

Testimony on

**Preparing Today's Students for Tomorrow's Jobs: A Discussion on Career  
and Technical Education and Training Programs**

before the

Subcommittee on Early Childhood, Elementary, and Secondary Education

by

Frank F. Britt, CEO, [Penn Foster](#)

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Good Morning, Chairman Rokita, Congressman Grijalva, and esteemed members of the committee, my name is Frank Britt. I am the CEO of Penn Foster – a leader in career-focused online and hybrid education with a commitment to addressing the middle skills gap in America.

The story of Penn Foster is rooted in training Americans with the technical skills needed to find jobs where they live. In 1869, in one of the largest mining disasters in the history of Pennsylvania, a massive fire caused the death of 110 workers, due in large part to a lack of training and expertise among the miners. This crippled the coal mines in the area and left people out of work and under-skilled. In response, newspaper editor Thomas Foster founded the International Correspondence School in 1890, to train miners on engineering and safety. Foster pioneered correspondence learning because his students did not have the means to travel every day to sit in a classroom. As the school reached its one millionth enrollment Thomas Edison, who authored one of its courses, remarked that home study was one of the greatest inventions of the 20<sup>th</sup> century. President Theodore Roosevelt agreed. He visited the Scranton campus and extolled the virtues of the school's study method. Soon Foster's programs grew and became more sophisticated, and the International Correspondence School became Penn Foster. In the years since, our institution has produced many notable alumni including Chrysler's former president Walter Chrysler, GM's former president Charles W. Nash and Dan Kimball, former Secretary of the U.S. Navy.

Since our inception, more than 13 million people have enrolled in Penn Foster, which encompasses a high school, career school, and college. Today, Penn Foster enrolls approximately 150,000 students annually in programs consistent with traditional schools and community colleges, providing fully accredited high school diplomas, career programs and certificates, and bachelor's and associate degrees. Our Career School,

College, and High School have all met the high standards of academic integrity set by the Accrediting Commission of the Distance Education and Training Council (DETC), a nationally recognized accrediting agency, and various other accreditation bureaus including regionally accreditation for Penn Foster High School and Career School by the Commission on Secondary Schools of the Middle States Association of Colleges and Schools.

We focus on traditional age high school students through adult learners and partner with over 400 secondary and post-secondary institutions that use Penn Foster content and delivery platforms to expand their offerings. For example, Polk County School District in Florida uses Penn Foster's curriculum and platform to re-attract students who have dropped out of high school and help them graduate. We also attack the systematic issues of the drop-out crisis by contributing senior leadership and resources to the National Dropout Prevention Network, which has worked to create opportunities for all young people to fully develop academic, social, work, and life skills.

Given that our students are often balancing full-time jobs and/or other familial responsibilities, Penn Foster has become an industry leader in crafting innovative solutions to keep them on-track. We employ a self-paced educational model based on subject matter mastery that allows our students to set their own timetables without falling behind while accounting for personal circumstances.

Our student-centered approach extends to program cost and payment options. We make sure that our programs do not require students to take on excessive debt obligations. For example, the average starting salary for a Pharmacy Technician is \$28,400. Penn Foster's Pharmacy Tech certificate program cost students less than \$500 (over 60% less than most alternatives). For school districts using Penn Foster career electives and high school courses this means low cost options that fit within the school's budget and allow them to sponsor innovative models for educating their high school population.

In addition, for individual consumers or students, paying for school is more manageable under our pay-as-you-go model. We do not accept federal student aid programs under Title IV of the Higher Education Amendments including Stafford Student and the Federal Pell Grant Program. Instead, monthly payments are calibrated to match academic progress and students' ability to pay, which better aligns objectives between students and the institution including our high school, career and college. For example, the cost of our associate and bachelor's degrees are about 30% less than community colleges and 70% less than traditional four year institutions.

