

## Better P–20W Data Will Require More Advanced Workforce Data Systems

Policymakers are facing many complex challenges that demand action—and they need transparent and trustworthy information to make decisions. Statewide longitudinal data systems (SLDSs) that connect early childhood education, K–12, postsecondary, and workforce sector data can provide the information necessary to support nuanced decisionmaking that accounts for the needs of people on different pathways to high-quality jobs. However, these systems are only effective if the contributing sectors provide timely, high-quality data that can be nimbly connected and shared to address real and pressing problems.

### Value of Better Workforce Data

Better workforce data systems, as part of a state’s broader data infrastructure, can be leveraged to improve individuals’ ability to navigate their workforce training, development, and employment options. They also can enable state decisionmakers, service providers, and researchers to answer and address their most pressing questions about program quality and outcomes, and ensuring that programs serve all of the intended populations, including those who have been underserved in the past. More specifically, better workforce data systems can inform people and help them act on things like:

- Alignment of education and training programs to the needs of the local job market;
- Quality of job offerings;
- Employment outcomes of individuals reskilling or upskilling through short-term training programs;
- Identification of points where people need transition support along their paths in and out of education and employment;
- Strategies to address opportunity and outcome gaps;
- Approaches to providing quality college and career pathways that can be scaled; and
- Opportunities to provide career navigation support and services.

### Current Challenges

While many states have made ongoing improvements to their data systems (through federal, philanthropic, and their own investments), barriers to leveraging SLDSs to their full potential exist within and across sectors. Specific to the workforce sector, a range of issues have complicated states’ ability to link workforce data to K–12 and postsecondary data to understand career opportunities and outcomes. These issues include but are not limited to:

- **Financial obstacles:** Federal investments in data systems disproportionately benefit the K–12 sector. Dedicated investments in workforce data systems through the Workforce Data Quality Initiative (WDQI) grants, while beneficial, are very small relative to K–12 investments.
- **Quality issues:** Fragmentation across workforce data systems, differences in data collection and reporting standards across workforce programs, and antiquated data infrastructure make it difficult to rely on currently available data to serve evolving workforce needs.
- **Data limitations:** Workforce data is not currently collected with enough frequency or granularity to serve current needs.
- **Data privacy and security concerns:** Federal law and guidance have left an unclear picture of when it is safe, appropriate, and acceptable for state labor agencies to share workforce and labor data, particularly unemployment insurance (UI) wage data, with other state agencies.
- **Human capacity limitations:** State workforce agencies, like most state and local government agencies, need additional people trained in data analytics, data science, and IT to meet the growing demands for workforce data coming from policymakers and the public.

The issues impacting workforce data systems are complex and will not be easy to address without sustained, intentional, and long-term commitments. However, with targeted federal action, ongoing state commitment, and cross-agency collaboration at the federal and state levels, significant improvements are possible.

## Recommendations

The following are Data Quality Campaign's (DQC's) recommendations for federal actions to improve workforce data.

- **Dedicated funding.** Ensure federal, state, and local capacity and workforce data infrastructure are well funded to reenergize state action on the next evolution of state data systems.
  - Provide base funding (through a new federal block grant, data pilot through an existing program, or combination of federal and philanthropic funding) for states to address major data system needs, such as modernizing outdated technology, improving interoperability, increasing transparency, expanding meaningful access, building state and local human capacity, and addressing data privacy and security.
  - Increase annual appropriations for competitive programs (i.e., WDQI grants) to sustain those investments and ensure a source of ongoing federal support to address evolving source system needs by:
    - Updating the requirements for these programs so that funding is not siloed in specific agencies and can be more easily used to improve data integration across sectors (or otherwise be targeted where it is needed most).
    - Considering joint solicitations for SLDS and WDQI grants so they can be used together to support ongoing system alignment projects.
    - Prioritize funding for states willing to link their education and workforce data and build access to the data.
  - Issue cross-agency guidance to clarify to states how they can use existing [federal funds](#) for modernizing, refining, and sustaining data infrastructure and building capacity (both emergency relief funds and funding in other programs that can be [blended and braided](#) to support data system improvements).
  - Amplify examples of leading states that are using federal investments to improve their data systems to support current priorities, and the strategies they use to sustain that work (e.g., technical capabilities, centering privacy, data governance, professional development, data culture).
- **More useful data.** Encourage states to improve the usability of workforce data by prioritizing new indicators and system improvements that enable action.
  - Create incentives for states to produce indicators that connect education to workforce outcomes, including improved credential quality and transparency (e.g., [Postsecondary Value Commission indicators](#), Jobs for the Future's [Measuring What Matters](#), National Skills Coalition's [Creating an Impact](#)). These, and other useful indicators, will rely on:
    - Data disaggregated by different groups of individuals;
    - More granularity of job placement data (e.g., include standard occupational classification (SOC) data in wage data);
    - Measures of credential quality to assess the degree to which short-term programs are preparing people for the job market;
    - Improvements to postsecondary data so it can be linked to workforce data (e.g., passage of the College Transparency Act, improvements to state postsecondary data systems); and
    - Data on state licensure passage rates.

