



Executive Summary

Arizona Reskilling & Recovery Network:

A Workforce Development and Education/Training Framework

National Reskilling & Recovery Network

Arizona Network Team

(Facilitated by the National Governor's Association & the American Association of Community Colleges)



Introduction

The COVID-19 pandemic has been a crisis of historic proportions, resulting in the infection of millions of Americans, the related deaths of more than 500,000 people, widespread business closures in the wake of the initial shutdowns and subsequent economic downturn, and the loss of millions of jobs. Yet, the fundamentals of the American and Arizona economy remained strong in this time of crisis, and signs of recovery are already underway. However, the effects of the pandemic and the subsequent recovery have not been experienced equally or equitably. Many Arizonans remain unemployed or employed in low-wage jobs, especially among rural communities, discouraged and marginally attached workers, racial and ethnic minorities, and women. Equally, the long-term effects of Industry 4.0 (e.g., automation, artificial intelligence, cloud computing, mobile technology), demographic change such as the birth-death, high levels of low-wage jobs, and disproportionately low education levels serve as limiting factors to future economic development and growth.

In this context, Arizona was selected as one of 20 states to join the National Governors Association (NGA) and the American Association of Community Colleges (AACC) Reskilling and Recovery Network. The Arizona State Team is composed of representatives from the Office of the Governor of Arizona, Business and Industry, Arizona's Community Colleges represented by the Arizona Community College Coordinating Council (AC4), the ARIZONA@WORK system, Achieve60AZ, and local workforce development leaders. This team developed the Arizona Reskilling and Recovery Network Workforce Development and Education/Training Framework to address the equity issues among low-wage workers, racial and ethnic minorities, and women that the COVID-19 pandemic worsened, in order to best serve our employers and communities.



Eastern Arizona College's Nursing Program is a National League for Nursing Center of Excellence that prepares students for immediate entry into the workforce and advanced studies.

Arizona Reskilling & Recovery Framework

Arizona's Reskilling and Recovery Network Framework addresses the near-term challenges resulting from the COVID-19 pandemic and the associated economic downturn, as well as needed structural alignment between economic development and workforce development from a policy and programmatic perspective. The focus of this Reskilling and Recovery Network Framework is on the important role that Arizona's Community Colleges play in taking recovery and reskilling efforts to scale, in partnership with the ARIZONA@WORK system and employers, and in alignment to Arizona's economic development priorities and the Achieve60AZ framework and goals.

Arizona Reskilling & Recovery Framework

The Reskilling and Recovery Framework and its components imbue a cyclical process with sequential steps. In practice, components and related actions or initiatives of the Framework may overlap or occur simultaneously. The outcomes of the Framework are focused on these key drivers of Reskilling and Recovery:

- Job placement in target industries;
- Closing the skills gap, particularly among racial/ethnic minorities and identified female single-earners/heads of households;
- Movement of low-wage workers to jobs with family-sustaining wages;
- Number of workers with education levels of high-school equivalency or less that earn a postsecondary credential with labor-market value; and,
- Increased public-private partnerships whereby employers sponsor employees in partnerships with community colleges, including apprenticeships, tuition reimbursement, and training.

The Central Role of ARIZONA@WORK and Arizona's Community Colleges

There are multiple entities involved in workforce development and all of them play an important role. However, two systems provide the largest and most adaptable infrastructure, education and training options, and support services at the scale needed to meet this challenge: the ARIZONA@WORK system and Arizona's Community Colleges.

