



STATEWIDE TALENT FINANCE PLAN

The Need for a Statewide Talent Finance Plan

Forty-two states have established ambitious statewide postsecondary attainment goals. These goals are necessary and realistic in that they reflect the projected demands for talent in the state's workforce. As more jobs require higher levels of skills, and economic disruption continues with increased automation, states need millions more of their citizens to earn a credential of value beyond high school. Financing this demand for additional credentials will take significant resources and a stronger prioritization of affordability, equity and productivity.

A statewide talent finance plan offers state leaders an analytical and collaborative process to assess how many more degrees the state needs and how much it will cost as well as offer a framework for how to pay for it through leveraged, new and reallocated funds. Just as the benefits of reaching an attainment goal will be widely shared, a statewide talent finance plan is by definition a shared responsibility compact between the state, the federal government, employers, families and students.

What are the Significant Components of a Statewide Talent Finance Plan?

A statewide talent finance plan is anchored in an analytical process that uses state data and modeling to address a common set of questions using a core set of common metrics.

1. *How many credential and degrees must be produced to reach the attainment goal?* Common metrics include:
 - Current attainment levels and race/ethnicity gaps
 - Projected year and population modeling
 - Desired attainment level/ number of degrees
2. *What types of degrees does the state need given job and skill projections?* Common metrics include:
 - Levels of degrees required
 - Proportional increases of current distribution
 - Workforce demand based

3. *How much will it cost to produce this projected number of additional credentials and degrees? Common metrics include:*
 - Current cost per FTE (institutions and students)
 - Current unduplicated completion rates or degrees per FTE
 - Benchmark costs and completion rates

4. *How does the state pay for its attainment goal? What is the model of shared responsibility that leverages all available resources and stipulates who pays for which aspect of the needed postsecondary learning ecosystem? Common resources states can leverage include:*
 - State appropriations for institutions, financial aid, workforce and economic development programs, adult basic education and some K-12 funding;
 - Federal financial aid, tuition tax benefits, workforce, adult basic education, career technical education and some of the work-based learning funding in the Every Student Succeeds funding, veteran's benefits, and means-tested benefits programs;
 - Institutional productivity, including increased completion rates, redesigned delivery models, program prioritization and shared services;
 - Employer education benefits for employees;
 - Community-based funding, including local property taxes and community and family-based philanthropy;
 - Predictable student tuition and fees, tied to changes in family income and considerate of an affordability benchmark.

5. *Which investments and scaled strategies are useful in cost effectively increasing degree production?*
 - Considerations for state tax reform and a dedicated new source of funding for talent;
 - A rainy day fund for postsecondary education; and
 - Student-centered completion strategies, transfer pathways and innovative ways to leverage work-based learning, open resources and competency-based education to increase productivity.

State Examples: Oregon and Virginia

Two states, **Oregon** and **Virginia**, have begun to build a talent finance plan. Their work processes are instructive for other states that recognize the need to convene stakeholders, assess the resources needed to reach the state's attainment goal, and develop a realistic plan for paying for the talent states need.

1. Rally a group of key stakeholders in the state, including, but not limited to the following:
 - a. SHEEO
 - b. Legislative staff
 - c. K-12 student transitions personnel
 - d. Governors office staff from Education and Workforce Development
 - e. Institutional Representative
 - f. Private/Alternative providers
 - g. Regional employers/workforce organizations
 - h. Advocacy organizations
 - i. Social services agency staff
2. Assess the state attainment goal and populations served, analyzing for gaps between the two
3. Analyze the array of financial investments and resources needed to reach the attainment goal
4. Outline steps for implementation of the talent finance plan, including agency roles, dissemination and advocacy plans, investment priorities, capacities needed and policy and investment guiding principles

Below are examples of the pipeline analysis undergirding the collaborative work underway in **Oregon** and **Virginia**:

Virginia: Additional Need to Reach Goal by Age

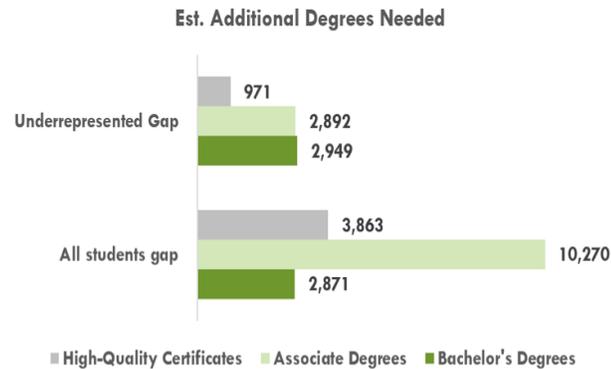
Different funding strategies, policy considerations will be needed to affect outcomes for these populations.



VIRGINIA: Estimates to Reach 70% Goal

2030 Population projection (25-64)	4,786,138
60.5% with a degree by 2030 (4,786,138*60.5%)	2,895,613
Estimate of those with a degree (18-54 with a degree)	(1,773,112)
Additional individuals needed w/ a degree	1,122,501
10% with a credential (4,786,138*10%)	478,614
Estimate of those with a credential (~4%)	(191,446)
Additional individuals needed w/ a credential	287,168
Total individuals needed with a degree or credential	1,409,670

OREGON: Gap for One Cohort of 17-Year-Olds = ~17,000
Degrees and High-Quality Certificates (Based on 40-40-20
Goal)



What Technical Expertise Can My State Access to Develop a Statewide Talent Finance Plan?

Lumina's Strategy Labs can provide policy expertise and facilitation to help you think through your state's approach to a talent finance plan. Lumina offers technical assistance funding that you an access to support your talent finance plan. To learn more please contact strategy labs at the following:

<http://strategylabs.luminafoundation.org>