A compilation of articles that appeared in the publication Stateline Midwest in 2023 on policies related to education and workforce development
WITH ‘SCIENCE OF READING’ LAWS, STATES EYE TURNAROUND IN RECENT TRENDS

Test scores have fallen across the region; new legislative measures include investments in reading instruction — and sometimes requirements on how the subject is taught.

by Derek Cantú (dcantu@csg.org)

In the Midwest, drops in students’ test scores on reading are widespread and, in many states, predate the COVID-19 pandemic. One group that has taken notice and recent action to reverse that trend: state legislators.

“Kids that don’t know how to read or aren’t reading at a proficient level by third grade are exponentially more likely to drop out of school,” notes Indiana Rep. Jake Teshka, chief author of a new law on reading in his state. The research is definitive on that point, he adds, and the consequences also are clear: “Young people don’t attain the postsecondary credentials they need for economic and career success, and the state as a whole is left with a workforce problem.”

“Jobs coming to Indiana are increasingly going to require some sort of postsecondary education,” Teshka adds.

He believes a new law in Indiana can help turn around those trends in reading performance.

In Wisconsin, Rep. Joel Kitchens authored a like-minded bill in his home state, with some of the same long-term concerns about student outcomes in mind.

“When people ask me, What scares you the most about the future? it’s seeing more and more people trapped in that cycle of poverty, one generation after the other,” Kitchens says.

“The only chance we have of breaking that is education. And basically, if we don’t get students reading early, it’s just not going to happen.”

Laws in Indiana, Wisconsin and other states (see map on page 2) are revamping schools’ reading instructional strategies and promoting (sometimes requiring) approaches that adhere to what is known as the “science of reading,” or SoR.

CONTEXT OF NEW LAWS ON READING INSTRUCTION

Although not comprised of a universally recognized curriculum model, SoR is an approach to reading instruction that emphasizes phonetic learning, the sounding out of letters and words.

For the last few decades, a “reading war” of sorts has waged throughout academia regarding reading instruction.

Is phonics the best approach? Or do other strategies work best for students?

For example, with the “three-cuing” model, an emphasis is placed on students using context clues and analyzing syntax in order to understand written language. In practice, a teacher using this method would prompt students, or “cues” them, to ascertain the meaning of a word in a sentence by asking a series of questions: Does it make sense? Does it sound right? Does it look right?

The problem with this method, according to critics, is this style of instruction simply makes students better guessers. It’s more akin to the strategies used by people who have difficulty reading, they say.
Proponents of the recently enacted state laws say SoR is more closely aligned with the tenets of cognitive science. That’s because lessons built on phonemic awareness and phonics better connect how children auditorily learn how to speak, a primordial ability of humans, to how they learn to read, a more complex and relatively modern skill.

“We have tangible physical evidence as far as the way that the brain works and the way that our orthographic workings and the way that we commit words to memory,” Teshka says. “And the process by which we do that is all encoded in this body of research called ‘science of reading.’”

Teshka’s goal with this year’s HB 1558 (signed into law in May) is to make sure evidence-based instruction from that research is used in Indiana classrooms.

**HOW ONE STATE’S EXPERIENCE LED TO RIGHT BACK OF READING LAWS**

The SoR movement has also faced traction in part because of recent progress in Mississippi, a state that traditionally has had among the nation’s lowest reading scores.

A turnaround has occurred in that state over the past decade, since passage of the Literacy-Based Promotion Act and the Early Learning Collaborative Act.

With those laws in place, money started going toward SoR-based professional development for all early-grade teachers and school administrators.

Mississippi schools also received new resources from the state, including literacy coaches — individuals with advanced degrees who work with teachers as well as one-on-one with students.

“The coaches were put through a rigorous interview process to make sure they had the right background knowledge and knew how to work with adults,” former Mississippi State Superintendent Carey Wright said during an interview earlier this year with McKinsey & Company.

“We were strategic in how we deployed these people and how we built capacity for teachers and leaders.”

Between 2013 and 2019, average fourth-grade reading scores in Mississippi increased significantly. Additionally, 65 percent of students in that grade were reading at a basic level or higher, up from 53 percent in 2013. These advances were also seen across multiple racial and ethnic groups.

Mississippi’s success story has given rise to new SoR laws in other states, including three in the Midwest this year alone: Indiana (HB 1558/1559), Ohio (HB 33) and Wisconsin (AB 321).

**IF WE KNOW WHAT WORKS, WE NEED TO GO ALL IN**

These laws require classroom instruction and teacher training in SoR methods, and also generally prohibit use of the three-cueing model in the future (with exceptions for students with special needs or English language learners where this method might be preferred and work best).

These states also provide funding for new literacy coaches to help deliver evidence-based reading instruction to students.

In Indiana, the transition to SoR is scheduled to happen relatively quickly. At public and charter schools where fewer than 70 percent of students earn a passing score on a state reading evaluation, an SoR-only curriculum must be in place next school year.

A similar timeline applies to Indiana’s teacher-preparation programs, and a new literacy endorsement for teacher-candidate graduates will begin being offered in July 2025.

“It is aggressive and it’s intentionally so,” Teshka says. “If we knew what works, we need to go all in.”

That’s also why he and other lawmakers ultimately rejected the idea of allowing hybrid approaches, which incorporate elements of both SoR and three-cueing. These hybrid methods are sometimes referred to as “blended.” It or “blends” literacy. (The new laws in Ohio and Wisconsin also favor SoR alone, rather than a hybrid approach.)

Over the next two years, Indiana is allocating $40 million to train teachers on SoR, to recruit literacy and instructional coaches, and to allow teachers who graduated before 2025 to earn a new literacy endorsement (and earn differentiated pay).

This new appropriation builds on big investments in reading instruction in the state in recent years, including a multimillion-dollar Lilly Endowment grant.

**PATH TO LEGISLATIVE PASSAGE IN OHIO AND WISCONSIN**

Ohio legislators also were able to get a SoR measure passed this year due in part to promised funding.

That state’s new approach to reading instruction came not through stand-alone legislation, but via provisions in the two-year budget. It includes $64 million for curriculum and instructional materials, and $18 million for literacy coaches, according to The Capitol Journal.

Ohio schools will transition to SoR-only instruction by next fall, and all teachers and administrators will need to complete training in SoR instructional strategies by June 2025.

Gov. Mike DeWine has been one of the biggest proponents of this new approach to literacy instruction.

“The jury has returned, the evidence is clear, the verdict is in,” DeWine said in his State of the State address earlier this year.

Throughout the spring, he traveled the state to classrooms that were already using the SoR approach, and his office produced a video that included testimonials from teachers, administrators and students.

The path to a new reading law in Wisconsin was quite different.

In previous years, Gov. Tony Evers had vetoed legislation calling for new assessments of reading proficiency among students in the early grades.

Those past differences, Rep. Kitchens says, had resulted in an air of distrust between the legislative and executive branches.

However, bipartisan consensus built for the legislative proposal AB 321 (Kitchens was the chief sponsor) as various K-12 and university leaders voiced support for the SoR model.