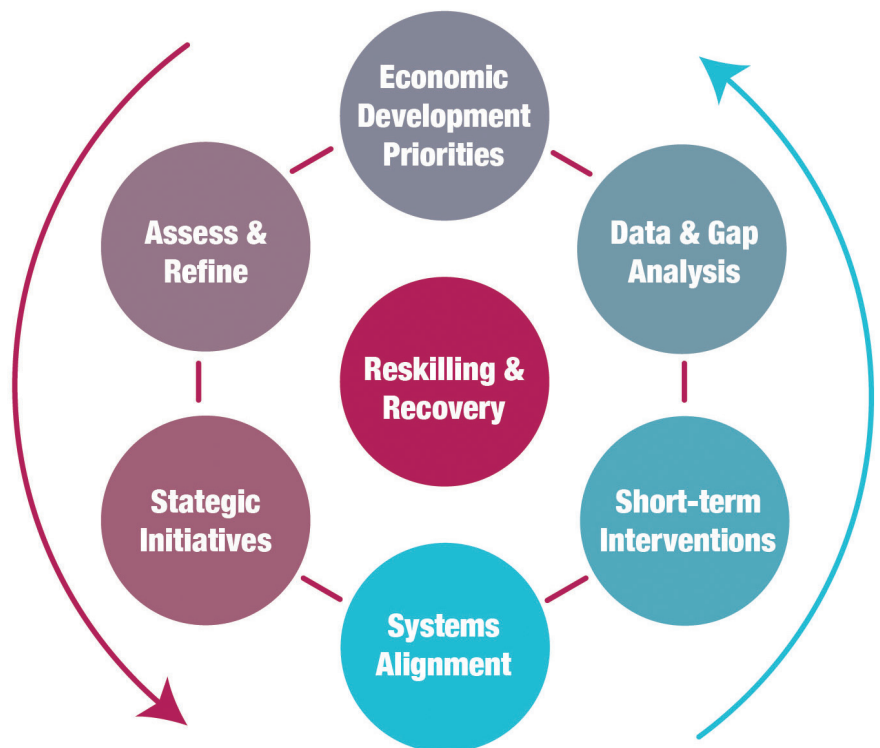


Figure 1. Arizona Reskilling & Recovery Framework.

Reskilling and Upskilling

The sudden onslaught of the pandemic, the immediacy of the economic downturn, and the historical rate and volume of unemployment led to rapid responses from multiple institutions of government, education, and employers. Short-term interventions and near-to-long-term strategies are focused on upskilling and reskilling, as opposed to traditional paradigms and models of linear education.

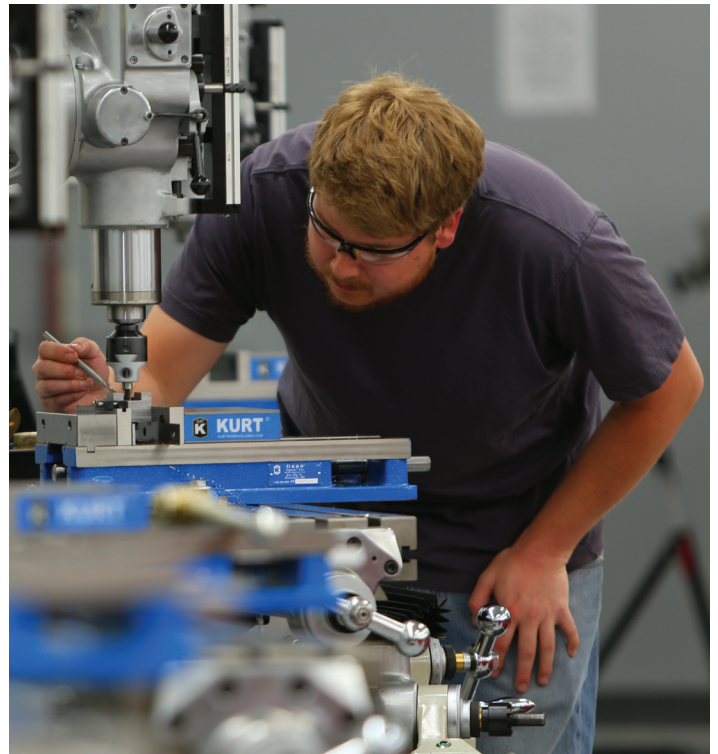
- Upskilling: learning new competencies to stay in current role, due to the change in skills required, or adding certain competencies for career progression.
- Reskilling: learning new sets of competencies to transition to a completely new role.

In this context, the Framework focuses on efforts on reskilling due to the immediate impact of the pandemic as well as the sustained and projected effects of automation and demographic change. Workers who have been displaced by the effects of the pandemic-related economic downturn as well as those discouraged, marginally attached workers, and employed part-time for economic reasons, fall into three overarching categories for reskilling:

1. Workers eligible for immediate job placement in target industries;
2. Workers needing only short-term training in micro-pathways for job readiness in target industries; and,
3. Workers requiring a certificate/degree/apprenticeship to reskill/recareer.