For many, our programs are a gateway to the respectable salary and stable lifestyle that accompany careers in vocations traditionally classified as "middle-skilled." For others,

we smooth the transition to higher education by simplifying the credit transfer process. This is nothing less than the democratization of education, as we offer our students access to the best in technology, community and academics, as well as a support system usually reserved for those who can afford high tuition and the accompanying loan payments. And by harnessing the benefits of scale economies, we are able to do so at a lower cost.

Given our position as one of the nation's largest and most experienced providers of online instruction in Career Technical Education (CTE) at the high school and post-secondary level, we appreciate the opportunity to address the Subcommittee and offer recommendations to improve the funding, delivery, and promotion of CTE.

### **Recommendations to Make CTE More Efficient and Effective**

To date, a lot of good has been done. Lives have been changed and skills have been built, as institutions and dedicated faculty have been well-preparing students for careers in CTE. We are here today to talk about how to build on the strong foundation of CTE and evolve the system while innovating for the future. We have six recommendations to improve career and technical education in our country today:

1. Employ project based learning to personalize the student experience
2. Embrace digital learning
3. Change the perception
4. Stimulate innovation
5. Promote data uniformity
6. Reward competency, not accreditation

We recognize the Subcommittee and Staff have deep expertise in a variety of issues related to CTE and the Perkins Act, and will direct our remarks to areas that may complement this panel's deep experiences. The basis of these viewpoints is as a practitioner, rather than a policy expert. We exist to provide education either directly to the learners, or support school districts, higher ed institutions and employers who seek alternative CTE delivery models. We share these perspectives based on directly interfacing with thousands of students each year, and as active observers of the incumbent delivery approaches and providers. Like many other organizations, we are seeking to navigate the new needs of the next generation CTE students, and be productive advocates and supporters of current faculty and administration and collaborate with them to better address the needs of both traditional and adult learners.

1. *Employ project based learning to personalize the student experience*

Project-based learning (PBL) is an educational approach that focuses on real-life application of theories and lessons and is in practice in many leading CTE schools across the country. Students engaged in PBL pursue solutions to nontrivial problems by asking and refining questions, debating ideas, making predictions, designing plans and experiments, collecting and analyzing data, drawing conclusions, and communicating their ideas and findings to others. This provides an alternative to paper-based, rote memorization, teacher-led classrooms. Proponents of project-based learning cite numerous benefits to the implementation of these strategies in the classroom including a greater depth of understanding of concepts, broader knowledge base, improved communication and interpersonal/social skills, enhanced leadership skills, increased creativity, and improved writing skills.

At present, the vast majority of funding is devoted to traditional infrastructure and practices. Instead, investments should be made to “mainstream” PBL enabled by online and hybrid courses that are personalized to directly benefit students. In these student-centered models the role of faculty often evolves. Instead of spending all of their time reviewing material, they are focused on the application of the material and tailoring that teaching to the individual needs of the learner.

## *2. Embrace digital learning*

Much has changed since the Perkins Act was made law seven years ago, as more and more students are turning to custom CTE programs online.<sup>1</sup> Yet, the Act does not recognize online or hybrid models under its definition of “institution.” Meanwhile, in the private sector, the service Khan Academy, a non-profit educational website whose mission is to provide “a free world-class education for anyone anywhere,” educates millions each day with little-to-no overhead. With 260 million lessons and a staff of fewer than 100, Khan’s results have been astounding. The innovation in their equation is simply the Internet itself, as noted by many leading experts, including Michael Staton, co-founder of Inigral.

The Committee should continue to encourage use of the Internet and digital learning in education at every opportunity, especially to perpetuate peer-to-peer platforms and social media enablement. These adaptive learning engines will contain intelligent programs that understand and respond to each student’s level of competency.

For example, tech-enabled and hybrid educational delivery platforms can optimize total spending per student by using predictive tools that automate intervention and augment student- progress, while increasing faculty productivity and moving from hard copy text to digital content. The goal is to deliver a student experience that drives academic progress and has built-in tools to catch students before they struggle. This includes using personalized and adaptive learning systems for teachers. These systems are

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<sup>1</sup> [http://www.huffingtonpost.com/2013/04/12/growth-online-education-moocs\\_n\\_3041529.html](http://www.huffingtonpost.com/2013/04/12/growth-online-education-moocs_n_3041529.html)

complemented by greater parental, business, and community engagement and work through partnerships with local employers. The results would be higher attendance rates, higher effectiveness as measured by staying in school, progression, and most importantly more career and college pathways.