“I went to DPI [the Wisconsin Department of Public Instruction] at the beginning of the session, and I was very surprised that all of a sudden they were kind of on board with me,” Kitchens says.

Then, I set up an appointment to talk to the governor, and he was very supportive as well.”

Early on in the legislative process, however, bipartisan support for the measure was almost upended over a provision that would have required schools to “hold back” third-graders if they did not pass a newly designed reading assessment.

“The education community, certainly the governor’s office, was vehemently opposed to putting in a policy like that,” Kitchens says.

“Honestly, on my part, that was never an issue…Very often that is not what’s in the kids’ best interest.”

The provision was taken out, and Evers signed AB 321 in July.

**‘AMBITION’ TIMELINES TO IMPLEMENT READING LAW**

Under Wisconsin’s new law, school districts have until July 2025 to write individualized policies for how they will intervene and help students with low reading scores as they move from third grade to fourth grade.

Like Mississippi, Wisconsin will take a targeted approach in how it deploys new state-funded literacy coaches — they’ll initially be designated for 50 schools with the lowest reading scores and another 50 schools with the greatest gap between proficient and struggling readers.

Kitchens adds that language in the law will ensure that literacy coaches are spread across Wisconsin, rather than concentrated in only a few districts.

Part of his vision for AB 321 is that schools will work with and learn from each other on what reading strategies and interventions are working best.

“And I think districts will sort of grow their own coaches as well through this process,” Kitchens says.

A new council (appointed by legislative leaders and Wisconsin’s state superintendent of public instruction) will submit recommendations later this year on a new literacy curriculum as well as the instructional materials to be used in kindergarten through third grade.

“It’s going to be a challenge,” Kitchens says about implementation of AB 321 and the law’s quick turnaround time. “I think there will be some hiccups. It’s an ambitious calendar. I wish we had been able to pass the legislation earlier in the session so that we wouldn’t have that problem.”
RISKS AND FALLS OF 'PEDAGOGICAL DOGMA'

Mark Seidenberg, a cognitive scientist, psycholinguisit and professor emeritus at the University of Wisconsin-Madison, is author of the 2017 book “Language at the Speed of Sight: How We Read, Why So Many Can’t, and What Can Be Done About It.” Although being a supporter of reading instruction that is rooted in cognitive science, Seidenberg has expressed in speeches and blog posts that support for SoR “is at risk of turning into a new pedagogical dogma.”

“We were a little bit too successful,” he says. “We convinced people of the need for change and where to look, but now we have to deal with the fact that there isn’t a lot of understanding of the research in the pipeline.”

“There aren’t any curricula out there that are based on the ‘science of reading.’ They’re just ones that are better or less bad.”

According to Seidenberg, the new laws barring three-cue strategies are a “necessary evil” that transition schools away from unscientific practices. However, he warns that much more research and work needs to be done to refine the SoR model and make it work in the classroom.

Take, for example, the five key skills outlined in Ohio’s SoR approach: phonemic awareness, phonics, vocabulary, fluency and comprehension. Seidenberg says these five skills are based on a National Reading Panel report first released in 2000.

“It’s focusing attention in the right area; we’re in the ballpark,” he says. “But in terms of methods that will be really effective and do things that really change the landscape, I think that’s still going to take work.”

Connecting the research from the cognitive scientists with the programming in teacher-preparation courses can be a slow and complex process, one that could become more challenging for states with quickly approaching deadlines to adopt SoR. Although there has been a lot of emphasis on improving reading comprehension before the end of third grade, Seidenberg adds, extraneous factors mean some students may continue to struggle in later grades. For instance, Mississippi, whose progress inspired change across the country, continues to have eighth-grade reading scores and reading levels well below national averages.

Seidenberg’s advice to legislators and education leaders: Don’t “cast adrift” the needs of these later-grade students; they need specialized reading services and supports as well.

‘NATION’S REPORT CARD’ SHOWS DROP IN READING SCORES ACROSS MIDWEST BETWEEN 2017 AND 2022

Between 2017 and 2022, average reading scores among fourth- and eighth-graders fell in each of the 11 Midwestern states, according to results from the National Assessment of Educational Progress, also known as “The Nation’s Report Card.” The changes from one test year to the next were not always classified as “statistically significant” (accounting for standard sampling and measurement errors). However, a regionwide look at NAEP scores shows:

- Between 2019 and 2022, significant drops in the average scores of fourth-graders in eight Midwestern states: Indiana, Kansas, Michigan, Minnesota, Nebraska, North Dakota, Ohio and South Dakota.
- Between 2017 and 2019 (prior to learning disruptions from COVID-19), significant drops in the average scores of fourth-graders in three Midwestern states: Indiana, Kansas and Ohio.
- Between 2019 and 2022, significant drops in the average scores of eighth-graders in seven Midwestern states: Indiana, Kansas, Michigan, Nebraska, North Dakota, Ohio and Wisconsin.
- Between 2017 and 2019 (prior to learning disruptions from COVID-19), significant drops in the average scores of eighth-graders in six Midwestern states: Indiana, Iowa, Kansas, Minnesota, Nebraska and South Dakota.

For fourth-graders, a NEAP score of 208 is the low end of a basic reading level, while a score of 238 or above marks reading proficiency. Eighth-grade students with scores of between 243 and 280 are considered at a basic reading level, a score of 281 and above shows proficiency.

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“The needs of these later-grade students can only be met by truly evidence-based research and culturally and linguistically sustaining pedagogical approaches.” Once in place, the literacy plan will serve as the basis for new training opportunities for teachers, as well as the offering of optional microcredentials in literacy instruction starting in 2025. “What this bill does is provide an umbrella for districts to be able to evaluate what makes sense for them,” says Rep. Laura Fayer Dias, a co-sponsor of SB 2243 and a former teacher herself. In part, the new law directs the State Board of Education to develop a literacy plan that considers the most effective methods for teaching reading to students with disabilities, to multilingual students and to bidialectal students.

“Students need windows to the world to see people that don’t live like them, that don’t look like them,” Fayer Dias says. “And then they also need to see mirrors so that they can see people who do look like them and who do live like them reflected back at them.”
STATES, PROVINCES IN REGION HAVE NEW PLANS TO BUILD IMMIGRATION WORKFORCE

North Dakota and Minnesota are establishing and funding state-level offices, while Saskatchewan is pursuing more autonomy under Canada’s ‘economic immigrants’ system by Derek Cantú (dcantu@csg.org)

For every 100 open jobs in North Dakota, about 27 people are available to fill them. No other state had a worker shortage as severe as North Dakota’s, according to the U.S. Chamber of Commerce’s analysis of October data on the nation’s labor force. The response to this persistent workforce challenge has included a lengthy list of initiatives to build North Dakota’s homegrown talent pool and attract workers from other states.

This year, lawmakers added another tool — funding for a new Office of Legal Immigration. “While we have done good work to promote policies that build up our own pipelines here with North Dakotans and put [individuals] into open positions, our workforce crisis also doesn’t have time to wait just for those solutions to come to fruition,” North Dakota Rep. Zachary Ista said earlier this year on the House floor, pushing for a bill to create the office. That measure, SB 2142, became law in April.