With respect to upskilling, the assessment of workers' skills may render a need for training and placement into new jobs within the same career pathway instead of reskilling altogether. The systems required for reskilling and upskilling are nearly the same, with two (2) key differences: (1) workers in need of upskilling will likely require training mainly in the second category of need (short-term training such as in micro-pathways for job readiness in target industries), and (2) the relevant training will usually follow the earning of a certificate and/or degree as compared to entry-level education and training. The impacts of automation will increase the need for both reskilling and upskilling at scale as lower-level jobs within industries are significantly altered or displaced altogether.

Building upon recent successes among Arizona's Community Colleges and ARIZONA@WORK, such as the Return Stronger Initiative, AC4 Google IT Certificate Initiative, and the Arizona Advanced Technologies Corridor, the Reskilling & Recovery Framework focuses initiatives and supporting policies to strengthen our educational and workforce development response to the pandemic.



A student at Gateway Community College receives training for a career in advanced manufacturing.

Strategies and Policy

The following strategies and policies are action items that, when employed in concert with each other, will shift talent strategically to Target Industries and In-Demand Occupations. More importantly, these strategies address issues of equity by increasing access to education and training, increased wages, and upward mobility out of low-wage job categories. We have shown how low-wage workers, racial/ethnic minorities, and women were disproportionately impacted by structural impacts of low-wage job markets, the impacts of Industry 4.0, and the pandemic. Each of these strategies is aimed at addressing these issues in the near-and-long term.

State Longitudinal Data System

Expedite the development and implementation of the Integrated Data System (IDS) to combine administrative data from various state agencies and educational institutions with the purpose of assessing the impact of those organizations on the lives of Arizonans over time. This will allow the state to better measure the value of various government programs and interventions; to understand how individuals may be affected by more than one agency; and to enhance government efforts to generate better outcomes.

Early College Models in CTE/Workforce Education

In addition to increased Career & Technical Education (CTE) dual-credit opportunities, CTE Early College High Schools allow students to enter high-skill and high-wage jobs in the target industries by earning a high school diploma, stackable credentials, and up to an Associate of Applied Science (AAS) degree simultaneously. In the 2021 Arizona state legislative session, House Bill 2021 proposed the elimination of the 25% class cap for Dual Enrollment in Arizona for students in the ninth and tenth grades, placing an artificial cap on students that are ready for college-level coursework. We recommend the passage of this bill as these changes are needed in order for Arizona's Community Colleges to implement CTE Early College High Schools and streamline ARIZONA@WORK programs for Opportunity Youth that lead to college credit in high-demand jobs in Target Industries.

Reskilling and Upskilling at Scale

The Reskilling and Recovery Network Framework provides the structure needed for Arizona to rapidly scale upskilling efforts across the state. To best meet the needs of both Arizona's

employers and workers, colleges must be flexible and offer interchangeable credit and non-credit programs that are aligned with third-party industry credentials and in-demand occupations. Proposed structural changes to the Expenditure Limit formula that support these aims include:

- Weight CTE/workforce training to better reflect the cost differential between workforce and academic programs (change the definition of a FTSE for workforce specific courses/programs).
- Allow FTSE generated for non-credit workforce training to be included in the EL calculations for reskilling and upskilling.
- Revise the statutory FTSE formula to better reflect our students course-taking patterns (primarily part-time) and respond to market needs for short-term training.

Work-Based Learning and ApprenticeshipAZ

Arizona Community Colleges are committed to providing work-based learning opportunities to our communities which results in certifications, and industry credentials to fill high-wage jobs at the Skills Training level that require more than a high school education, but not a four-year degree. Such earn-and-learn models increase access and equity by allowing participants to gain viable skills while earning income and reducing student loan debt. Thus, we recommend the implementation of ApprenticeshipAZ, which would assist eligible Arizona businesses who sponsor or develop a registered apprenticeship program to receive a \$1,000 direct tax credit for each registered apprentice employed for at least six months during each year of apprenticeship for up to four years. The tax credit could be used as an incentive to increase the number of apprenticeships offered in our state and is intended to offset the direct and indirect costs of establishing the registered apprenticeship program.

