



## WORKFORCE DEVELOPMENT AND EDUCATION

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## 2022 WORKFORCE PRIORITIES

With 47% of jobs in California requiring skills training, employers continue to report that many of the top jobs remain difficult to fill, highlighting the importance of having a well-prepared workforce. Our nation's economy is facing a serious skills gap with 3 out of 5 jobs requiring skills training.

Workforce development organizations across the Sacramento region urge Congress to adopt legislation that enhances funding for Career and Technical Education Programs, in order to meet the training and hiring needs of the Greater Sacramento Region in addition to:

- Increase Funding for Training Programs for In-Demand Industries.
- Ensure America COMPETES Addresses Student and Educational Institution needs.
- Invest in the Workforce Pipeline Required by the Infrastructure Investment and Jobs Act.

### **Business Nexus | Increase Funding for Training Programs for In-Demand Industries**

In the post-COVID recovery, workforce shortages have reached drastic proportions. At the end of 2021 there were 11 million job vacancies, yet only 6.5 million unemployed Americans. While the labor market picture appears favorable for workers, the needs of employers, our economic base, remain significantly unaddressed. When presented with candidates who possess the training required for in-demand industries, the job market can be favorable for both employers and job seekers with employees commanding competitive wages and benefits and employers receiving the skilled talent base needed.

To meet the tremendous need of employers, Congressional action is necessary to prioritize the following strategies and investments: targeted training investments in underserved communities, incentivizing innovation in training programs, accelerating training to be rapidly responsive to business needs, and subsidized training programs that allow for trainees to “earn and learn.”

Congressional action is also necessary to implement career exploration that engages K-12 students at a time when they are at a higher risk for disengaging from learning. 81% of students who left high

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school without a diploma reported that relevant, real-world learning opportunities would have kept them in school, and career exploration experiences such as job shadowing and student internships can improve academic performance and increase the likelihood that students will complete high school and pursue post-secondary education.

Federal investment in Sacramento developments like \$1.1 billion in Aggie Square, a development by the University of California at Davis, and Sacramento State University's "The Hub" Research Park which will be home to the California Mobility Center, require similar investment into developing the workforce to support it.

### **Requested Action**

The Sacramento Metropolitan Chamber of Commerce calls on Congress to invest heavily in training programs and increase grant funding to meet the present and future workforce needs of our region, state, and nation through the following mechanisms:

- Increase funding to \$105 million for the Strengthening Community College Training Grants program administered by the Department of Labor.
- Increase funding for the Perkins Basic State Grant Program in FY 2022 as part of a campaign to double the investment in CTE. Doing so will empower states and Career Technical Education (CTE) educators to effectively implement high-quality CTE programs.
- Establish Energy as a National Career Cluster.
- Expand grants to states to fund local programs of adult education and workplace literacy.
- Encourage Congress to reauthorize and reinvest in WIOA at a level that meets current and projected demands.

### **Brief Background**

#### Strengthening Community College Training Grants

As a recipient of the Strengthening Community Colleges Training Grant focusing on Public Sector Career Pathways, we have been able to see first-hand the beginnings of capacity building and systems-level change this funding addresses. With an emphasis on helping workers reskill as quickly as possible with industry-recognized credentials and accelerated pathways to degrees, this funding will address system challenges to worker training and reskill with the innovation and speed necessary to address employer talent shortages in a fast-tracked, post-pandemic world.

#### Perkins Career and Technical Education Programs

The Perkins Basic State Grant program is the principal source of dedicated federal funding for Career Technical Education (CTE), which helps build the capacity of secondary and post-secondary institutions to serve millions of students nationwide and is more important than ever given the current economic climate. Perkins Basic State Grant funds are allocated to all 50 states through a need-based

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formula and are designed to help ensure all students have the academic, technical, and employable skills they will need for career success. Increasing Perkins funding will expand access to high-quality CTE programs to a greater number of secondary, post-secondary, and adult learners. It will strengthen the capacity of school districts and post-secondary institutions to deliver academically rigorous CTE content, ensure support for special populations, afford the latest technology and equipment for the classroom, strengthen employer partnerships, provide college, and career counseling services, deliver educator professional development opportunities, and ensure students have the skills needed in the 21<sup>st</sup>-century economy.

CTE programs demonstrate the importance of industry sector-centered instruction to ensure that jobs are filled with skilled employees serving key industries. Moreover, CA reported 89% of post-secondary CTE concentrators earned an industry-recognized credential, certificate, or degree. By preparing individuals for further education and rewarding careers, CTE is a smart investment for the future—for learners, families, employers, and the nation.

#### Perkins Focus – Establishing Energy as the 17th National Career Cluster

Establishing Energy careers as the 17th cluster is essential to growing the talent pipeline for these critical positions. Adding this cluster will help build awareness of energy-related careers for all students, including those from historically underinvested populations, of the breadth and earnings potential of these future-focused occupations. Currently, energy jobs tend to be hidden within other clusters. As an established stand-alone cluster, students will have earlier exposure and the ability to build knowledge and skills sets required for energy occupations, allowing adequate time to investigate and utilize aligned programs of study leading to these careers. In some states, students would be able to attend a career academy with a concentration in energy.

