

Testimony to Oregon House Committee on Higher Education and Workforce Development

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In support of HB 1524

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A. Our current system of free public education no longer prepares people for jobs.

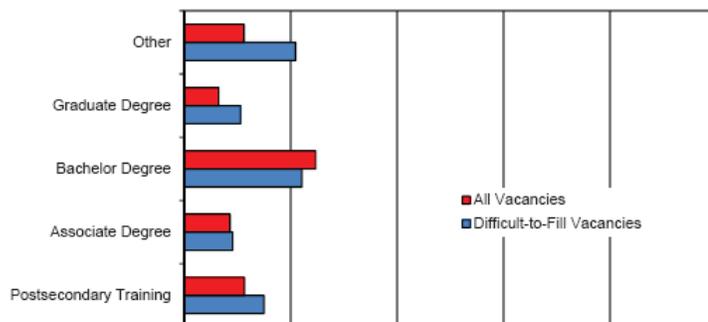
There was a time when a high school diploma was a ticket to a solid middle-class job. Graduating from high school was an endpoint for many. The implicit understanding was that “free public education” meant free public education that could lead to a decent job. We understand now that post-secondary education is necessary for a good job. Therefore, our concept of “free public education” needs to expand to fit this model.

B. Post-secondary education, but less than a Bachelor’s Degree, can provide training for middle-wage jobs which are in demand.

In particular, I advocate on behalf of post-secondary vocational education programs. These are programs which lead to good jobs within the time parameters of community colleges. The Oregon Employment Department has identified careers which provide mid-level salaries, will be in demand in the future, which have a shortage of workers and are jobs for which community colleges offer training. [Please refer to the attached article: *An Associate's Degree: Expanding Occupational Opportunities.*]

Post-Secondary Training or an Associate Degree, together, correlate with a higher number of difficult-to-fill positions than the total of difficult-to-fill positions requiring a Bachelor’s Degree.

Comparing Shares of Vacancies by Education Level



From: *Two-Fifths of Oregon’s Job Vacancies are Difficult to Fill.* OED.

C. The Co-op model - job experience often counts significantly, along with training.

“Difficult-to-fill vacancies are more likely to require education beyond high school and much more likely to require previous experience. They are more likely to be permanent positions – 87 percent of difficult-to-fill vacancies were for permanent positions. And difficult-to-fill vacancies are generally for higher-wage jobs than vacancies that weren’t marked difficult to fill.” [From *Two-Fifths of Oregon’s Job Vacancies are Difficult to Fill.* OED]

I suggest the committee explore the Co-op model of education, which allows for alternating periods of school and related work experience. This would accomplish two goals – provide the student with the experience needed for a job later and, if the work experience is paid, provide some living expenses to the student.

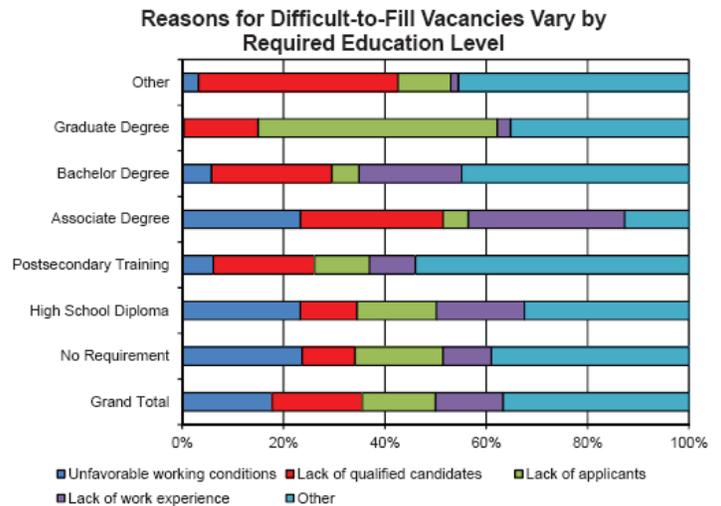
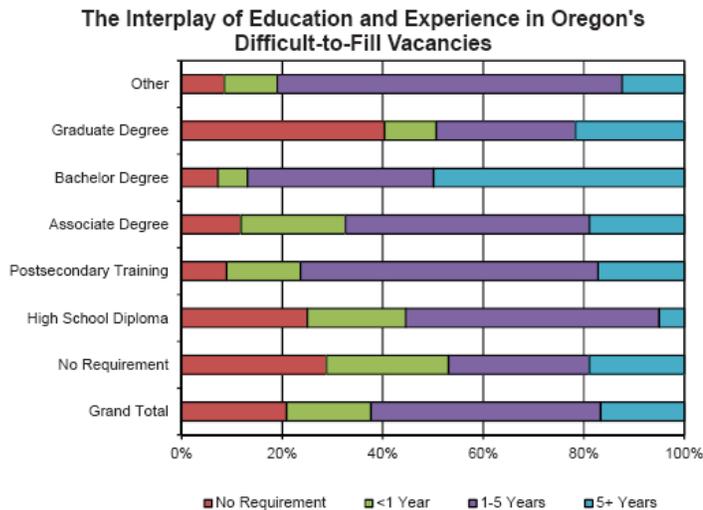
D. Well-trained workforces track with economic prosperity more than business incentives.