One month later, legislators in neighboring Minnesota were making permanent an Office of New Americans within that state’s Department of Employment and Economic Development. These two new state-funded offices in the Midwest go by different names and have been given somewhat different statutory missions. However, they share at least one common goal: help address the workforce needs of the state and its employers.

Across the border in Canada, meanwhile, a shortage of workers in provinces such as Saskatchewan is causing leaders there to seek more autonomy over immigration policy.

“A state office [creates] a focus of expertise that a small, local business could use.”
North Dakota Sen. Tim Mathern

STATE WILL HELP BUSINESSES FIND, RETAIN ‘FOREIGN LABOR’

North Dakota’s new Office of Legal Immigration is embedded within the state’s Department of Commerce and staffed by two full-time employees (with funding for contract work as well). Before this kind of designated team was in place, inquiries from businesses about how to obtain immigrant workers or how to navigate federal rules were handled by department staff in an ad hoc fashion.

“It’s a little bit of a phone tree that gets started,” Katie Ralston Howe, the department’s workforce director, said in a legislative committee hearing prior to passage of SB 2142. “It’s not helpful to businesses, and it’s not helpful to us either.”

Although the U.S. Citizenship and Immigration Services does have field offices to answer these questions, Sen. Tim Mathern says local employers don’t always find the assistance they need — not to mention the closest office is in Minneapolis.

THE MIDWEST’S IMMIGRANT WORKFORCE: % OF STATE’S TOTAL CIVILIAN LABOR FORCE THAT IS MADE UP OF FOREIGN-BORN WORKERS*

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<thead>
<tr>
<th>State/Province</th>
<th>Workforce Share</th>
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<tr>
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<tr>
<td>Minnesota</td>
<td>6.3%</td>
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Above share for U.S.: 17.1% of nation’s workforce was foreign born in 2021
Below share for U.S.: 17.1% of nation’s workforce was foreign born in 2021

* The term “immigrants,” or “foreign born,” refers to people residing in the United States who were not U.S. citizens at birth. This population includes naturalized citizens, lawful permanent residents, certain legal nonimmigrants, individuals admitted under refugee or asylee status, and people illegally residing in the United States. The percentages for North Dakota and South Dakota are based on pooled U.S. data from 2017 to 2021.

Source: Migration Policy Institute (using data from the American Community Survey)

MEMBER OR PARTICIPATING STATES IN OFFICE OF NEW AMERICANS STATE NETWORK*

* The American Immigration Council supports this network to provide a forum for state leaders on issues related to immigrant and refugee integration into the workforce and economy.

INSIDE THIS ISSUE

Capital Closeup 3
- The ‘single subject’ rule in state constitutions, and why it was at the center of two big court cases in 2023 in Nebraska and North Dakota

CSG Midwest Policy Briefs 4-6
- Criminal Justice & Public Safety: Two laws in the Midwest now ban deception by law enforcement when interrogating juveniles
- Energy & Environment: Michigan is the latest state in the region with a 100 percent clean energy goal or standard

MLC Chair’s Initiative 7
- States are partnering with local farmers to help stock the shelves of food banks and pantries

Question of the Month 7
- For property to be subject to civil asset forfeiture, do any Midwestern states require a criminal conviction?

Capital Insights 8-9
- Leadership profiles of and perspectives from two state senate majority leaders from the Midwest

CSG Midwest News 10
- A look at how to make the most of CSG’s products and services during 2024 legislative sessions

BILLD News & Alumni Notes 11
- Q & A with BILLD graduates: What are the characteristics of effective leadership and policymaking in the legislative arena?


**MINNESOTA ESTABLISHES OFFICE OF NEW AMERICANS**

Until legislative action this year, Minnesota’s Office of New Americans (ONA) was only a temporary entity, but as part of this year’s SF 3335, legislators established the office in statute and provided state funding.

“Immigration, in my mind, should be very boring. … It should be, What are the demographic needs and workforce needs?” says Minnesota Rep. Sandra Feist, who also works as an immigration attorney.

“Nonetheless, it’s a very emotional, polarizing topic. Advocacy, bill advocacy, explicitly about an immigration-related issue can be politically challenging.”

Early in the year, she introduced a stand-alone bill that would change how the ONA makes the ONA permanent; that measure ultimately got rolled into the omnibus SF 3335.

Under the new law, the office will create a strategy “to foster and promote immigrant and refugee inclusion in Minnesota so as to improve civic mobility, enhance civic participation, and improve receiving communities’ openness to immigrants and refugees.”

According to American Community Survey data, immigrants made up 8.5 percent of the total population and 10.8 percent of its workforce in 2021. After Illinois, these are the highest percentages in the Midwest. Feist describes the workforce-related purpose of the ONA as creating a network among stakeholders to address issues relating to, for example, professional licensure, language barriers, and improving access to economic development grants. Minnesota’s ONA also continues to collaborate with the Neighborhood Economic Development Center, a Twin Cities-based operation whose services include entrepreneur training and business incubators, and “ethnic councils” that provide supports for specific demographic groups.

“What I see [the ONA] doing is taking a lot of efforts that are going on at the federal level, at the ethnic council level, at the charitable level, and bringing all of those threads together and creating a systematic way forward,” Feist says.

**SASKATCHEWAN SEeks MORE CONTROL OF PROCES**

North of the U.S.-Canada border, provincial leaders are seeking greater autonomy over management of parts of that country’s immigrant system, a change being sought to help them address workforce challenges.

In terms of skilled-worker immigration, there currently are two pathways to obtain permanent resident status in Canada beyond the federal Express Entry route. One of them is the Provincial Nominee Program (PNP), under which provinces are allotted a certain number of immigrants they can nominate for visas in a single year. In this system, applicants earn points based on their language abilities, previous job experiences, postsecondary education, available finances and other factors. Qualified nominees with high enough scores are then eligible to have their names selected in draws throughout the year.

Another point of entry is immigration through Quebec, which has a system separate from the PNP and sole responsibility for the selection of “economic immigrants” (those who aren’t refugees or sponsored by a family) destined to that province.

In July 2022, a group of immigration-related ministers from Alberta, Manitoba, Ontario and Saskatchewan sent a letter to Canada’s Minister of Immigration, Refugees and Citizenship seeking changes to the current system.

“Provinces best know their own local economies,” the letter said, noting the challenge of addressing “unprecedented labour shortages.”

“We need the flexibility to respond to the rapidly evolving needs of specific areas and communities, with a flexible system that we can adapt to changing economic and humanitarian needs.”

In Saskatchewan, the province’s proposed Immigration Accord, modeled in part after Quebec’s existing system, calls for an agreement with the government of Canada that would allow for a greater number of immigrant nominees. That number can be based on the province’s population as a percentage of the whole country, and allow Saskatchewan to exceed this total by 5 percent “for demographic reasons.”

Also under the proposed accord, Saskatchewan would gain sole authority over the selection of economic immigrants to the province, while still recognizing Canada’s authority to determine foreign admission standards and managing a shared focus to reunite families and promoting multiculturalism.