### *3. Change the perception*

We recommend the public and private CTE institutions, together with the government, proactively educate the public on the value of careers in CTE fields. We have to be even more effective at communicating the narrative of why students and citizens should be compelled to embrace these careers. Explaining this story has always been essential, and now faces more complex marketing challenges as new social tools are introduced and mobile consumption becomes more prevalent. This will require new types of content, such as user generated reviews. To compete in that environment, CTE needs a national “Got Job?”- style campaign, funded by the private sector, to reach its target audiences (including students and parents) and penetrate the national consciousness. Led by a cross-section of leading employers and/or industry organizations, this campaign needs to involve Committee members and others in positions of influence and esteem to highlight CTE fields as providing rigorous, challenging curricula that lead to college *and* career readiness. Americans need to see “alternative pathways” not as code words for less potential and low wages, but instead as a viable, creditable and highly pragmatic academic and career roadmap for a significant number of traditional and adult students. Historically CTE has suffered from negative perception, and flipping that perception may be the number one issue holding us back from filling these important jobs with skilled labor, and tackling the national jobs crisis.

### *4. Stimulate innovation*

Career technical education is a \$30 billion industry and impacts millions of learners each year, yet it has been largely ignored by entrepreneurs, venture capital and top executives from leading companies. Innovation is the key force that shapes industries, and more talented leaders need to be attracted to the sector to help conceive approaches and take advantage of emerging practices from the new education economy. While there are highly successful and innovative schools, such as Gateway Technical College, their influence is constrained by geography. To attract large-scale innovators and new sources of capital to drive research and development the delivery model and economic and regulatory environments will need to change.

CTE needs Perkins dollars directly focused on innovation grants, prizes and university collaboration to incentivize engagement and diversify the base of potential innovators.<sup>2</sup> Furthermore, new parties, including proprietary schools, need to have a say in the updated version of the Perkins Act and the national CTE agenda. Online and hybrid learning models can offer more affordable career and technical education for students while also reducing labor and operational costs for schools. As a result of these savings, more funding can be freed up to directly benefit students.<sup>3</sup>

This next-generation, technology-enabled career and technical education would simplify administrative and logistical tasks, leading to higher student and teacher satisfaction. For ground-based career tech schools partnering with the next generation providers can expand the radius of their coverage geographically, allow for new programs not offered today yet in demand locally, and also provide on-going continuing education to graduates. This will be of particular benefit to rural America where travel and class-size often constrain the ability of districts to offer CTE courses. Partnering with online CTE providers will ensure that rural students have the same access to high-demand CTE professions as their urban and suburban counterparts.

#### 5. *Promote data uniformity*

Despite significant spending on CTE across the High School, Technical College and Career School sectors, the quality of unit-level and aggregate data on spending and student achievement is often elusive, contradictory, or out-of-date. For example, the basic definition of who and what is a K-12 CTE student varies across states and districts. Is a CTE student a “CTE concentrator” who takes 4-6 CTE courses in one area, or is it *any* student who takes *any* CTE course? The definition of what constitutes a CTE course varies across states, districts and even schools. A world-class educational system cannot be modernized without better data and consistency for the sake of benchmarking and performance improvement management on behalf of students and investors. Similarly, inconsistencies in how and who provides tracking and reporting costs impact how a given state’s delivery system is set up: e.g., New York has a regional service center model (BOCES) that delivers some (but not all) CTE programs for its member school districts. Other states deliver CTE programs in comprehensive high schools. Those variables impact administrative, transportation, instructional, and capital costs.

Simplifying and unifying definitions and practices will save providers operating in multiple states time, money, and frustration, and will ultimately benefit students.