I am keenly aware of our state’s budget problems. Our state wants to encourage employers to come here. But, Oregon is doing it wrong, in my opinion. The race-to-the-bottom by states trying to lure businesses with financial incentives is a road to nowhere. Employers want educated employees. Oregon’s employer “carrots” should be good infrastructure, a well-trained workforce, and, of course, our wonderful environment.

I believe saving our business incentive tax dollars and putting them to work to create a highly-skilled workforce, a solid infrastructure, and toward keeping our environment desirable will be the best route to an improved economy and an improved life for Oregonians.

Supplemental Materials and References

Two-Fifths of Oregon's Job Vacancies are Difficult to Fill. Oregon Employment Dept. July 2013
<http://www.olmis.org/pubs/difficult.pdf>



A Well-educated Workforce is Key to State Prosperity. Noah Berger and Peter Fisher. Economic Analysis and Research Network. 8/22/2013.

<http://www.epi.org/publication/states-education-productivity-growth-foundations/>

- “Overwhelmingly, high-wage states are states with a well-educated workforce. There is a clear and strong correlation between the educational attainment of a state’s workforce and median wages in the state.
- Providing expanded access to high quality education will not only expand economic opportunity for residents, but also likely do more to strengthen the overall state economy than anything else a state government can do.
- Cutting taxes to capture private investment from other states is a race-to-the-bottom state economic development strategy that undermines the ability to invest in education.
- States can increase the strength of their economies and their ability to grow and attract high-wage employers by investing in education and increasing the number of well-educated workers.
- Investing in education is also good for state budgets in the long run, since workers with higher incomes contribute more through taxes over the course of their lifetimes.”

An Associate's Degree: Expanding Occupational Opportunities. Martin Kraal. Oregon Employment Dept. August 2013.

<http://www.olmis.org/olmisj/ArticleReader?itemid=00007033>

Full article on next pages:

An Associate's Degree: Expanding Occupational Opportunities *by Martin Kraal*
Oregon Employment Dept. Aug-16-2013. <http://www.olmis.org/olmisj/ArticleReader?itemid=00007033>

Whether it's an individual's highest level of educational attainment or a step toward a bachelor's degree, an associate's degree can be a valuable asset to obtaining a well-paying career. In 2012, the unemployment rate nationwide for those with an associate's degree was 6.2 percent, compared with 8.3 percent for those with a high school diploma and 4.5 percent for those with a bachelor's degree. Workers with an associate's degree had higher median earnings than those with only a high school education, \$785 versus \$652 weekly. That equates to an additional \$6,916 per year in earnings.

In Oregon, there are several occupations where an associate's degree is either required or lends a competitive advantage to an applicant. Of the total projected openings from 2010 to 2020, approximately 14 percent, or almost 9,200 annual openings, either require applicants to have an associate's degree or the degree makes them more competitive in the labor market.