Saskatchewan’s immigration leaders earlier said this year that they were continuing to negotiate with the Canadian government over the proposed accord. They also bailed the federal government’s decision to increase Saskatchewan’s allotment of immigrant nominees via the current PNP. That measure will reach 8,500 by 2025, an increase of 42 percent from three years earlier.

“Saskatchewan is seeing record-high population growth numbers, and immigration to the province has played a significant role in that,” Saskatchewan Immigration and Career Training Minister Jeremy Harrison said in March.

More recently, the CBC reported that the province was launching a pilot program that will reserve 10 percent of its PNP nominations for applicants from eight specific countries. Immigrants from those countries are most likely to retain permanent residency and stay in Saskatchewan over the long term, provincial officials said. Critics argue it will disadvantage the chances of entry for individuals from non-select countries and harkens back to a restrictive, pre-1967 approach to immigration.

**NEW LAW ACCELERATES CREDENTIALING PROCESS**

Saskatchewan, meanwhile, also has been changing some of its own, province-specific policies.

A workforce development bill passed last year by the Saskatchewan Legislative Assembly (Bill 81) includes provisions to simplify and accelerate the credentialing process for skilled workers relocating to Saskatchewan from other provinces or countries. By reducing barriers that prevent new arrivals from working in their profession, Government of Saskatchewan officials told CSG Midwest, the province can help “maximize the benefits of immigration.”

Part of the province’s new efforts include creation of a Labour Mobility and Fair Registration Practices Office, which officials say “will provide navigation and financial support to newcomers looking to work in regulated occupations.”

Additionally, the office will work with professional regulatory bodies “to speed up and streamline foreign qualification recognition pathways.”

# OF INDIVIDUALS OBTAINING PERMANENT RESIDENT STATUS IN THE MIDWEST, BY STATE WHERE RESIDENT RESIDES*

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</tr>
<tr>
<td>South Dakota</td>
<td>683</td>
<td>-44.4%</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>6,109</td>
<td>-14.1%</td>
</tr>
<tr>
<td>United States</td>
<td>1,018,349</td>
<td>-25.2%</td>
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*Saskatchewan permanent resident status was given to an individual has been granted the right to live permanently in the United States. In 2021, in most Western states, the new leading country (of the four) for individuals attaining this status was Mexico (and Italy next in line). There were a few exceptions: for example, the Philippines followed by India for North Dakota, and Italy followed by China for Ohio.

Source: U.S. Department of Homeland Security

# OF IMMIGRANT WORKERS ALLOCATED TO PROVINCES THROUGH GOVERNMENT OF CANADA’S PROVINCIAL NOMINCE PROGRAM*

<table>
<thead>
<tr>
<th>Province</th>
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<th>2023</th>
<th>2024</th>
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</tr>
</tbody>
</table>

*Saskatchewan is a member of the Council of State Governments’ Midwest Legislative Conference. Alberta, Manitoba and Ontario are affiliated members.

** Numbers are tentative.

Source: CSG Midwest research

COVER STORY

**STATES, PROVINCES PLAY VARYING ROLES IN IMMIGRATION POLICY**

CONTINUED FROM PAGE 1

“We have some very large employers who are very astute about [hiring immigrant labor],” explains Mathern, author of SB 407. “They hire the attorneys, they hire other people to work the federal process.

“But small employers do not have that ability. A small office create[s] a focus of expertise that a small, local business could use.”

The initial concept for this office was to address workforce needs in the health care sector. In an effort to get the bill passed, however, the scope of the measure was expanded to include all industry sectors, thus helping secure support from other business groups.

The final version of SB 2142 calls for a new Office of Labor to “implement a statewide strategy to support businesses in recruiting and retaining workers,” and the office is also tasked with helping communities in North Dakota develop immigration integration plans.

Over the next two years, the state will appropriate $485,000 to fund the work of the office and track its progress. By 2025, the legislature wants a fee-based structure in place to help fund the office.

Mathern stresses his motivation for creating such an office was also humanitarian-based, wanting to make it easier for people fleeing oppression and violence to be able to settle in North Dakota for the long term.

“We don’t just want a worker; we want the family, we want their children, we want their descendants,” he says.
PROFILE: INDIANA SENATE MINORITY LEADER GREG TAYLOR

Become ‘comfortable with being uncomfortable’: Lessons from a legislator who’s always served in the minority party caucus, and is now leading one

by Derek Cantu (dcantu@csj.org)

Greg Taylor’s connection with state government began long before he ran for office. Shortly after graduating from law school in 1996, he moved to Indianapolis to work for the then-Indiana Department of Commerce (now the Indiana Economic Development Corporation). “I was responsible for helping bring jobs to the citizens of the state of Indiana through economic development incentives,” Taylor says. “Through that relationship, I met a lot of legislators; one of them happened to be the senator that I [would succeed], Sen. Glenn Howard.” Howard regularly called on Taylor for support with legal analysis. But in 2006, Howard became ill, and his wife convinced a reluctant Taylor to pursue the seat.

Ever since joining the Senate in 2009, Taylor has served in the minority party, a Democratic at a time when the Republicans have had full control of the Indiana legislature and governor’s office. “I’ve learned how to become comfortable with being uncomfortable,” he says. In part, that means asking tough questions and demanding answers from the majority party, even when he might be one of the few dissenting voices in the room, or the only one. “What keeps me going is making sure that I represent those people who typically don’t have a voice in this body,” Taylor adds.

But he also has found ways of partnering with Republican colleagues — for example, working on a law to expand newborn screenings in order to detect three rare genetic diseases, and strengthening Indiana’s oversight of pharmacy benefit managers. “People believe when you serve in a minority position in the legislature that it’s just frustraction all the time,” Taylor says. “I’ve figured out a way, somehow, to make sure that some of our Democratic legislation is heard.”

Taylor was selected leader of the Senate Democrats in November 2020, becoming the first Black lawmaker in Indiana history to head a legislative caucus. In an interview with CSJ Midwest, Taylor shared his perspective on leadership and his determination to advance his caucus’s policy goals. Here are excerpts.

Q How would you describe your leadership style?

A It’s more of a cooperative leadership style because, as far as me as a legislator, I just enjoy working and helping people. I also tend to try to be as fluid as I can, because I think sometimes we get stuck in these traditional kinds of ways that we do business.

Q How about the work you do, leader to leader, with Republican colleagues?

A I’ve gone to the leadership of the supermajority, and they’ve been really, really, I think, accommodating to some of our members. This year, we had 14 Senate Democratic bills receive hearings and advance out of the Senate, and many of those have already received House hearings and progressed as well. It’s just all around a good relationship that has existed before [between Senate and House leaders], but now is coming to the forefront.

Q Indiana has been in the middle of some of the contentious social issues we’re seeing across the country. What kind of impact has this had in the legislature?

A There’s a phrase I use called “steep pudding.” You have to be cognizant of the fact that we don’t all represent the same group of constituents.

