

Workforce Training Incentive Report

**Response to House Resolution 215 of the 2023
Regular Legislative Session**

February 2024

Table of Contents

Table of Contents.....	2
Introduction.....	3
Stakeholder Engagement.....	4
Key Findings Pertinent to the Charge.....	5
Definitions.....	8

Introduction

House Resolution 215 of the 2023 Legislative Session urges and requests the Louisiana Department of Education (LDOE) and the Louisiana Workforce Commission (LWC) to work jointly to study the feasibility of establishing a program to incentivize businesses to work in partnership with high schools to offer job training and internship programs for students which will help prepare students for careers in highwage, high-demand industries and to report the findings to the House Committee on Ways and Means prior to the convening of the 2024 Regular Session.

Stakeholder Engagement

- Consultation - Required in the Bill:
 - LWC
 - Louisiana Association of School Superintendents
 - Louisiana School Boards Association
 - Louisiana Association of Public Charter Schools
 - Baton Rouge Area Chamber (BRAC)
 - YouthForce NOLA
- Consultation - Expanded:
 - GNO Inc.
 - North Louisiana Economic Partnership (NLEP)
 - Central Louisiana
 - One Acadiana

All stakeholders included in the resolution received invitations to the meetings. The LDOE extended the required consultation group to include all Regional Economic Development Offices. Apart from the two scheduled meetings involving the required and expanded stakeholder groups, the LDOE actively engaged in ongoing discussions with both BRAC and YouthForce NOLA.

Key Findings Pertinent to the Charge

Amid increased concern over workforce shortages, skills gaps, and workforce readiness, access to student internships has emerged as a critical strategy to expose the future workforce to the opportunities in our changing economy. The expansion of student internship opportunities aims to establish a reliable and diverse talent pipeline, ultimately enhancing career prospects and economic outcomes for young learners.

Louisiana has several lists of high-wage, high-demand industry sectors applicable to this proposed program. At the foundational level, the LWC leverages labor market information to produce reports including the STAR jobs report. This report provides insights into high-demand occupations, wage trends, and other information relevant to workforce planning.

It is essential to extend consideration beyond a singular focus of the LWC STAR Jobs report. Specifically, attention should be directed toward two additional high-wage, high-demand industry sector lists: the Perkins Regional Cluster Determination and MJ Foster Promise Program lists. These lists serve as valuable supplements to the LWC Star Job Report, ensuring a more nuanced and encompassing approach to addressing the needs of the job market.

The Perkins Regional Cluster Determination requires collaboration between industry members, secondary school systems, and Louisiana Community and Technical College System (LCTCS) campuses. This engagement serves as a critical step in ensuring localized perspective in aligning educational offerings with the needs of local industry. The result is a targeted and region-specific set of industry clusters that provide a focused approach to implementing educational programs that are relevant and responsive to demands of the job market.

The MJ Foster Promise Program contributes to a broader framework by considering post-secondary educational program alignment within the high-wage, high-demand industry sectors. This program acknowledges the connection between educational program offerings at post-secondary institutions and workforce demands. By integrating considerations of program alignment, it aims to bridge the gap between education and employment for key industry sectors in the state.

Together, these lists go beyond the identification of high-demand, high-wage industry sectors. They collectively provide a roadmap to aligning internship programs to the dynamic needs of the workforce. The holistic approach, building upon the insights derived from the LWC STAR Jobs Report, ensures a well-rounded and adaptive strategy for identifying industry sectors to be targeted by the internship program.

To determine regional or economic priorities for internship opportunities, it is crucial to take into account demographic factors, educational infrastructure, and workforce capabilities. A comprehensive understanding of the dynamics within the local labor market, skills gaps and demands, industry trends, employment rates, and emerging sectors that contribute to the unique challenges and opportunities present in the regional economy offers valuable insights into the regional economic priorities. This informed approach ensures that internship programs are strategically aligned with the specific needs and strengths of the local community.