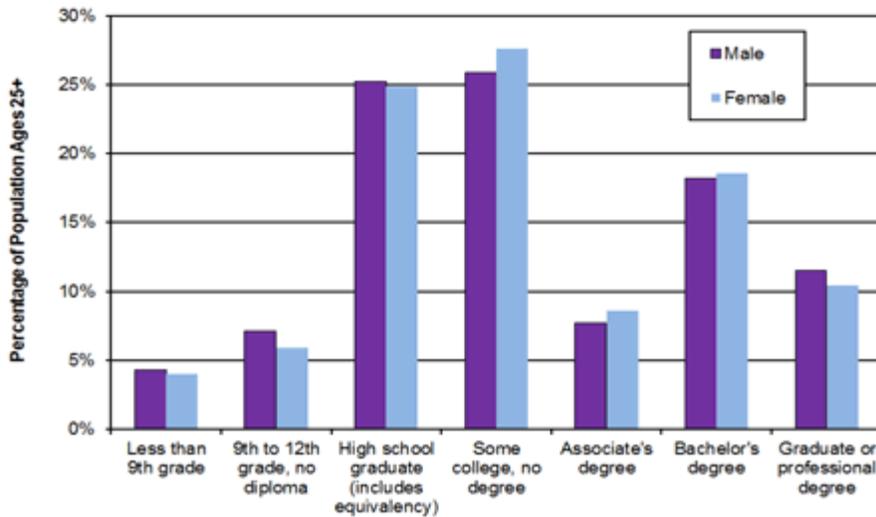
Degrees Awarded in Oregon

Approximately 8 percent of Oregon's population 25 years and older have an associate's degree as their highest level of education attainment. In the 2010-2011 academic year, there were approximately 10,900 associate's degrees conferred by institutions in Oregon. Portland Community College awarded almost 2,800 degrees, the most of any institution. Chemeketa Community College and Lane Community College were the next two in line, awarding 1,190 and 973 degrees, respectively.

Out of the myriad programs offered by community colleges and other institutions in the state, liberal arts and sciences, general studies, and humanities were by far the most common fields in the 2010-2011 academic year with slightly more than 5,300 degrees earned. It's likely that a significant percentage of these degrees were transfer degrees earned by individuals pursuing a bachelor's degree. One advantage of completing lower division courses at community colleges before transferring to a bachelor's degree program is cost. During the 2012-13 school year, tuition and fees, room and board, books and supplies, and personal expenses were approximately \$16,000 at a community college versus more than \$22,000 at an Oregon University System institution and over \$40,000 at an Oregon independent college (Oregon Student Access Commission).

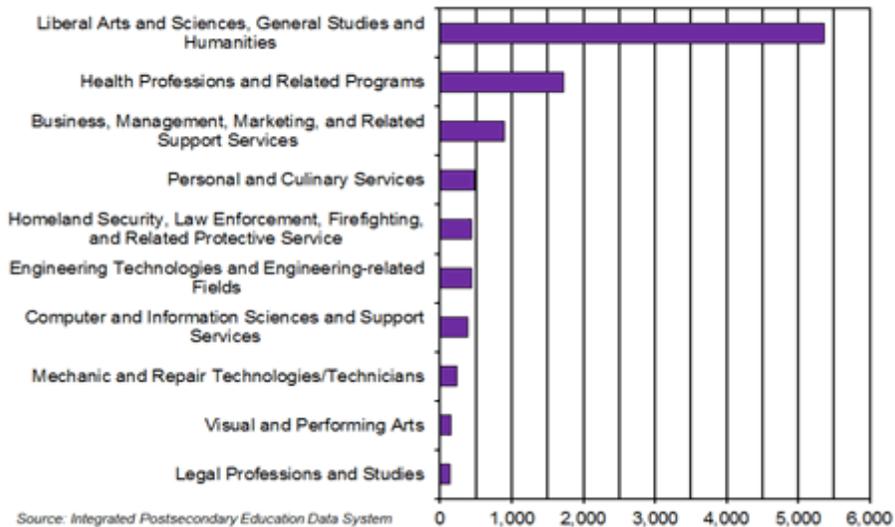
Health professions and related programs was the second most common associate's degree field in Oregon with about 1,700 degrees awarded, of which roughly one-third were registered nursing degrees. Business-related degrees, which are also one of the most common bachelor's degrees, rounded out the top three with approximately 900 degrees.