But from my perspective, we also have to look at it from the society as a whole. Far too much of this partisan stuff that we deal with is based on, ‘My district feels differently than yours.’ I would assume that not everybody in a district is monolithic in their thoughts.

Q Your caucus prioritized education and health care this budget-setting year. What specific changes have you pursued in these areas?

A In the area of criminal justice, you are the co-author of a bipartisan bill this year [SB 136] to establish a database with the names of people who are prohibited from carrying firearms. Why is this needed?

A We knew that when we passed our permitless-carry law [in 2022], law enforcement officers would not have the information readily available to determine whether or not a person was eligible [to carry a firearm]. Now that we have that permitless-carry law in place, it’s only smart for us to be able to allow law enforcement officers to have these tools readily accessible.

It’s going to be used with discretion, so there’s some guardrails we need to put on it, but it’s definitely something that we need from a public safety standpoint.

Q On another measure, you have been vocal in your opposition to a proposed constitutional amendment eliminating access to bail to individuals deemed a “substantial risk to the public.” What are your concerns about a change like this?

A Bail was created to allow people to access freedom before they were convicted of a crime, and was available for everyone except those suspected of murder or treason. What we do with SJR 1 is say, it doesn’t matter if you are charged with misdemeanor battery or murder, the court or the prosecutor can determine that you’re a threat to society, the public at large, and deny you bail.

Bail shouldn’t be a way to discriminate against poor people and people of color. To know that we already have these disparities that exist, and then to further restrict bail, is just exacerbating that issue.

Q The elimination of what we call the “textbook tax” here in Indiana was something our caucus has been talking about for years, and it was put forth this session in the governor’s budget proposal. Thankfully, we were able to get that language successfully included in HB 1001. Unfortunately, those textbook fees are not fully covered in the House-proposed budget, instead passing the costs off to schools. My caucus will be pushing for an actual elimination of the full cost of book fees for Hoosiers and schools in the Senate budget.

We’re also still in the midst of trying to get proportionality when it comes to the allocation of new dollars for education. We’ve always been very proud about the fact that we spend over 60 percent of our budget on K-12 education. Unfortunately, this year, we’re going to see our voucher system get an increase of approximately 30 percent in funding while total base student funding for traditional public schools, where 90 percent of students are educated, receive a 3.3 percent increase in FY 2024 and even less in FY 2025. We’re advocating for fully funded recommendations of the Public Health Commission. Right now, we rank dismal compared to the rest of the country when it comes to public health, and we feel like we’ve got some momentum moving for an increase in the funding for public health [from approximately $7.5 million to $240 million]. Then, from what we put under our health initiative, we want to eliminate the “pink tax”—taxes on menstrual products that we see as a tax on women.

Q BIO-SKETCH: INDIANA SEN. GREG TAYLOR

✓ selected Senate minority leader in 2020, becoming the first Black legislator to lead a party caucus in Indiana history

✓ first elected to the Indiana Senate in 2008

✓ is a business and government attorney who also once worked in the Indiana Department of Commerce

✓ lives in the state capital of Indianapolis with his wife, Danielle; and their three children

“What keeps me going is making sure that I represent those people who typically don’t have a voice in this body.”
While adapting to constituents’ changing needs, state and regional legislative leader hasn’t forgotten the workforce issues that initially propelled him to office.

**PROFILE: Ohio Senator Bill Reineke, Incoming Chair of the MLC**

**Bio-Sketch: Ohio Sen. Bill Reineke**
- was first elected to the Ohio House in 2014 and the Senate in 2020
- serves as chair of the Senate Energy & Public Utilities Committee, as vice chair of the Senate Transportation Committee, and as a member of the Governor’s Executive Workforce Board
- is a business partner at Reineke Family Dealerships
- is a graduate of Morehead State University
- lives in Tiffin; has two adult daughters
- is a 2016 graduate of CSG Midwest’s Bowhay Institute for Legislative Leadership Development (BILLD)
- will serve as chair of the CSG Midwestern Legislative Conference in 2024

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“Complacency is no longer acceptable. We have to adapt. We’re teaching our kids they have to learn technology because things are changing so quickly.”

**Q** How would you describe your leadership style?

**A** My personal style is more of a consensus builder. I like to listen. Basically, the projects that I’ve been involved in (as a legislator) are projects that are the result of constituents coming to me with an issue — most recently dealing with land use and solar and wind projects (SB 52, signed into law last year) and currently the landfill issue (SB 119). If these were issues you told me eight years ago that I’d be involved in, I’d say, “I’m not sure that’s right.”

**Q** What will be the topic of your MLC Chair’s Initiative?

**A** My focus will be on workforce. I have a passion for that because I’ve lived that world. What’s really frustrated me, being involved in politics, is understanding how our kids are falling through the cracks. And if we could provide a better education system for them and better internships and training and workforce development in the education system, we would be much better off. So I will focus on that issue: helping students find their purpose.

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**Q** During a session at this year’s MLC meeting, you referenced SB 1, much of which was incorporated into Ohio’s new budget. Can you summarize your goals with this law?

**A** I was surprised to see the high remediation numbers in Ohio, roughly one out of four kids. I say these students are “falling through the cracks” because they are graduating from high school and needing remediation in math and English. At the same time, career-tech education has not been emphasized. It’s kind of down at the bottom of the stack and it’s stigmatized. … We’re not going to do this anymore because we need the skills and jobs (associated with career and technical education), and our employers are demanding them. … With SB 1, we are combining our education and workforce departments together, making our Department of Education the Department of Education and Workforce. The idea is that we, if we have more interactions between education leaders and groups like our governor’s task force on workforce, and if we can restructure our Department of Education, we will better understand the in-demand jobs in our state and have a training structure to provide for that.

**Q** Columbus is hosting Midwest legislators next year for the MLC Annual Meeting; what can they expect to see and learn?

**A** I’m really excited to have everybody come to Columbus because it’s centrally located throughout the state. We are the home of eight U.S. presidents. I think if you look at the history connection that we have, it’s just remarkable. I represent President Hayes’ and President Harding’s homes and libraries in my Senate district, so I’ve paid particular attention to the presidents and the effect they’ve had on Ohio. Also, there is all the innovation that’s happening in Ohio — with Intel moving here with its most advanced semiconductor manufacturing facilities in the world, with Ford and GM manufacturing their batteries here, and Honda expanding their testing track program. There’s just so much innovation happening, and we’ll be excited to showcase it.
Protect the institution, prioritize policy over politics: Top leader uses those principles in guiding the chamber and a supermajority legislative caucus

“..."You’ve got to know your topic. You can’t ‘cheat’ by thinking that since you’re in a position of leadership, people are just going to follow blindly."...
PROPOSED OVERHAUL IN OHIO

In the Midwest, several different education governance models are used. Wisconsin and North Dakota have independently elected state superintendents, a position enshrined in each state’s constitution. Indiana also had an elected state superintendent until 2021, when a legislative change (HB 1005 of 2019) made the top school official a governor-appointed rather than elected position.

Governors also have considerable control of state-level education leadership in Illinois, Iowa, Minnesota and South Dakota. In those states, the governor appoints members of the state boards of education and/or the chief state school officer (see maps).