#### Adult Basic and Literacy Education State Grants

The Sacramento region is home to one of the largest concentrations of Afghan refugees in the United States. The community has made great strides in welcoming our new neighbors, but the expansion of these grants would not only be beneficial to adults and out-of-school youths aged 16 and older who are not enrolled but would also be helpful for those refugees who have immediate need for employment.

For the previous program year, over 95% of adult education students were identified as having at least one barrier to employment. The top three barriers to employment identified were Low Levels of Literacy, Low Income, and English Language learners. To meet the workforce needs of employers and job seekers, we must first address the foundational needs of basic education and literacy.

#### Workforce Innovation and Opportunity Act (WIOA)

WIOA is the primary funding source for America’s Job Center network, a collaborative effort of federal, state, and local government agencies, school districts, community colleges, and community-based organizations, that provides work readiness, training, and career pathways concentrating on equity,



income mobility and self-sufficiency for underserved populations. WIOA emphasizes locally developed solutions and a demand-driven approach that responds to employers' talent needs.

Despite COVID-19's impact, WIOA has remained a highly successful model in the Sacramento Region accomplishing these recent annual outcomes:

- 31,526 customers served
- 86.6% customers indicated significant barriers to employment
- 70.2% customers employed after exit
- \$41,038 in average annual earnings
- \$4.38 in earnings for each \$1 invested

In contrast to its historical success, WIOA and its predecessors (WIA/JTPA) have experienced declining federal investment over the past three decades. Current funding levels are insufficient to meet the demand for talent and serve the thousands of job seekers with barriers to employment that have difficulty competing in today's labor market.

### **Business Nexus | Ensure America COMPETES Addresses Student and Educational Institution Needs**

The America COMPETES Act (H.R. 4521) proposes to revitalize America's research infrastructure, authorizing critical investments in innovation that will expand economic opportunities in the science and technology sectors. The Act underscores the need for career exploration and job training by proposing to make training and education accessible and affordable through:

- Reauthorization of the National Apprenticeship Act and providing incentives that promote diversity and equity; workforce partnerships between labor, education, and industry and launching new apprenticeship tracks from classrooms and training centers that lead to full-time jobs.
- Authorization of a telecommunications-sector workforce-training grant program, Improving Minority Participation and Careers in Telecommunications Act (IMPACT), for minority-serving institutions to develop job-training programs in partnership with industry, apprenticeships, or labor.
- Acceleration of efforts to increase diversity and inclusion in STEM within historically underrepresented groups.

### **Requested Action**

With the House Amendment for the inclusion of two key pieces of legislation in the America COMPETES Act: The JOBS Act (S. 864/H.R. 2037) and the College Transparency Act (S. 839/H.R. 2030), the Metro Chamber calls upon the Senate to approve the House amendment in conference committee.

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## **Brief Background**

Since the creation of the Pell Grant program in 1965, millions of students have received the financial support needed to access opportunities in higher education. The bipartisan JOBS Act would help the Pell Grant program further live up to its promise by expanding eligibility to students who are seeking short-term certificates at public institutes of higher education. These programs allow students to quickly gain certifications or professional licenses that lead to substantial wage gains and increased career opportunities in high-demand fields such as manufacturing, information technology, welding, nursing, and industrial maintenance.

Innovative industries are creating jobs that were unheard of five years ago, and old ways of doing work are being phased out. To meet the rapidly changing employment landscape head-on, students deserve clarity about the post-secondary options available to them, including accurate information about the careers and salaries that may be available to them upon graduation. The College Transparency Act would eliminate the ban on a federal student unit record data system to facilitate data collection and ease reporting burdens. This bill would include program-level information in data systems and track employment outcomes, as well as information on certificates, licenses, and industry-recognized certifications earned by students to better arm them with information for career opportunities.

## Growing the CTE Teaching Corps

The objective of America COMPETES compels attention to the lack of CTE instructors across industries within the K-12 and community college system. This crisis severely impacts the capacity of public education to produce the number of skilled candidates to meet the talent needs of America COMPETES, not to mention the existing needs of employers and businesses. According to the Association for Career and Technical Education, attracting and retaining qualified and diverse CTE instructors remains one of the most persistent challenges facing the nation.

Research on this issue indicated that 86% of State Directors reported a moderate or severe CTE teacher shortage in at least one Career Cluster at the secondary level, and a further 60% indicated the same at the post-secondary level. Barriers to licensure along with competitive pay and benefits and some of the primary contributors to the pipeline shortage. As CTE instruction remains the cornerstone to delivering high quality, skill-based instruction to meet worker shortages, funding, and programs to address these systemic issues are essential to ensure our public workforce systems can catch up and keep pace with student and employer training needs.

## **Business Nexus | Invest in the Workforce Pipeline Required by the Infrastructure Investment and Jobs Act**

The \$1.2 trillion Infrastructure Investment and Jobs Act (IIJA) will spur economic growth, specifically benefitting key employment sectors in the Sacramento Region. Alongside other pending federal legislation, IIJA not only has the potential to accelerate historic investments in transportation, water,

energy, broadband, and other systemwide improvements, but it also casts light on the infrastructure workforce needs to accomplish this work.