Educational Attainment by Gender in Oregon, 2011



Source: U.S. Census Bureau, 2011 American Community Survey

Top Associate's Degrees Awarded in Oregon, 2010-2011 by Classification of Instructional Program



Source: Integrated Postsecondary Education Data System

Job Opportunities for Associate's Degree Recipients

On average, employment status and earnings for those with an associate's degree are more favorable than for those with less education. For some occupations an associate's degree is the minimum education required while for others it gives applicants a competitive edge. Of the total projected openings from 2010 to 2020, slightly more than 4 percent require an associate's degree as the minimum education level and for 9 percent of the openings an associate's gives an applicant a competitive advantage. Tables 1 and 2 list the top 10 occupations by projected annual openings in Oregon for which an associate's degree is either the minimum or competitive education level respectively.

A few of these occupations are also among the fastest growing overall. Out of more than 700 occupations, registered nurses are projected to have the fifth most openings with approximately 1,450 annually. Wholesale and manufacturing sales representatives, except technical and scientific products, and supervisors and managers of office and administrative support workers are two other occupations in the top 20 of projected total openings.

Several of these occupations also pay above-average wages. Out of the 20 occupations listed in Tables 1 and 2, 14 have median wages above \$20 per hour and four have median wages of more

than \$30 per hour. Other well-paying occupations not listed in the tables that either require an associate's degree or the degree provides a competitive advantage to applicants include a variety of engineering technicians, and diagnostic medical sonographers and ultrasound technologists.

Table 1
Projected Annual Openings and Median Wages in Oregon for Occupations With an Associate's Degree as the Minimum Education Level

	2010-2020 Projected Annual Openings			2013 Median Hourly Wage
	Growth	Replacement	Total	
Registered Nurses	810	640	1,450	\$38.84
Preschool Teachers, Except Special Education	125	156	281	\$11.29
Biological Technicians	42	104	145	\$17.63
Dental Hygienists	64	70	134	\$39.55
Graphic Designers	47	83	130	\$21.68
Radiologic, CAT, and MRI Technologists and Technicians	68	42	110	\$31.85
Electrical and Electronic Engineering Technicians	43	60	104	\$27.84
Life, Physical, and Social Science Technicians, All Other	21	54	75	\$23.50
Paralegals and Legal Assistants	32	32	64	\$24.42
Veterinary Technologists and Technicians	30	27	57	\$16.20
Respiratory Therapists	27	24	50	\$29.62

Table 2

Projected Annual Openings and Median Wages in Oregon for Occupations With an Associate's Degree as the Competitive Education Level

	2010-2020 Projected Annual Openings			2013 Median Hourly Wage
	Growth	Replacement	Total	
Bookkeeping, Accounting, and Auditing Clerks	484	308	792	\$17.33
Wholesale and Manufacturing Sales Representatives, Except Technical and Scientific Products	305	403	707	\$25.60
Supervisors and Managers of Office and Administrative Support Workers	273	434	706	\$23.09
Secretaries, Except Legal, Medical, and Executive	352	300	653	\$16.32
Teacher Assistants	204	432	636	\$29,449
Executive Secretaries and Administrative Assistants	214	166	380	\$22.82
Social and Human Service Assistants	117	153	271	\$13.98
Automotive Service Technicians and Mechanics	80	120	200	\$20.32
Police and Sheriff's Patrol Officers	30	149	179	\$31.54
Supervisors and Managers of Non-Retail Sales Workers	60	105	165	\$28.38

Note: The wage listed for teacher assistants is the median annual wage.

Summary

Though the majority of projected job openings do not require post-secondary education, an associate's degree can give an individual a competitive advantage in the job market. Community colleges and other institutions in Oregon offer a range of associate's degrees that can match a student's personal interests and skills. For more information on education providers and programs in the state, visit the Educational Information Center at QualityInfo.org/olmisj/EIC.