Ohio has a hybrid model of sorts, a 19-member State Board of Education with 11 members chosen by voters and eight appointed by the governor. This board is constitutionally required to exist, but Ohio Sen. Bill Reineke believes many of its powers required to exist, but Ohio Sen. Bill Reineke, president and CEO of the National Association of State Boards of Education, a former Ohio state superintendent, says debates over education governance structures can sometimes be a manifestation of something else.

"When SB 178 was debated on the Senate floor, for example, some proponents of the bill cited frustrations with unfunded state mandates and how a school-choice scholarship program was being carried out as justification for a new governance structure. Twenty-five years ago, a high-profile debate over education policy in Minnesota led lawmakers to end their state’s structure and replace it with one unique in the Midwest—a governor-appointed, cabinet-level education commissioner, with no state board of education. Minnesota's elimination of the governor-appointed board marked the first time any U.S. state had made such a move. At the time, Education Week notes, one catalyst for this change was negative reaction to a board-approved policy known as the “diversity rule,” which required Minnesota districts to develop plans to address student achievement gaps along racial and ethnic lines. Rep. Gene Pelowski—who voted for the bill at the time—says K-12 education policymaking in Minnesota today is dominated by the Legislature and the governor. He worries about the level of “meddling” that now comes from St. Paul. “A one-size-fits-all approach on what is going to be done in the classroom has probably done more harm to education than anything else, coupled with statewide testing,” he believes.

Regardless of the governance model, DeMaria notes, legislatures have significant authority over education practices. "The fundamental question is, Are there certain governance models that are better than others? And the answer to that is no." Instead, he says, the emphasis should be placed on an effective sharing of responsibilities and goals.

“When I go to a state and I see the board, and the superintendent, and the governor, and the legislature all singing out of the same hymnal and working collaboratively on a common agenda, that’s where you actually [move forward],” says DeMaria, who cites Mississippi’s successful efforts over the past decade to improve literacy scores as an example.

CONTROVERSY IN NEBRASKA

ThreeMidwesternstates—Kansas, Michigan and Nebraska—have all members of their respective state boards of education publicly elected. During the 2022 elections in Nebraska, there was heightened interest in these races. That’s in large part because of a controversy which arose one year prior, when the Nebraska State Board of Education released draft proposals for state health education standards. The first draft was met with heavy criticism due to the inclusion of learning goals centered around gender identity and descriptions of sexual acts starting in elementary grades. The second draft made significant changes, but the board ultimately voted to postpone implementation indefinitely. A significant legislative and political fallout ensued.

During Nebraska’s 2022 legislative session, an unsuccessful proposal (LB 768) sought to prevent the State Board of Education from adopting standards unrelated to reading, writing, math, science or social studies.

Meanwhile, a coalition of people opposing the 2021 sex education standards were able to transform a Facebook group into a political action committee that backed several candidates for the Nebraska State Board of Education. Most of these candidates won their election in November, resulting in a major change in the makeup of the board.

Derek Cantú serves as CSG Midwest staff liaison to the Midwestern Legislative Conference Education and Workforce Development Committee.

by Derek Cantú (dcantu@csbg.org)
Public funds for private-school enrollment? The question is getting a lot of attention this year in state capitals, and Iowa has a far-reaching new law by Derek Cantú (dcantu@csg.org)

A
fter years of failed attempts, Iowa lawmakers this session were successful in passing one of the most expansive education savings accounts (ESA) programs in the nation. In contrast to previous session proposals — which based eligibility on family income levels, special-needs status, and attendance at a public school in need of “comprehensive support” — Iowa’s HB 68 provides universal eligibility.

Once the law is fully phased in, any Iowa family will have access to an ESA to pay for private-school tuition costs, as well as other education-related expenses (see graphic on this page).

According to EdChoice, one of the other states that provide ESAs (including Indiana, which supports qualified students with special needs), Arizona, Arkansas, Florida, Utah and West Virginia are the only other states that currently or will soon provide for universal eligibility.

Additionally, the value of Iowa’s new ESAs will be equal to the per-pupil rate used for public schools — a high summons compared to measures from previous sessions.

What made the difference this year? Iowa House Speaker Pro Tem John Wills, who served as the floor manager of HB 68, points to events from the year prior. In 2022, Gov. Kim Reynolds extended legislative session by a month, and they weren’t always happy with school closures along with a national types of measures has accelerated introduced and signed into law as chair), the 2023 proposal was members of her own party who didn’t.

When that didn’t happen, she publicly extended legislative session by a month

“I don’t expect that, all of a sudden, we’re going to hear this massive sucking sound out the front door of our rural schools,” Wills says.

As of the 2022-23 school year, certified nonpublic schools were operating in 57 of Iowa’s 99 counties. Under HB 68, public schools will receive categorical funding to offset student transfers to private institutions (around $1,200 per pupil).

Still, according to an analysis by the Iowa Legislative Services Agency, there will be an estimated net decrease of around $46 million for public schools by the fourth year of the law’s implementation (a 1.2 percent decrease compared to estimates without the ESA in place). That analysis relies in part on an estimate of how many students will use ESAs and transfer.

DISCRIMINATION CONCERNS

Opponents of such measures have also questioned whether state dollars should go to nonpublic and parochial schools that can legally deny a student admission due to a disability status or an LGBTQ+ identification.

Nebraska Sen. Megan Hunt’s response this year was to introduce LB 487. It would bar public funds from going to schools that discriminate based on a young person’s sexual orientation, gender identity, or disability or special education status.

“We cannot allow this trend of just gesturing to the idea of religious freedom to grant automatic exemption from law,” Hunt says.

Entering this year, Nebraska did not have any school-choice programs in statute, according to EdChoice.

However, this year’s LB 753 (a bill advancing toward passage as of mid-March) would create a new tax-credit scholarship program. Individuals who donate to nonprofit, scholarship-granting organizations would get a tax credit from the state. These organizations, in turn, provide scholarships for students to attend private school.

Tax-credit scholarship programs differ from ESAs in that the funds do not come directly from state coffers. Still, Hunt questions the constitutionality in her state.

She says a mix of constitutional language, existing statutory definitions and state legal precedent over the meaning of terms such as “tax expenditure” and “to appropriate” support her claim that such scholarships should be considered “public funds” — funds that cannot go to private schools in Nebraska.

In Michigan this year, legislators passed a bill expanding the state’s existing civil rights laws to provide protection from discrimination based on sexual orientation and gender identity or expression.

As part of SB 4, signed by the governor in March, all educational institutions would create a student protection class based on these protected classes.

“Religion is already protected from discrimination … but adherents of a religion are required to follow neutral, generally applicable laws,” Michigan Senate President Pro Tem Jeremy Moss, the sponsor of SB 4, says. “If a good or service is available on an open market, there should be no allowance to discriminate.”

INDIANA’S ENROLLMENT TRENDS

Indiana has strongly embraced school choice for many years. Still, the presence of financial-aid opportunities in this state has not necessarily resulted in big boosts in private school enrollment.