The M.J. Foster Promise Program offers a model for how the above considerations could be factored into determining what jobs to prioritize for an internship incentive. R.S. 17:3047.1 (adopted as Act 457 of the 2021 Regular Session) establishes an advisory council to consider state and regional economic priorities and identify qualified programs. Following review of the LWC's occupational projections and real-time labor market information (e.g., Lightcast), the regional economic development organizations (REDOs) are consulted to provide regional context. From there, a list of educational programs aligned with the target industries and occupations is developed, which the advisory council is asked to approve. A similar process could be established for determining occupational pathways that would qualify for an internship incentive

Bulletin 741 - Louisiana Handbook for School Administrators, §3113 serves as the defining framework for work-based learning. The policy provides a comprehensive definition of and requirements for internships. Internships are bifurcated into distinct and required experiences to receive a Carnegie Unit. According to current policy, students are required to complete 155 hours of on-the-job training along with a minimum of one class per week for classroom engagement, aimed at fostering enduring durable and transferable skills development.

Presently, the LDOE is involved in discussions with stakeholders to assess the feasibility of updating the policy requirements pertaining to work-based learning. Given that BESE policy precisely outlines the requirements to earn a Carnegie Unit and also delineates the criteria for internships, the workgroup recommends that the number of hours stipulated for program participation should align seamlessly with BESE policy. This alignment ensures clarity, consistency, and adherence to established policy frameworks.

In order to assess the number of internships to be eligible for the incentive program, the LDOE conducted an analysis of the current state of internship opportunities based on internship course enrollment data reported by school systems to the Student Transcript System. For the purposes of this report, the analysis utilized the data available to the state. It is essential to acknowledge the presence of internship programs, within certain schools and school systems, that deviate from policy requirements and consequently are not reported to the state as internship credit. Internship programs not meeting the requirements set forth in policy are not reported to or collected by the LDOE and are not included in this report. The analysis examined internship enrollments in 2018-2019, 2019-2020, 2020-2021, 2021-2022 and 2022-2023. This analysis provides a multi-year perspective in order to provide a foundation for future considerations and policy adjustments.

School Year	Total Internship Course Enrollments	Total Graduates	Number of Graduating students with at least one internship course on their transcript	Percent of Graduating students with at least one internship course on their transcript
2018-2019	2,128	42,990	1,773	4.1%
2019-2020	2,166	44,568	1,927	4.3%
2020-2021	2,017	42,094	1,550	3.7%
2021-2022	2,071	42,328	1,570	3.7%
2022-2023	2,143	41,990	2,037	4.9%

As reflected in the table, internship enrollment has exceeded pre-Covid levels in both number and percent of graduates with an internship experience.

The workgroup discussed the existing landscape of internship enrollment and identified a pressing need for expanded opportunities. The LDOE posits that engagement with high-quality internship opportunities and registered apprenticeships holds comparable significance to early exposure to Dual Enrollment and Advanced Placement.

The LDOE believes that increasing the percentage of graduates with exposure to internships and registered apprenticeships will effectively contribute to ensuring that every student is well-positioned for a successful future. This approach aligns with the broader goal of preparing students for diverse pathways – be it professional careers, pursuit of higher education, or service-oriented endeavors. By recognizing the value of internship experiences alongside other educational initiatives, the LDOE underscores its commitment to fostering a comprehensive education journey for all learners.

In order for the proposed program to be beneficial to students, internship pay rates must be no less than minimum wage and should align with regional competitiveness, comparable to other sectors and occupations that attract young learners such as food service, retail, and seasonal recreation. This alignment is crucial for the economic viability of internships, especially for students who need to earn an income. YouthForce NOLA administers an internship program for students in their New Orleans service area. Using YouthForce NOLA as a case study, fast food restaurants in New Orleans are paying a median wage of \$16.80 per hour. To be a feasible choice for young individuals facing economic challenges, YouthForce’s internship program seeks to compete with this hourly wage and take into consideration that young people can work more hours per week in a food service job than as a YouthForce intern (e.g., 30-40 hours per week vs. 15-20). Recognizing these factors, YouthForce intends to offer a pay rate of \$14/hour equivalent in 2024 in order to be a competitive option for young people’s time. This strategic move is aimed

at ensuring that YouthForce NOLA remains an attractive and competitive option for young people, acknowledging their financial needs.

