



MODELS FOR LABOR MARKET INTERMEDIARIES

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Introduction

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In recent years, workforce development has become an increasingly important strategy for economic development and community development. The “traditional” workforce development system may be more than 50 years old, but for many economic and community development practitioners, workforce development is a new area of focus. And while the federal workforce development system is somewhat mature, it is not stagnant. The broad field of workforce development has seen many changes, innovations, and a broadening number of actors—partly because of the increased interest of economic and community developers.

BACKGROUND

The role of human capital has always been important to economic developers and community developers, but the reasons today are different than they have been historically. In addition, the appreciation of human capital on the economic development side is different than it is in community development. Economic development focuses on expanding local economic growth and productivity, ultimately leading to additional job opportunities. Community development focuses on the distribution of resources and the needs of lower-income populations and residents in a community. While there are interrelations between economic and community development, the functional practice and approach to their respective work is different.

For many years, economic development organizations and municipalities that were engaged in economic development activities competed based on low input costs—of land, energy, natural resources, and labor (Eisinger 1988). Businesses located in areas where they were able to save on input costs. Often, managing the costs of lower-skilled labor meant locating in areas where they could pay workers less. The skill needs of many companies have changed significantly as technology and knowledge have changed the nature of work. The productivity, creativity, and technological literacy of workers are becoming central considerations of human resource managers and executives. As a result, skill levels across labor markets are driving economic growth and competitive advantage across entire metro areas (Glaeser 2011; Moretti 2012). In fact, high stocks of advanced skills and educational attainment may even benefit workers without those skills in a labor market (Moretti 2004). In joint efforts, workforce development and economic development organizations understand that if they are successful, their communities represent prime targets for further business investment.

Community development organizations have historically worked to provide opportunity and resources to low- and middle-income communities through improving housing conditions, ensuring neighborhood resources and stability, upgrading physical conditions, and creating comprehensive programming for residents (Bratt and Rohe 2004; O’Connor 1999; Stoutland 1999). Workforce development has often been a component of these efforts, but in recent years, job training has become an even more central effort of community development groups. Community development-based training work typically focuses on ensuring that residents, particularly ones who have lower skills, have opportunities to advance in their careers by focusing on skill development for advancement.

In recent years, workforce development interests have driven a confluence of efforts between community and economic developers. Community development-minded organizations have shifted towards business services and newer economic development-based workforce development practice.

They've shifted in this direction because evidence suggests that employer-first or dual-client (employer and job seeker as equal clients) workforce development strategies better serve vulnerable populations and those out of work (Maguire et al. 2010, Schrock 2013). Economic development organizations have similarly begun to explore the importance of tapping into talent pools of workers with lower levels of educational attainment and different skill sets to fill new middle-skill positions, often in the production of goods associated with the "knowledge economy" (Clark 2013; Lowe 2007).

ABOUT THIS BOOK

Some questions for both economic development and community development are how to engage in workforce development, how to create programs and partnerships, and what are some of the most promising practices to prepare workers for the labor market. This collection of case studies focuses on the efforts of partnerships in workforce development, including those between traditional government workforce development groups, economic development organizations, and community development organizations. Similar innovations in workforce development provisioning have been taking place across the country, and these cases should act as examples of the types of efforts and considerations that may be helpful to community, economic, or workforce development organizations as they think about how they can serve as intermediaries in promoting skill attainment and employability.

The first section of the collection focuses on practices within government intermediaries, including both traditional and nontraditional workforce development organizations. The case study by Elvery and his coauthors explores how the Cuyahoga County Workforce Investment Board reoriented its training and placement efforts to be demand-driven to better meet local labor market demands. The case study by Dempsey and her coauthors discusses how community development entities, including the public housing authority, in the New York City government collaborated to create a more effective and comprehensive set of services for low-income job seekers in the city. Smith and Painter take a broad look at workforce development provisions in Australia—particularly the use of privatized services and performance-based contracting—and assess their potential in the American system. Finally, the case by Strong highlights some of the functional steps that the Lancaster, PA, Workforce Investment Board took to become more aligned with the large food processing industry in the community. It shows how leaders connected with local industries, educational organizations, and other stakeholders to better link training efforts to the large food manufacturing and production-centered economy in the area.

The second section of the book focuses on intermediaries outside of government. It looks at partnerships between universities, not-for-profit organizations, industry associations, businesses, and community and economic development organizations. Increasingly, the lines between different stakeholders in workforce development are blurred—programs are public-private partnerships that pull on resources from inside and outside of government. In this section, the programs show ways that these organizations have approached developing services for clients. The case by Mollica and Countryman describes a partnership between a university and the Jewish Vocational Service, a workforce development organization in San Francisco. The program led to post-training internships at the university, combining training with guaranteed shorter-term employment opportunities. Cole and Smit describe how an industry association in North Carolina used workforce development programming as a direct investment in the expansion of the industry and for recruitment of new businesses to the area. Taylor, Aymond, and Clinton describe how a heavy-construction business partnered with local schools, workforce development organizations, and philanthropies to train workers as a way to combat very high employee turnover, a significant human resource challenge for many companies. Finally, Sproull and Ghosh describe a collaborative, cross-sector regional partnership to develop job training programs for high-growth industries in middle Tennessee.

