

TEXAS PUBLIC POLICY FOUNDATION PolicyBrief

# **Closing the Middle-Skill Gap** High School Internships

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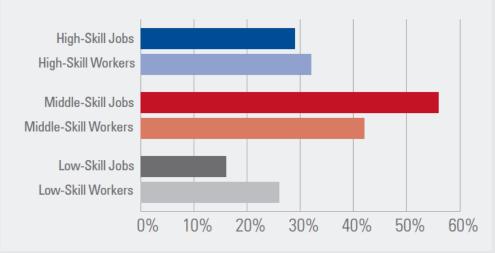
# **Key Points**

- Texas is experiencing a "middle-skills" gap, wherein there are too few labor-force participants with more education or training than a high school diploma but less than a four-year degree.
- "College for All" should no longer be the default for high school students—especially given most of their career goals will not necessitate a four-year degree.
- Research shows that the most effective career and technology education programs provide work-based opportunities (internships) but schools struggle to provide adequate numbers of teachers for these courses.
- Texas Education Code §42.154 can allow districts to use part/ all of their CTE allotment to offset businesses' costs for employing paid interns enabling students to gain hands-on experience.

Texas serves in many areas as a model for the rest of the nation, and its economic policy and the resulting success are no exception. But despite its reputation as a manufacturing powerhouse, a global player in the oil industry, and a beacon for personal income growth, the Lone Star State has a substantial and rapidly growing economic problem (Holmes).

In recent years, the economy has evolved to include more of what many call "middle-skills" jobs—jobs that require more than a high school diploma but do not necessitate a full four-year degree. These careers require instead some sort of workforce training or certification and in 2015 comprised 56 percent of the state's job opportunities—a portion that is only growing as the economy continues to adapt (Leins).

Herein lies the problem: Texas is burgeoning with middle-skills job opportunities but is failing to produce an aptly skilled workforce to fill open positions.



# Jobs and Workers by Skill Level, Texas, 2015

Source: NSC analysis of Bureau of Labor Statistics Occupational Employment Statistics by State, May 2015 and American communit Survey data, 2015.

### A Middle-Skill Gap

Middle-skill jobs account for 56 percent of Texas' labor market, but only 42 percent of the state's workers are trained to the middle-skill level.

The chart above provides an excellent visual of the state of the labor force and corresponding employment opportunities in Texas in 2015. The data indicate that there are roughly the same number of high-skilled workers as there are high-skill jobs, but the harmony stops there. Not only are there far more middle-skill jobs available than there are middle-skill level workers, but there are also far more low-skill workers than there are available low-skill jobs. In other words, Texas lacks the necessary middle-skill workers to fill available positions and has an excess of lowskill workers (<u>National Skills Coalition</u>).

## **Moving Forward**

There is ample opportunity to develop the existing workforce, thereby capitalizing on untapped potential already in the labor market. But the next generation of the workforce also offers great promise in addressing this issue, and high school students therefore play a vital role in closing the middle-skills gap.

But adequately addressing the gap in the workforce requires that Texans reject the now-conventional wisdom: "College for All." Parents, educators, and policymakers should look more closely at systems that push students into four-year degree programs irrespective of their career plans. Students should evaluate their goals for the future and whether they require a four-year degree. Much of the time—especially in the South—they will not (<u>Andreason et al., 7</u>).

Students whose ideal future includes a stable, well-paying job should be exposed to the opportunities that await in middle-skill jobs. A viable approach presents itself in the form of career and technical education (CTE). CTE courses introduce middle or high school students to various middle-skill fields that offer stable employment in high demand fields.

According to Passarella (Z), two of the major components that successful CTE programs share are opportunities to earn industry-recognized credentials and work-based opportunities, like internships. In other words, the best CTE programs are those that not only teach students about a particular middle-skill field but also expose them to it and provide real job opportunities.

# **Specific Legislative Recommendation**

As previously mentioned, one of the key factors in whether or not a CTE program will successfully expand and ultimately produce middle-skill workers (or students pursuing certification/job training in a middle-skill field) is its link to work-based learning opportunities. Some school districts, however, are unable to develop this connection and are therefore not capitalizing on the additional CTE allotment in the most beneficial ways possible. This is due, no doubt, to a variety of reasons, but two are prominent: lack of industry professionals willing to teach CTE courses, and/or insufficient facility space (Quinton). Rather than accepting that students in these districts are unable to engage in hands-on workforce training, the Texas Legislature should evaluate whether it can amend the Texas Education Code (TEC) to allow new approaches to industry exposure to emerge.

#### Paid Internships for High School CTE Students

At present under the <u>Texas Education Code §42.154</u>, districts are eligible to receive "weighted" funding for "eligible full-time equivalent students in approved Career and Technical Education (CTE) programs," and \$50/FTE student enrolled in 2-plus CTE courses (plus federal funding through Perkins). Thus, there already exists the infrastructure for additional funding for districts who participate in CTE programs.

In light of the above, the Texas Legislature should amend the TEC to add "participation in paid internships or similar programs, i.e., apprentice programs in high-demand industries," as "approved Career and Technical Education programs" under §42.154.

This amendment would allow school districts to reimburse industry participants for employing their students in paid internships in high-demand industries. The division of the 35 percent bonus between each school and employer would be decided by each school's administration.

Funding for this program already exists in the Texas School Finance budget. This proposed legislation merely makes eligible an additional CTE opportunity for students to gain on-the-job training while in high school.

This approach would in no way decrease the availability of funds for districts that already utilize the additional allotment to support robust CTE programs. Rather, it provides districts which have fewer CTE teachers or CTE facilities the opportunity to offer their students the same hands-on learning they would get in the classroom, but in the work-force instead.

## References

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