Utilizing the Youthforce NOLA example, alignment to BESE policy, and proposed number of targeted internships, if 2500 students engage in an internship spanning 155 hours at the minimum wage, the total cost would amount to \$1,123.75 per student, totaling \$2,809,375 for all 2500 students. However, if Youthforce NOLA opts to enhance the starting wage to \$11 per hour to remain competitive with other industries, the revised cost per student would be \$1,705, resulting in a total funding requirement of \$4,262,500 to support all 2500 students.

The workgroup also explored the concept of setting a maximum funding limit of \$2,500 per student. This approach introduces flexibility in wage structures and provides employers with the latitude to commit to more than the standard 155 hours. This cap ensures adaptability in accommodating varying wage rates and extended work-hour commitments, offering a balanced framework that aligns with the diverse needs of both students and employers. This framework would result in a total funding requirement of \$6,250,000 to support all 2500 students.

In pursuit of enhancing internship opportunities, BRAC, through its task force, meticulously gathered information from business leaders, who pinpointed a notable obstacle – the cost associated with hosting and compensating interns. An alarming trend further underscored the urgency of addressing this issue. Among those moving from Louisiana to other states, a disproportionate number have post-secondary certificates and degrees. Data shows that 73% of those who moved from Louisiana to another state last year had some post-secondary training or education; statewide only 55% of Louisiana residents have that level of educational attainment. (US Census/American Community Survey, 2022 1-Year Data) This exodus not only signifies a loss of skilled individuals but also contributes to a widening gap in the workforce. According to the U.S. Chamber of Commerce, Louisiana faces a ratio of 55 available workers for every 100 open jobs, indicating a pressing need for strategies to retain its talented residents. (Understanding America's Labor Shortage: The Most Impacted States, 2024)

To counteract this trend, BRAC and other stakeholders advocate for the expansion of internships that create professional networks and the development of roots in the state. The rationale behind this initiative is rooted in the belief that providing credentialed residents with a robust professional network and fostering a sense of belonging in Louisiana will act as a powerful incentive for them to stay. This, in turn, makes staying in one's region a more compelling option. By expanding internship opportunities, Louisiana can aim to not only address the immediate cost concerns of businesses but also to contribute to the broader goal of retaining and nurturing a skilled workforce within the state. This legislative study serves as a foundation for informed decision-making, offering insights into the challenges faced and proposing solutions to fortify Louisiana's position in talent development and retention.

Definitions

Carnegie Unit: The basic unit of high school credit.

Durable and Transferable Skills: A set of abilities and qualities that individuals develop through various experiences and can apply across different contexts, roles, and industries. These skills are not limited to specific technical knowledge. Examples include effective communication problem-solving, teamwork, time management, adaptability, leadership, and critical thinking.

Internship: Work-based activities where students work with an employer for a specified period of time to learn about a particular occupation or industry. The workplace activities involved with an internship could include special projects, a sample of tasks from different jobs, or tasks from a single occupation. An internship agreement is set up prior to the experience that outlines the expected objectives to be accomplished by the student. This may or may not include financial compensation.

Registered Apprenticeship: An industry-driven, high-quality career pathway where employers can develop and prepare their future workforce, and individuals can obtain paid work experience, receive progressive wage increases, classroom instruction, and a portable, nationally-recognized credential. Registered Apprenticeships are industry-vetted and approved and validated by the U.S. Department of Labor or a State Apprenticeship Agency. RAPs enable and energize more employers to participate and provide them access to larger talent pools that have been trained for entry-level to management positions, thereby meeting industry demands and reducing unemployment rates across the country.

Work-based Learning: Provide opportunities for CTE students to receive on-the-job training and related classroom instruction in all CTE program areas. Work-based learning may include, but is not limited to, cooperative education and internships.

For additional information, please contact jessica.vallelungo@la.gov.