Design for Industry 4.0 & Technology and Innovation Workforce Development Fund

In 2019, House Bill 2657 was drafted to establish a Technology and Innovation Workforce Development Fund to support employer training of incumbent and net new employees with specific provisions requiring that employers partner with one of Arizona's Community Colleges,

recognizing our value of high quality workforce development and technical training. The provisions of former House Bill 2657 established a program that simultaneously addresses the economic development priorities of the Target Industries, workforce needs of employers seeking to relocate or expand in Arizona, and the upskilling/reskilling needs of incumbent workers, while maximizing the training capacity of Arizona's community colleges. We recommend the establishment of the Technology and Innovation Workforce Development Fund as a partnership program between the ACA/OEO, Arizona's Community Colleges, and Arizona employers

IETs in Adult Ed./HSE/Ability to Benefit

Integrated Education and Training (IET) models offer basic skills instruction concurrently and in the context of the CTE career field for Adult Basic Education students. Ability to Benefit (ATB) provisions at the federal level allow for each state to define their own criteria for ATB student eligibility, and thus increase Adult Basic Education student enrollment in IETs. This state-defined option needs U.S. Department of Education approval before it can be implemented. Thus, we recommend a State-Defined Option for ATB Eligibility in Arizona. Equally, we recommend that Arizona expand the language around dual-credit to include Adult Basic Education students to allow colleges more leeway to offer concurrent CTE and Adult Education.

Marketing/Connection Platforms

Working as a state system to meet current and future employment demands necessitates a common tool for career exploration and job-seeking and placement. A unified platform to drive the workforce to an established set of career pathways allows for the efficient assessment of skills and interests, career exploration, and direct connection to credit and noncredit training aligned to industry needs and which is available through Arizona's Community Colleges. Employers' ability to post open positions and hire based on skills matching, lends itself to a strategic model and direct connections between students/trainees and available jobs with family-sustaining wages and opportunities for advancement. We recommend the implementation of a common marketing and connection platform in Arizona.

Expansion of the Arizona Advanced Technologies Network to Rural Communities

The transition of the Arizona Advanced Technology Corridor (AATC) into the Arizona Advanced Technology Network (AATN) would enhance an emerging workforce by offering a unified certificate program, universally recognized by all Arizona community college partners. Leading rural sectors would benefit from an expanded pool of a certified workforce that have a matching skill set of proven abilities that could potentially fill immediate jobs across aligned industries and contribute to the growth and development of the economic diversity in each rural region.



Yavapai College's School of Career and Technical Education has partnered with Freeport McMoRan and other companies to develop apprenticeship programs. Freeport McMoRan provides tuition, books, and supplies, and offers paid jobs for students while they are in school.

We recommend funding the formal expansion of the Arizona Advanced Technology Corridor (AATC), which currently includes Maricopa Community College District, Central Arizona and Pima Community College, into a statewide network of community colleges serving multiple geographic rural areas across Arizona. This includes the establishment of a shared governance structure among the participating colleges for the AATN, and seed funding akin to the approximately \$600,000 that original AATC college districts each received from the ACA/OEO.

Prior Learning Assessment

In May of 2016, the Arizona State Legislature passed Senate Bill 1267, which requires that under Arizona Revised Statute 15-1898, veterans be awarded credit for their prior learning while in the military. Passage of this bill allowed not only veterans to receive credit for previously acquired knowledge and learning, but also translated to awarding of credit for all working adults, regardless of veteran status. We recommend that the provisions of former SB 1267 be expanded to include all client populations of the ARIZONA@WORK system as well

as provisions for first responders, apprentices, and licensed professionals seeking enrollment in Arizona's Community Colleges. Further prioritizing the awarding of credit for prior learning to more identified populations, including the required Title clients of ARIZONA@WORK, and training ARIZONA@WORK job center staff on opportunities for Prior Learning Assessment at each college reduces barriers to entry for working adults into community college programs. This strategy will help close the skills gap, particularly for racial/ethnic minorities and women.



Pima Community College and TuSimple representatives with TuSimple's self-driving truck (right) at TuSimple's testing and development center in Tucson, Ariz.