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<sup>2</sup> See Addendum 2 for further information

<sup>3</sup> “Competitive Priority—Improving Cost-Effectiveness and Productivity”:  
<http://www2.ed.gov/about/overview/budget/budget13/crosscuttingissues/pande.pdf>

## 6. *Reward competency, not accreditation*

Education is entering a transitional moment. Moving forward we should embrace the best of the traditional model while incorporating the advantages of a competency-based system. The need to assure the public that an institution meets standards and delivers on its promises will remain essential, but the future is a movement toward competency-based education and away from credit-hour measures.

One option is for CTE (over time) to embrace an employer-driven competency-attainment based system to complement credit hours.<sup>4</sup> This will likely require panels of employers to set criteria for competencies needed to meet industry standards and regulation at the national level, which would eliminate, standardize or simplify state-by-state restrictions and barriers. An early example of these principles in action includes The National Coalition of Certification Centers (NC3), which were established to implement and sustain industry-recognized portable certifications with strong validation and assessment standards. As CTE makes the transition to competency-based certification, the online education will be uniquely positioned to serve learners in a variety of fields including Vet Tech and Pharma Tech, where competency programs are already operational.

### **Career Technical Education (CTE) at the High School Level**

More than 850,000 K-12 students in the U.S. are classified as “vocational,” which encompasses CTE fields and makes up just ~2% of total students. The cost to educate these students is nearly \$14,000 or 20-40% greater than that of traditional academic instruction. In recent years approximately \$13 billion has been spent annually by federal, state and local governments to support youth-focused vocational education systems across the U.S., with federal funding constituting only about 4-8% percent of all state and local spending.<sup>5</sup> This is in addition to the \$16 billion post-high school trade and technical school-industry.

Penn Foster is striving to make career technical education more affordable by combining online instruction with practical hands-on training. Unlike many CTE alternatives, including both traditional and online options, Penn Foster is fixated on our students’ long-term goals. This allows us to eliminate any instruction that is not central to our students achieving in their desired fields, reducing student’s tuition with no degradation of value. We take the same approach in our work with corporate partners,

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<sup>4</sup> See Addendum 1

<sup>5</sup> <http://education.stateuniversity.com/pages/2446/State-Departments-Education-VOCATIONAL-EDUCATION.html>

for whom we provide low-cost employee training programs online in a targeted and personalized manner.

### *A Commitment to Career Training: Penn Foster and Job Corps*

Penn Foster’s collaboration with Job Corps is just one example of our commitment to education innovation in career technical training with students who have struggled in the traditional system. Both Penn Foster and Job Corps are focused on bringing professional and educational opportunities to at-risk students and those who have not had success in the traditional system. Penn Foster operates in 50 of Job Corps’ 125 centers around the nation, implementing our self-paced high school model and devising various innovative hybrid courses that combine online instruction with hands-on training. Since 2006, the partnership has worked by combining general high school requirements such as math or science with electives in a career track of the student’s choice. Run simultaneously, Penn Foster provides the materials to help the students receive their diploma, while Job Corps provides them with the practical career training and support. An instructor is present at all times and helps the student decide on and prepare for their next exciting step, whether it’s a job or college. When they complete the program students leave with more than just a diploma, they have a skill set that can help lead to a better life.

### **New Students and Career Paths**

Higher education is increasingly seen as a requisite in today’s job market. Yet there are profoundly troubling signs that the U.S. is failing to meet its obligation to prepare millions of young adults. In an era in which education has never been more important to economic success, the U.S. has fallen behind many other nations in educational attainment and achievement. Within the U.S. economy, there is also growing evidence of a “skills gap” in which many young adults lack the skills needed for many jobs that pay a middle-class wage. Simultaneously, there has been a dramatic decline in the ability of adolescents and young adults to *find* work. Indeed, the percentage of teens and young adults who have jobs is now at the lowest level since World War II.