According to a 2021 Ball State University report, between 2007 and 2020, private school attendance in Indiana dropped from 69,708 (6.3 percent of total state K-12 enrollment) to 53,458 (5.1 percent of the total). Although the introduction of a voucher program in 2011 led to an initial increase in private enrollment, peaking at 60,523 (7.3 percent) in 2015, there has been a continual decline in each ensuing year.

One explanation for the drop could be that Indiana, like every Midwestern state except Illinois, allows for interdistrict transfers to other public schools. “The ability to send your child to another local public school proved so popular in Indiana that it led to the real financial stress, if not death, of a lot of local private schools,” explains Ball State economics professor Michael Hicks, a co-author of the study.

He adds that the absence of local property tax revenue and buying services for private schools also has contributed to lower enrollment numbers.

Derek Cantú serves as CSG Midwest staff liaison to the Midwestern Legislative Conference Education and Workforce Development Committee.

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What made the difference this year? Iowa House Speaker Pro Tem John Wills, who served as the floor manager of HB 68, points to events from the year prior. In 2022, Gov. Kim Reynolds extended legislative session by a month to try and get an ESA bill to her desk.

When that didn’t happen, she publicly endorsed one of member of her own party who didn’t support the proposal.

“Out of eight people who weren’t school-choice folks,” Wills explains, “seven of them lost their election.”

With the support of newly elected proponents, as well as the creation of a five-member House Education Reform Committee (which included Wills as a member and Speaker Pat Grassley as chair), a 2023 proposal was introduced and signed into law within the session’s first two weeks.

CONSEQUENCES OF CHOICE?

Legislative momentum for these types of measures has accelerated in recent years, partially due to the impacts of pandemic-related school closures along with a national spotlight on K-12 instruction.

“Parents [saw] what was going on, and they weren’t always happy with what they were seeing,” Wills says.

Both he and Reynolds also have emphasized the value of students’ enrollment in school being based not on ZIP code, but on a choice made by their family.
Indiana's new career scholarship accounts will provide high school students with up to $5,000 to pursue work-based learning, credentials

by Derek Cantù (dcantu@csig.org)

flexible academic tracks. Early exposure to the workforce. Financial support for students pursuing work-based learning opportunities. Transitional learning programs that extend beyond secondary education. Rep. Behning has seen how those education models work in other countries (the Swiss vocational model, for instance).

Among his goals with the recently signed HB 1002: Use lessons learned from those systems to reinforce the high school experience for students in his home state of Indiana, in a way that makes learning more impactful and gets them career-ready. “A lot of kids see little value, and are finding less and less relevancy, in high school,” says Behning, a chief sponsor of the legislation.

“A bill like HB 1002 changes the paradigm. It provides the academics [that students] need, but embeds it in a work-based learning experience.”

NEW CAREER SCHOLARSHIP ACCOUNTS FOR STUDENTS

Central to Indiana’s reinvigoration plan is the creation of new career scholarship accounts, or CSAs. With the new law in place, participating students will be allotted up to $5,500 each for the costs associated with career education — for example, enrollment in a youth apprenticeship program, career coaching services, community college coursework, certification examinations, and transportation to and from job-training locations. A total of $15 million will go to CSAs over the next two fiscal years. Students who choose an apprenticeship track will be paid by their employer. The amount of time a student spends off campus in a CSA-funded program will vary.

“If you look at what we would consider a traditional youth apprenticeship program, you’re probably looking at starting in your junior year where you may spend one to two days (a week) at an employer,” Behning explains. “By the time you’re a senior, you could spend two to three (days), and by the time you’re the equivalent of what would be a freshman in college, it could be up to three to four days.” To accommodate these students’ unique school schedules, the state Board of Education will establish a new path for a high school diploma that aligns with a work-based learning model.

Another key component of HB 1002: ensuring that younger K-12 students are aware and prepared for the new training opportunities. By the end of this year, state education leaders will develop new standards for a “career awareness course” that introduces students to the CSA program. The course also will show students which industry sectors are in high demand, identify the education and workforce training prerequisites needed to enter various fields, and offer individualized career-plan counseling. Schools will be required to offer this career awareness course to ninth-graders by 2030.

GOAL: MORE STUDENTS EARN A WORKFORCE CREDENTIAL

In order to qualify as a CSA program, the work-based experience must culminate in a student earning a credential — for example, an associate degree or an industry-recognized certificate.

For each student who successfully earns a credential, a $500 grant will be awarded to his or her school as well as the CSA-participating entity (a business or career-and-technical education center, for example). “Today, the credential really is your currency in the labor market,” says Jason Bearce, vice president of education and workforce development for the Indiana Chamber of Commerce and a proponent of HB 1002. “Employers do a lot of training. A fair amount of it doesn’t result in any kind of recognized certificate or industry credential that would be recognized outside of that place of business. We think that’s a missed opportunity for [workforce].”

Bearce also says an increase in credential attainment can have broader, positive economic effects. “At one time, competing for a business expansion or relocation was primarily about, What’s the tax incentive package? What’s the regulatory environment? What’s the cost of doing business?” Bearce says. Today, though, site selection often hinges on this question: “Who has a critical mass of highly skilled human capital?”

A highly credentialed workforce helps make the case. CONCERNS ABOUT POTENTIAL FOR ‘NEW PATRONAGE’

How will the state locate and secure work-based learning and training opportunities for potentially thousands of students? HB 1002 outlines a role for “intermediaries.” “[They are] the facilitator that brings the employer and the student together,” Behning explains. “It can be a not-for-profit, it could be a for-profit, but it would be the group that’s in the middle that’s an aggregator of potential opportunities for kids.”

The state’s new budget includes $5 million for “Intermediary capacity building” over the next fiscal year. “We are giving some seed money to intermediaries,” Behning says. “Long term, the goal would be that they would be funded as a fee to employers for embedding an apprentice in your business.”

Opponents of HB 1002, such as Rep. Ed Delaney, believe the administrative burden of operating the CSA program and funding of intermediaries will be exceedingly expensive. And since qualified CSA programs must include a credential component, Delaney says this new strategy will undercut the value of existing career-and-technical courses being offered in schools and could lead to decreases in school funding. Additionally, although participating CSA employers must undergo a rigorous process to demonstrate the high value of their on-the-job training or apprenticeship offering, Delaney is concerned the new law could lead to an unequal playing field that favors partisan alliances.

“I think it will benefit those businesses that are most adept at getting government grants,” Delaney says. “To some extent, this does run the risk of being what I call the new patronage.”

During legislative debate over the measure, opponents and even some proponents of HB 1002 said a better plan of action would have been to begin the CSA program as a smaller, more targeted pilot initiative, or to phase in the new model with a small cohort of established intermediaries and employer partners. Behning, who believes the need for comprehensive work-based learning for students is too imperative to wait for a pilot study, anticipates “a fairly slow uptake [to the CSA program]” just because it’s a new concept rolling out.”

Ohio Sen. Hearcel Craig and Wisconsin Rep. Joel Kitchens serve as co-chairs of the Midwestern Legislative Conference Education & Workforce Committee. Minnesota Sen. Heather Gustafson is the vice chair. Derek Cantù serves as CSG Midwest staff liaison to the committee.

