

Prepared by Gerri Elliot, Commissioner
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Education and Workforce Development: Through our work with industry partners in the reauthorization of both the Workforce Investment Act and the Higher Education Act, Microsoft is committed to supporting the central role life-long learning plays in enhancing American competitiveness.

We believe that American higher education can become stronger if it commits to a culture of innovation, utilizing information technology to enhance collaboration and understanding of how people learn.

We are working with our industry partners to help modernize the public workforce investment system through reauthorization of the Workforce Investment Act to ensure that training in IT professions are available to those seeking improved job opportunities.

Today, global competitors such as India have created international competitive pressures both by continuing to expand public funding to include college education for information technology majors. In the U.S., it is largely left to companies and/or workers themselves to continuously upgrade the IT skills that U.S. workers need to compete with their growing number of international counterparts. Though certainly not the only factor, the substantial and ongoing cost of life-long learning is a significant expenditure that must be taken into account by U.S. companies that face growing economic pressures to outsource jobs.

Microsoft's philanthropy is dedicated to improving life-long learning for disadvantaged youth and adults by providing technology-related skills through community-based technology learning centers. We believe that publicly accessible gathering places represent prime locations where people can go beyond merely having access to technology and can acquire the skills to use technology effectively to help themselves and their communities.

We view more federal spending for basic research as a means to grow the labor pool and to maintain U.S. competitiveness. Our universities train the next generation of scientists and engineers, and we are struggling to find enough well trained people to fill our open positions. With more federally funded basic research, we believe we can help drive interest in these fields and expand the U.S. labor pool relative to other nations.

Some additional background: Reauthorization of the Higher Education Act (HEA) will occur during 2005. The Act includes a set of programs aimed at expanding post-secondary educational opportunities for students from low-to-moderate income families. It applies to traditional as well as non-traditional higher education institutions. HEA authorizes \$42 billion in grant, loan and work-study programs — roughly 70 percent of all financial aid awarded to post-secondary students. The law also contains \$2 billion for provisions that

relate to teacher education and initiatives that support public-private partnerships that promote interventions for at-risk youth and improvements in math and science education.

In an effort to help reshape the policy landscape in this area we have undertaken a set of activities designed to drive change at the thought leadership, policy development, and implementation levels. Most immediately, we are developing a partnership with the U.S. Department of Labor (DOL) in which Microsoft would provide financial support and the Unlimited Potential (UP) IT skills curriculum to approximately 20 "One Stop" Workforce Development Centers nationwide over the next two years. This DOL partnership will highlight how providing IT skills training to disadvantaged populations can help to improve job prospects and ultimately productivity. In addition, we are pursuing plans to leverage data and lessons learned from the implementation of the UP curriculum in order to help shape the trajectory of workforce development policy at the national level and specifically to ensure that the critical role of information work become better integrated into U.S. workforce policy development and implementation.