As a result, the demographics of the “typical student” have changed and college students are no longer just 18-to-22-year-olds. They may be single working mothers in their 40s or grandparents in their 60s. They may seek traditional degrees or be part of the fastest growing career track—those pursuing career certificates. Significantly, the [National Center for Education Statistics](#) notes that 36% of today’s college students are over age



25, a group that is expected to grow by 20 percent between 2010 and 2020.<sup>6</sup> As norms of age and income become obsolete, there is a need for more customization and flexibility in delivery methods to meet the needs of nontraditional students.

Just as students' backgrounds have changed, so have their career paths. Today, a person's first job no longer becomes a lifelong career, and students need to be more versatile than in previous generations. According to leading experts, between 60 and 70% of the jobs required 20 years from now do not exist today, a dramatic-yet-intuitive statistic given the countless number today's new careers that have only emerged over the past decade including in social media, green energy sustainability, cloud computing, and data science.

According to the Center on Education and the Workforce at Georgetown University, the U.S. economy will create some 47 million job openings over the 10-year period ending in 2018. Nearly two-thirds of these jobs will require at least some post-secondary education. Therefore, applicants without post-high school education will fill 36 percent of the job openings, or just half the percentage of jobs they held in the early 1970s. Moreover, the Center projects that 14 million openings will be filled by people with an associate's degree or occupational certificate. Many of those will be in "middle-skill" occupations such as electrician, construction manager, dental hygienist, paralegal and police officer. These jobs often have higher salaries than jobs held by those with bachelors' degrees. In fact, 27 percent of people with post-secondary licenses or certificates—credentials short of an associate's degree—earn more than the average bachelor's degree recipient. There will also be a huge number of job openings in so-called blue-collar fields like construction, manufacturing, and natural resources, which will provide nearly 8 million openings, an estimated 2.7 of which will require a post-secondary credential.

Given the dynamic nature of the marketplace, it is more important than ever for educators to provide employment-focused education. As students look to train-up and acquire practical and marketable skills, educators must respond in kind by adjusting their methods to be more learner-focused. Ideally, the future of education will blend online and traditional learning experiences and be flexible, so that the material is available to the student on his/her own time and teaching and engagement is saved for the classroom.

Penn Foster has helped answer the call with more than 200 partnerships with secondary and post-secondary schools and 35 state workforce development boards. We're making content available and allowing students to learn at their own paces, while providing in-person support and guidance to improve graduation rates.

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<sup>6</sup> <http://nces.ed.gov/fastfacts/display.asp?id=98>

## Filling the Middle Skill Jobs of Today and Tomorrow

For many Americans, “higher education” still means a four-year degree. However, with unemployment hovering around 7.5 percent and with many students graduating from four-year institutions unable to find jobs, our perception of the costs and benefits of education needs to change. Degrees that prepare students for middle-skilled careers are often ignored or rejected, but education leaders need to realize that, as valuable as four-year degrees may be, they are not practical for every student, especially given that these students are saddled with an average of \$26,600 of debt overall,<sup>7</sup> and \$32,700 when graduating from for-profit colleges.<sup>8</sup> Instead of ignoring middle-skilled careers, we need to embrace them as viable alternatives to traditional degrees that lead to high-demand careers, and ensure that associated education costs remain affordable and aligned with salary potential.

Jobs traditionally known as “middle-skilled” will make up [nearly half of all](#) openings in the next 10 years,<sup>9</sup> and yet there is a lack of infrastructure, support, and data to help middle-skill workers navigate the market to discover and attain these jobs. As a result, too many middle-skill workers are enrolling in four-year degree programs instead of gaining career-oriented training that would allow them instant access to the workforce. This inefficiency is increasing student debt and widening a middle-skills job gap, where students fail to meet the needs of employers who want to hire them.

Like their white-collar counterparts, employers in middle-skilled career fields want their applicants to be job-ready. They do not want to have to spend large amounts of money training their employees. They want an employee equipped with both practical and relevant theoretical knowledge. That’s where hybrid (or “blended”) learning approaches come into play, allowing students to combine in-class hands-on instruction with online learning, contributing to increased productivity among students and reduced costs for institutions.