Reskilling & Recovery--Bringing it all Together

Acceptance and implementation of the initiatives and supporting policy recommendations of this Reskilling and Recovery Framework will bolster the short-term interventions underway as well as ensure long-term initiatives and strategies that will strengthen Arizona's economy and increase job growth and prospects for all Arizonans. Specifically, leveraging the strengths of Arizona's two largest and most organized workforce development systems--Arizona's Community Colleges and the ARIZONA@WORK system--provides Arizona an efficient and effective means to long-term job growth as we recover from the impact of the COVID-19 pandemic. In accordance with the aims of Achieve60AZ and our economic development goals, these are the outcomes of the Reskilling and Recovery Framework for Arizona:

Career Pathways & Lattices

- Pathways are data-driven and have upward mobility
- Scale early college models
- Increase work-based learning opportunities/apprenticeships
- Maximize upskilling opportunities
- Increase opportunities for re-careering through certificates and degrees

Employer Leadership

- Strengthen employer-led sector partnerships
- Support work-based learning and apprenticeships
- Promote and expand skills-based hiring practices
- Support family-sustaining wages (e.g., So. AZ Women's Foundation model)
- Expand employee retention strategies and employer sponsored education/training



Arizona Western College students planting jalapenos, tomatoes and cilantro seedlings to monitor throughout the semester as part of a plant science class.

Access & Equity

- Expand access to childcare
- Employer Resource Network
- Community-based support (e.g., CPLC, Job Path)
- Remove transportation barriers
- Ensure access to behavioral health services

Future of Work

- Career lattices allow for worker movement across sectors
- Develop programs to expand hybrid jobs
- Ensure digital literacy at all skill levels
- Align to ACA/OEO integrated data system (IDS)
- Workforce system and CC alignment

Closing

The far-reaching implications of the COVID-19 pandemic have challenged our economy and caused disruptions that may last for a generation or more. In spite of the strong fundamentals of the American and Arizona economy, the effects of the pandemic and the subsequent recovery have not been experienced equally or equitably. Many Arizonans remain unemployed or employed in low-wage jobs, especially among rural communities, discouraged and marginally attached workers, racial and ethnic minorities, and women. Equally, the long-term effects of Industry 4.0 (e.g., automation, artificial intelligence, cloud computing, mobile technology), demographic change such as the birth-death, high levels of low-wage jobs, and disproportionately low education levels

serve as limiting factors to future economic development and growth. In this context, the foundation for strategic alignment, initiatives, and policy recommendations of this Arizona Reskilling & Recovery Framework will help us better serve our employers and communities, and strengthen opportunities for upward mobility for all of Arizona's workers.



Cochise College's Cybersecurity Associate of Applied Science degree prepares students for employment in the field of information systems security.

About the Reskilling and Recovery Network

The Reskilling and Recovery Network is a partnership between the National Governors Association Center for Best Practices and the American Association of Community Colleges, with support from the Lumina and Siemens foundations. The purpose of the network is to involve 20-plus states that were selected to participate, including Arizona, to bring together state and community college leaders with workforce and industry partners to collaboratively identify and scale strategies that give workers the skills necessary to succeed in an economy reshaped by the pandemic.

About the Arizona Community College Coordinating Council

The Arizona Community College Coordinating Council (AC4) is an association of the ten accredited community college district CEOs. As primary providers of job training, workforce preparation, and university transfer education in Arizona, the districts are responsible for serving a diverse population of students throughout the state. The Council was created to provide a forum for advocacy, communication, and coordination, and to provide a unified voice for independent community college districts. The Council and its executive director also act as a single point of contact to the public, media, education community, and public policy makers.

Acknowledgements

We would like to express our thanks to Governor Doug Ducey for his leadership in the National Governors Association which has partnered with the American Association of Community Colleges to establish the Reskilling and Recovery Network involving over 20 states, including Arizona, and for his continued support of Arizona's community colleges.

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- Lisa Rhine, President, Yavapai College
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The Office of the Governor and ARIZONA@WORK, along with their partnering organization, takes no legislative position on policy recommendations derived from or in the document.



Executive Summary

RESKILLING & RECOVERY: A WORKFORCE DEVELOPMENT AND
EDUCATION/TRAINING FRAMEWORK FOR ARIZONA