ACCOMMODATE WORK-BASED LEARNING WITH CHANGES IN DIPLOMA REQUIREMENTS

INCREASE HIGH SCHOOL STUDENTS’ ACCESS TO ‘CREDENTIALS OF VALUE’

PROVIDE FINANCIAL INCENTIVES TO STUDENTS AND SCHOOLS FOR COMPLETION OF THESE CREDENTIALS

INCREASE ACCESS TO HIGH-Quality STEM CURRICULUM AND OPPORTUNITIES; STRENGTHEN STEM EDUCATOR PIPELINE

AWARD STUDENTS WHO COMPLETE ‘FIRST YEAR’ IN COLLEGE WHILE IN HIGH SCHOOL (VIA COMPLETION OF DUAL CREDIT COURSES OR CERTIFICATE PROGRAMS) WITH A ‘SECOND YEAR’ COLLEGE SCHOLARSHIP

ENSURE AVAILABILITY OF STACKABLE CREDENTIAL ATTAINMENT SYSTEM THAT ALLOWS POSTSECONDARY STUDENTS TO EARN SHORT-TERM CERTIFICATIONS WHILE PURSUING A POSTSECONDARY DEGREE
I n many economic sectors and parts of the country, the United States does not have enough workers to fill open positions (see map for Midwest). One strategy being pursued in Michigan to build talent pipelines in high-demand areas: a unique public-private partnership known as Sector Strategies Employer-Led Collaboratives, a brainchild of the state’s Department of Labor and Economic Opportunity (LEO).

“We leverage the power of multiple employers within an industry coming together to say, ‘This is what I need in a person. These are the skills. These are the competencies. This is the education, the credentials that I need them to have,’” Deb Lyzena, an LEO division administrator, said during a July session of the Midwestern Legislative Conference Annual Meeting.

“Then we start bringing in our educators, our workforce system, our labor partners.”

Michigan now has more than 60 formally identified employer-led collaboratives, in sectors such as energy, health care, mobility, infrastructure, agriculture, manufacturing, information technology and hospitality. The state provides grants and technical assistance. Working together, business leaders from the same economic sector identify common-in-demand, unfilled positions; pinpoint barriers to hiring; evaluate recruitment strategies; and establish agreed-upon outcome metrics to track the collaboratives’ progress. They also develop employee training plans that can be implemented throughout the sector and in educational institutions.

Once a collaborative has met, articulated its goals and executed a plan, the department helps evaluate progress.

“We go back to the employers and say, ‘How did that work? Did you hire the people that you wanted to?’ Are they up to speed in their job as fast as you expected them to be? Tell us what the gaps are,’” Lyzena said.

“As a workforce system, it’s systemic change. We’re starting to talk the same language.”

Earlier this year, the state awarded $4.6 million in grants to develop new collaboratives and maintain existing ones.

During the session, organized by the MLC Education and Workforce Development Committee, lawmakers heard from individuals directly involved with the employer-led collaboratives.

Deborah Majeski, manager of DTE Energy’s Center of Excellence Workforce Development, has been part of an energy-focused collaborative since 2016.

“We have well over 5,000 different job roles that we manage,” Majeski explained. “Michigan’s energy sector accounts for more than 116,000 energy-related careers, with the demand (projected to grow by) 7.5 percent between 2020 and 2030.”

From this collaborative, myriad training programs have been integrated into secondary and postsecondary schools; for example, a college-credit-awarding program known as the Energy Industry Fundamentals. Course will be offered this fall at six Michigan high schools and seven community colleges.

It prepares students to enter 15 job roles in the energy sector — roles that are available to individuals of varying educational attainment levels.

At Henry Ford College, 40-foot telephone poles have been built on campus for prospective electrical line workers as part of the Power and Trade Pathways Program, through which students can pursue an associate degree or certificates in various energy-related skilled trades.

A newer collaborative is focused on electrical vehicle manufacturing. The initial focus of this “EV Jobs Academy” has been to collect workforce data and share results with industry leaders.

“Our labor-market intelligence really informs our regional training strategies, [our] curriculum development,” Michele Economou Ureste, executive director of the Workforce Intelligence Network for Southeast Michigan, said.

Once top occupation sectors and related skills are identified, she added, the EV Jobs Academy will work with Michigan colleges and universities to develop new learning and training opportunities on a shared online platform.

**FISCAL AFFAIRS**

Shelby Kerns jokes that when she worked in the Idaho state budget office in the not-so-distant past, she “probably would have sold my soul” for year-over-year revenue growth of 5 percent.

Collectively, states got a lot more than that in fiscal years 2021 and 2022: inflation-adjusted increases of 12.7 percent and 7.6 percent, respectively.

Several factors led to this unparallelled period in state finances — notably, large amounts of federal dollars going directly to states as well as into the overall economy, and a temporary shift in consumer spending toward taxable goods and away from nontaxable services.

“We have some pain on the horizon rolling off these one-time [federal] funds, and eventually we will be facing a new economic downturn,” Kerns, now executive director of the National Association of State Budget Officers, said in July to the region’s fiscal leaders at the Midwestern Legislative Conference Annual Meeting.

But Kerns said states are better prepared than ever before to handle the pain.

At one time, the goal of budget leaders was to have the size of state rainy day funds be equal to 5 percent of general fund spending. Estimates for FY 2023 among the 50 states showed rainy day funds on pace to be at 13.2 percent that compares to 4.4 percent in FY 2009.

More than in years past, too, state leaders are recognizing the cyclical nature of state budget conditions, Kerns said, as evidenced by a change in the kind of tax-cutting measures being proposed by governors: In FY 2024, they called for more than $13 billion in tax cuts, but more than half of that amount only would have only a one-time, rather than recurring, impact on revenue.

“That’s a really important point and shows how strategic you all are being,” Kerns said.

In a separate presentation during the same session, Justin Theal of The Pew Charitable Trusts discussed the value of incorporating long-term fiscal strategies. For example, by conducting budget “stress tests,” legislators learn how prepared their state is for a moderate or severe recession — and how large rainy day funds should be.

Likewise, fiscal leaders can get a better picture of potential structural deficits on the horizon by requiring budget projections to go beyond the next year or two, but instead as much as 10 years into the future.

Over the longer term, Theal said, states face three major fiscal challenges, all of which are best addressed when revenue is growing and surpluses are high.

One is the need for more funding to respond to natural disasters. Most states have accounts for this purpose, he said, but little money is in many of them. Second, about 30 percent of states’ future pension obligations are unfunded, though these numbers can vary widely from state to state. For example, Wisconsin’s and South Dakota’s systems are fully funded, whereas Illinois’ system is less than 50 percent funded.

Indiana is among the states where a portion of budget reserves is now automatically directed toward paying down pension obligations, Theal said, while the Illinois, Kansas and Michigan legislatures recently authorized supplemental payments (above what is required by statute) to state or local pension systems.

A third long-term challenge is the picture of potential structural deficits