Penn Foster is helping to close the “skills gap” with a variety of programs that give students access to equipment and first rate instruction in high-growth industries. Our engineering technology program, which prepares students for careers in manufacturing, is just one example. Despite well-documented shifts in the manufacturing industry, there is a dire need for new manufacturing professionals. In December 2012, there were 224,000 manufacturing job openings, but only 155,000 hires, according to the Bureau of Labor Statistics. And these jobs generally pay well: sheet metal workers earn a

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<sup>7</sup> [http://projectonstudentdebt.org/state\\_by\\_state-data.php](http://projectonstudentdebt.org/state_by_state-data.php)

<sup>8</sup> <http://www.propublica.org/article/the-for-profit-higher-education-industry-by-the-numbers>

<sup>9</sup> [http://www.nationalskillscoalition.org/resources/reports/tpib/nsc\\_tpib\\_perkins.pdf](http://www.nationalskillscoalition.org/resources/reports/tpib/nsc_tpib_perkins.pdf)

median salary of \$41,710 and diesel engine mechanics earn a median salary of \$46,660, according to the Bureau of Labor Statistics. Considering that these careers do not require four years of post-secondary schooling, they represent a favorable return on investment.

### **Trade and Technical Schools: Meeting the Needs of a Growing Market**

The post-high school Trade and Technical Schools industry has experienced overall growth during the past five years despite the recession and substantial cuts in federal funding. The industry has been able to capitalize on the growing online education market, despite increased regulation. Spurred on by demand for training in areas of new technology, revenue grew 2.6% annually to \$16.1 billion in the five years leading up to 2012.

Changing labor market requirements have encouraged job seekers to choose vocational courses rather than apprenticeships and on-the-job training. Furthermore, the increasing cost of four-year colleges has caused some to seek alternative forms of education. While technical and trade schools still face competition from the Junior Colleges industry,<sup>10</sup> future prospects are good. Downstream demand is expected to remain strong for workers in most trades, and increasing requirements for workers to hold formal certification will aid industry growth. Demand for healthcare professions will also provide a significant boost to the industry in particular. As the U.S. population ages, demand for medical technicians and nurse's aides will bolster the revenue of training schools, which is expected to increase at an annualized rate of 2.7% to \$18.4 billion between 2013 and 2017.

### **Partnering with Employers, Responding to the Market**

Our more than 100-year CTE track record has positioned Penn Foster as the in-demand online and hybrid institution for construction, manufacturing, utility, and engineering firms looking to train and retrain employees. We have partnered with more than 1,000 institutions nationwide in that capacity, including the military. Last year 2,500 military students took Penn Foster programs, because our model allows traveling, busy military families to get an education and advance their career goals and at a low price point. We also work with leading community colleges and corporations to develop turn-key solutions for high-growth industrial occupations such as electrician, welder and HVAC technician, and industries such as utilities, manufacturing and construction.

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<sup>10</sup> IBISWorld report 61121

These programs can reduce employee turnover by 40% while saving corporate clients millions of dollars, not to mention preventing devastating layoffs and improving on-site safety for workers and the public. In addition, they provide traditional blue collar workers with a ladder up into management positions.

This understanding of the job market helps institutions better prepare students to achieve employment. Just as corporate America uses customer data to improve business practices, so do employers collect and track data on performance of employees, interns and apprentices. Schools can harness that data and use it to help students pick classes, decide on courses of study, and ultimately choose their career paths.

## **Conclusion**

The time is now to even better support change in career and technical education in this country and build on the successful foundation in place today. Existing legislation is no longer sufficiently comprehensive to the changing dynamics of today's educational marketplace. Changing the perception of CTE careers, and embracing technology are just a few of the ways that we can positively alter the face of vocational training. We need to focus on training American for the nearly 50% of jobs in the "middle skills" sector that will drive our economy in the years ahead.

Chairman Rokita, Congressman Grijalva, and esteemed members of the committee, we at Penn Foster are looking forward to the challenges and opportunities ahead. Thank you for your time.