- Encourage participation in cross-state data sharing tools (e.g., Department of Labor’s (DOL) State Wage Interchange System (SWIS), philanthropically supported projects like [Coleridge Initiative](#)) and expand the scope of those efforts (e.g., additional data in SWIS, expanded participation in Coleridge Initiative).
- Support the pilot expansion of wage records to include things like job titles, job-required skills, and job codes (e.g., US Chamber of Commerce’s [Jobs and Employment Data Exchange \(JEDx\) initiative](#)).
- Set expectations for improved credential transparency, including embracing data standards for credentials such as those recommended by Credential Engine, to [streamline the exchange of data](#) between education and workforce systems and improve comparability of key metrics. This work includes helping state leaders understand and communicate about how credential transparency fits into states’ broader data vision.
- **Mitigate existing federal barriers.** Take action at the federal level to address policies that create confusion or interfere with state’s ability to generate useful workforce information.
  - Prioritize increased coordination at the federal level through strategic use of existing federal agencies and programs:
    - Leverage the National Secure Data Service (NSDS) to share federal data across agencies to enable more robust program evaluation.
    - Create an office at the Office of Management and Budget (OMB) charged with interagency coordination at the federal and state levels to break down silos and identify solutions that address longstanding barriers to data collaboration.
  - Accelerate existing and explore new efforts to provide data back to states from key federal data collections to fill gaps in their data that are not easy to obtain at the state level, including efforts to:
    - Improve wage and employment records (e.g., UI, census records, and other applicable sources);
    - Expanded access to the National Directory of New Hires;
    - Make military enlistment data available;
    - Reestablish the Federal Employment Data Exchange System (FEDES); and
    - Facilitate an exchange or clearinghouse for state workforce data that does not involve a central national database and minimizes sharing of personally identifiable information—an effort which could involve private partners.
  - Prioritize alignment across federal programs to facilitate alignment at the state level in the following ways:
    - Address definitions across sectors that in their current form add unnecessary burden to connecting data (e.g., CIP and SOC codes).
    - Improve alignment across programs that have similar goals (e.g., Perkins Career and Technical Education (CTE) and the Workforce Innovation and Opportunity Act (WIOA)).
    - Issue clear guidance on the permissibility of combining education and workforce data unless explicitly prohibited by federal law or regulation.
  - Streamline federal reporting requirements to reduce the burden of compliance reporting, improve the data collected, and free up time to use data to support action.
  - Charge chief data officers (CDOs) and chief evaluation officers across all federal agencies that have workforce data collections with ongoing collaboration to:
    - Address barriers to data system improvements at the state and federal levels.
    - Recommend ways that the levels of government could better coordinate their data collection, reporting, access, and use efforts.
    - Create best practices resources and other tools for states.
- **Expand access.** Make it easier for states to make information about workforce outcomes more transparent and available to a variety of users in a manner that is tailored to their needs.

- Through guidance, technical assistance, and permissive legislative language, encourage and support states to prioritize meaningful access to data through the development of data tools and resources to meet the needs of data users at all levels (e.g., digital wallets, career planning tools, secure data portals, public dashboards, dynamic reports for policymakers).
- Provide resources to states to develop strategies for ensuring that data resources provide value to different audiences, including building trust in data, engaging intended users (especially those that might be skeptical), providing information on context and limitations of data, and helping people understand states are safeguarding data.
- Create a pilot program for states to explore how to effectively capture, aggregate, and connect data about short-term, non-degree, and non-credit programs within their SLDSs in order to provide a more accurate picture of workforce outcomes across states.
- **More capacity to use data.** Support increased capacity at the state and local levels to ethically and responsibly use workforce data resources.
  - Invest in regional research and technical assistance centers (through the Regional Education Labs (RELs) and Comprehensive Centers authorized in Education Sciences Reform Act (ESRA) or a similar effort) that can support state and local capacity to use workforce data for research, policymaking, and program improvement.
  - Create priorities in grant programs (e.g., SLDS, WDQI) for states to establish sustainable cross-agency data governance bodies to create a forum for agency leaders to collaborate on shared data priorities and align resources in support of those priorities.
  - Provide states with flexibility and guidance to support the talent and human capacity needed to collect, analyze, make transparent, and use high-quality workforce data, including through:
    - Ensuring states have clarity about using funds to hire additional staff that have the necessary skills to support needs;
    - Providing best practices and resources for data-related professional development;
    - Providing guidance to states on creating state CDO (or other similar) roles to ensure that there are leadership-level positions that can sustain progress on data priorities; and
    - Partnering with states on innovative approaches to addressing human capacity challenges, including use of external detailees, partnerships with research centers, and more targeted approaches to procuring contractual support.
- **Center privacy.** Ensure that individual data privacy and security are centered in any privacy policy to ensure that privacy does not become a barrier to more innovate uses of data.
  - Issue joint guidance from US Department of Education (ED) and DOL on integrated data systems and privacy.
  - Create an entity like the Privacy Technical Assistance Center (PTAC) within DOL to provide technical assistance to help states to comply with privacy requirements, assist states with navigating privacy challenges that impact data use, highlight new and innovative technology and approaches to data security, and provide best practices for securely connecting data.
  - Explore options for protecting individuals' privacy and the security of UI wage record data so it can be matched with data from other systems to provide valuable insights about employment outcomes.
  - Ensure that WIOA includes language describing states' responsibility for protecting data while using it to drive program improvements and increase employment outcome transparency.