was from our brothers and sisters in the union programs you know for pipe fitters and electricians, crane operators and elevator technicians and all of that. Those are really intensive. I mean most of them

are four-year programs right and they are every bit as good as a college degree. But the labor unions did from 1937 actually before that until now, the local labor councils almost act like our intermediaries right. So, they've aggregated the demand with their employers. They know what the employers are looking for in the industry and then they've crafted the training to address exactly what the employers are looking for in some of the traditional trades right. And so, then they've created this supply side to attract the workers, put them in a training program and then they come out and go to their employers. It was during the Obama administration – that's when I was at the Department of Labor, that we looked across all of the federal government's investments. What is the most effective workforce program out there based on the evidence? What has the highest wages? What has the best completion rates? What has the best job retention? And if you look across all your range of workforce programs, apprenticeship is heads and shoulders above all the other programs. Average wages of \$70,000 plus a year. Completion rates that are as high if not higher than many two year and four years and a job retention rate one year after completion of 92%. Well, none other program does that. Very few do that. And so, you look at apprenticeship and say well why is it just in the building trades or construction or the labor union programs? Why can't we take that model and apply it through IT and healthcare and cyber security or insurance and business services? Well, you can. It's just a model in which it does not belong to the labor unions although our present system we're building on the shoulders, on their shoulders over the last hundred years. And the integration of on the job learning with the related classroom instruction with a mentor with build-in wage progression. As you increase your skills and competencies, your wages increase and then it ends in a national industry recognized credentials.

So, you know anybody who has done internships or apprenticeships or on the job learning knows that experiential learning works right. I learned more doing those sorts of things when I was in college than I ever did in a classroom. So, what apprenticeship brings is the on the job learning with the related theory from the classroom with the supervision that over however long your apprenticeship system is at the end of that you are a highly qualified worker in whatever that field is. Whether you are a journeyman, a plumber or an electrician or whether you are a software developer or a nursing assistant or a phlebotomist right. All that change in new industries and new occupations has happened since 2014. There were no investments in apprenticeship, and it was Secretary Perez in 2015 that did the first 175 million dollar investment and then congress got involved in it and congress started out in 16 giving 90 million dollars a year. And guess what? This year they are going to be giving 285 million dollars a year to apprenticeship. And there is a range of other grant programs all throughout the federal government. So, we went from very little investment in the national register to apprenticeship program to almost over a billion dollars now over the last seven years.

And a lot of that if I can just finish this goes into new industries, new occupations, but it also wants to access a broader group of participants right. Women or historically male participants in apprenticeship. People of color have been lower although that is getting somewhat better. But there is a lot of things to diversify apprenticeships, industries and occupations and the people who get those opportunities.

Ed: I understand that JFF is committed to diversity, equity and inclusion in apprenticeship programs. I think most of us can see why that's important. But can you talk about what's involved in making sure that happens and why states might want to focus on this as well?

ES: Wow so that's a really complicated question. We don't have enough time here, Ed, but I'll do my best. But first I need to put a plug in for us. We were just awarded a major grant with the Department of Labor to be one of four centers of excellence in apprenticeship and national technical assistance center of excellence. And our area is diversity, equity, inclusion and accessibility. And what the Department wants us to do with this four-year project is to create a bunch of tools and resources for employers and workers so they are practicing the policies and practices to create a diverse apprenticeship system. Look we have if you are lucky maybe 9% of apprentices are women and that's up 2% from a couple of years ago. And while people of color are a little bit better represented according to their share of the population, we are concerned that there is occupational segregation in some of the lower rungs of apprenticeship or even wage disparities between people of color, people with disabilities and women in apprenticeships. So, what we see it as we see really two important parts of this a purposeful and intentional focus on apprenticeship and outreach and being creative about getting into different communities, so you are creating a workforce that reflects the demographics in your community. So that's one really important part of it. The other is it's not just about diversity right. Diversity is easy especially in many of our communities. It's the equity side of this. Getting diverse people into apprenticeships is one thing. Getting them to advance. Getting their wages to advance and giving them the opportunities that everybody else has is important. So, we've got to create both the diversity and the equity thing. And that will be demonstrated through the evidence that DOL collects on wages and advancement and those sorts of things. So, it's not just good enough you know to create a diverse apprenticeship. It's got to have some pathway to a good job, good wages. I mean I think that all apprenticeships are good jobs and good wages, but some are better than others. And we need to diversify the people going into you know increase the access and opportunity to advance.

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Ed: There is a shortage of workers in certain sectors of the economy right now and I wonder if you think apprenticeships can help with that situation.

ES: Yeah, but I mean you will find nobody, Ed, who loves apprenticeship and advocates for it as much as I do, but it's not the only answer in workforce development. But it's one answer that has been ignored for too many years and we should consider it in the range of activities that we all do. Whether you are state workforce agency, a community college system, a workforce board or whatever, there is more that can be done here. A shortage is a shortage is a shortage. Apprenticeship is not going to fix a shortage. What apprenticeship offers employers is a chance to build their own workforce; not buy one right. Not just go put an ad in and say okay, I'll pay you \$15.00 an hour to come with me. That's buying your workforce on the market. They can build a workforce in their community. They can create pipelines and be creative about it. You want to work and create a pipeline with the local community college which will probably have more diversity than other opportunities around there or create a partnership with the workforce board or work and create a youth apprenticeship pipeline through your K-12 system. A shortage is a shortage, but you can create some strategies for employers to grow their own workers to create a pipeline for their skill needs and to really focus on that. And while that may not address the shortage in total, what it does is it gives companies a better strategy in which they can get the workers they need. And then more importantly to train them in the skills that they need. You know just grabbing people out of high school or college or community college is not the only way to do things in this world. You can work with these systems and provide opportunities for people in your communities through those systems.

Employers have to be at the front of this and employers have to be engaged. This is not a solution that community colleges or workforce boards or any of those groups can handle. We've got to get employers. We've got to have them put some skin in the game because they are the beneficiaries of this work. And we need to show them that there are some activities that can help them target, focus and bring in the talent they need to expand and grow in their communities.

Ed: Well, there's clearly a lot more to talk about here. I'll be sure to include links to your site in our show notes. Thanks again for helping us understand this issue. Take care.

Music (TM): 30:44

Ed: And that concludes this episode of our podcast. We encourage you to review and rate NCSL podcasts on Apple podcasts, Google Play, Pocket Casts, Stitcher or Spotify. We also encourage you to check out our other podcasts: *Legislature*, *The Inside Story* and the special series *Building Democracy*. Thanks for listening.