Sacramento's infrastructure talent pipeline is increasingly challenged, and the lack of skilled workers poses challenges to Sacramento's post-COVID recovery. These workforce gaps will reduce the impact of IIJA funding, decreasing the economic benefit to the Sacramento Region over time.

Programs must also be nimble, reducing barriers to innovation and better coordinated among federal and state agencies. Incentives should be offered for paid job training programs, allowing the unskilled, historically underserved, and low-income job candidates to earn while they learn. This is a proven strategy to diversify workforce talent pipelines, improve perseverance in training and overall employment outcomes. Program designers also need to lessen administrative burdens, particularly for smaller employers, as well as eliminate regulatory restrictions that serve as barriers for innovation.

Last, a renewed national commitment to middle and high school career exploration on in-demand career clusters can serve as an entry point to matching young people's talents to careers to ultimately help fill the job vacancies and prepare students for self-sufficiency, which in turn, spurs and strengthens the economic development of the region.

## **Requested Action**

To realize the full promise of the IIJA investment, Congress must place a high priority on workforce investment that provides rapid training, upskilling, and reskilling to bring workers onto the job, remove regulatory barriers and commit to formal 7-12 grades Career Exploration programs.

## **Brief Background**

### Construction Sector

A strong construction workforce is essential in fulfilling the projects associated with the IIJA, and monies are starting to flow into the construction pipeline. However, the construction industry requires more than half a million workers above its current pace of hiring<sup>i</sup> to meet industry labor demands in 2022. As outlays from the infrastructure bill increase, construction spending will expand, exacerbating the gap between labor supply and demand. The average age of retirement from the industry is 61, with more than one in five construction workers being older than 55<sup>ii</sup>. As the construction workforce continues to age, the industry struggles to attract younger workers. The 2018 Current Population Survey found that the amount of construction workers ages 55 and up increased from just under 17 percent in 2011 to almost 22 percent in 2018. Meanwhile, the number of construction workers ages 25–54 declined from about 75 percent to 69 percent. The same survey found that workers under age 25 make up 12.3 percent of the overall U.S. labor force, but in the construction industry they represent just 9 percent<sup>iii</sup>. With the average age of an apprentice entering the industry is 28 years<sup>iv</sup>, this workforce shortage is the most acute challenge facing the construction industry.

It is also important to note that the current supply chain challenges can only be overcome by the investment in key logistical labor, particularly truck drivers and dock workers. Congress must develop incentives for these careers, as the ripple effect of shortages in these careers will severely hamper the economic benefits of the IIJA.

### Green Energy Sector

The portion of workers with the skills needed to support environmental sustainability in the global workforce rose from 9.6% in 2015 to 13.3% so far in 2022 – a 38.5% growth rate. The employment of PV installers is projected to grow 50.5% from 2019 to 2029, much faster than the 3.7-percent growth projected for all occupations. Windtechs are also expected to grow very fast (60.7%) over the 2019–29 decade. Both occupations are among the fastest-growing occupations from 2019–29 and pay more than the 2019 median annual wage for all occupations (\$39,810). Neither requires a post-secondary degree – only on-the-job training to attain needed competency. These are only two of the vast number of occupations on a similar growth and high wage trajectory in the Green Energy Sector. The Metro Chamber recommends significant investment in training for these careers including early career exploration earning and learning to ensure all populations benefit from the promise of this sector.

### Cyber Security Sector

With Sacramento’s proximity to Silicon Valley and the Bay Area, it is an emerging leader in technology and is experiencing similar labor market gaps as well. With 6.9% Net Employment of Overall Workforce and a nearly \$9 billion economic impact from technology, the Sacramento Regional average for Computer and Information Technology occupations wages rank 98% higher than other median state wages. To address diversity goals, greater investments are also needed to expand access to IT training programs that will serve underrepresented populations. The Greater Sacramento Regions’ increased labor market demand for entry-level tech occupations will experience over 50% growth. This demand provides unique opportunities to mobilize and leverage existing programs while expanding the reach of new programs.

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<sup>i</sup> Associated Builders and Contractors (2022, February 23). *News Releases*. Retrieved from ABC: Construction Industry Faces Workforce Shortage of 650,000 in 2022: <https://www.abc.org/News-Media/News-Releases/entryid/19255/abc-construction-industry-faces-workforce-shortage-of-650-000-in-2022>

<sup>ii</sup> CPWR. *Construction Chart Book: The U.S. Construction Industry and Its Workers*. The Center for Construction Research and Training; Silver Spring, MD, USA: 2018. <https://www.cpwr.com/chart-book-6th-edition-labor-force-characteristics-worker-age-construction-and-other-industries>

<sup>iii</sup> SGC Horizon. <https://sgchorizon.com/construction-industry-workforce-getting-older>

<sup>iv</sup> Workforce & Education, Cap-to-Cap 2021 Policy Paper. <https://capmaterials.org/policy-papers/#workforce-education>