HOW TO USE THIS BOOK

Readers may question whether the models presented will map directly onto their communities. Are they exactly replicable? Likely, they are not. All of the cases, though, do describe tactics and strategies

that show how some communities have addressed common challenges in local workforce development, particularly around how labor market intermediary organizations of different missions and characteristics have worked to address these challenges. What many of the cases have in common are stories of a few individuals or a few groups that embarked on new work, experimented with programs, and built new connections between groups that had typically operated in isolation. Sometimes the programs are the results of several years of efforts, some of which failed or were not particularly effective before the programs arrived at the models described in the cases. In some of the cases in this collection, the final outcomes are yet to be determined. These individuals and organizations are good examples of how new ideas and ultimately innovative programs come from reacting to challenges, trying new things, and taking action to address problems.

The cases present many different tactical approaches to adapting labor market intermediaries to current challenges ranging from placing workers in jobs to linking efforts to economic development. While you may not be able to exactly duplicate a program, given the uniqueness of local challenges, it is my hope that you will find new ideas, strategies to common problems, or some other similarities to how different organizations have approached common challenges for workforce development organizations.

New models for action and partnership in workforce development efforts that include community and economic developers are spreading quickly. Workforce development, skill development, and building human capital are increasingly seen as among the key drivers of local economic growth and opportunity for workers of diverse backgrounds. Developing strategies to build cohesive and effective partnerships and intermediary organizations that combine workforce, community, and economic development strategies is still an area of question for many practitioners. The collection of cases included in this volume provides examples of how a number of communities have addressed the challenge of building new partnerships and intermediary organizations. We hope they provide insight into how other communities and organizations, possibly yours, can develop tactical plans to creating effective labor market intermediaries.

1

A WIB Turns to Demand: Helping Job Seekers by Serving Employers

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For years, Cuyahoga County, Ohio, had two separate workforce investment boards (WIBs), one serving Cleveland residents, the other serving the remainder of the county. The state WIB forced them to merge in 2008 because Cleveland’s population dropped below 500,000, the required threshold for a stand-alone WIB. The significant merger of two workforce investment boards as well as the significant changes in the metro Cleveland labor market provided an impetus for rethinking the way that the newly merged WIB would operate. A new director, with private sector marketing, and his team went beyond simply merging the agencies; they reinvented how the combined organization—Ohio Means Jobs | Cleveland-Cuyahoga County (OMJ|CC)—serves employers and job seekers.¹

The new approach of the organization is based on five key insights. First, the primary focus of the WIB is on the metrics laid out in the original Workforce Investment Act²: job placement, job retention, and wages. Second, the organization learned that to best serve job seekers, employers must be the agency’s main customers. Employers are the source of jobs and by serving them as the primary client, training is best targeted to in-demand and available jobs. Third, new technology makes it possible to efficiently match clients to jobs, but only if there is comprehensive and detailed information about both. Fourth, training should be a means to get a job, not an end in itself. Job seekers are primarily interested in improving their job prospects. Finally, the WIB shouldn’t confuse habits for rules—it needs to decide what it needs to do and then figure out how to fit it in the Workforce Investment Act rules and regulations.

These insights led to what OMJ|CC calls “the demand-facing approach.” A number of WIBs and other workforce development entities across the country have been adopting a demand-driven approach. The OMJ|CC model is unique in its “demand-facing” approach in that it positions the agency to help prepare, train, and screen candidates for specific openings in the labor market. The agency reoriented itself to view employers as its primary customers. Its priorities for working with individual job seekers shifted from facilitating training to getting people placed in jobs.

To execute this approach, the agency focused on shifting to a staff with sales and human resources experience, to connect to businesses and screen job candidates. Training resources were rebalanced, with now more than 40 percent of training shifted to training on the job. A new database system was put into place with greater depth of information about both openings and job seekers. The agency broadened its pool of job seekers by increasing outreach to unemployed individuals of all skill levels. The new database and greater number of people in the system have made the process of matching seekers to jobs more efficient and effective.

These changes brought about a profound transformation in the delivery of workforce services in Cleveland and Cuyahoga County. Prior to 2010, nearly 80 percent of the WIB’s budget was spent on job

seeker services, with little connection to business needs. Now, there is more balance. Nearly 50 percent of the budget is spent on employer-related services and 50 percent on job seeker services. Results suggest that these changes have had been effective. The adult job placement rate reached 91 percent in 2011, up from 53 percent in 2009 (Halbert 2013). Like a rising tide, the demand-facing model has improved placement rates for low and high skilled workers alike. Moreover, OMJ|CC achieved these strong results while serving more clients after cutting its staff in half in response to budget cuts and its new service model.

Viewing employers as customers and job seekers as clients, and targeting resources to learn both employment demand and the workforce skills, is the essence of the demand-facing approach. While demand-driven or sector approaches are generally guided by employer needs and in-demand occupation trends, the direct targeting and tracking of job postings and potential candidates is unique to the demand-facing approach. In the demand-facing model, it is important to understand what each job entails and then reach out to a wide group of job seekers in search of a match. By engaging employers irrespective of sector, this model is more robust and adaptable to changes in the labor market than those that rely only on employment trends or narrowly targeted industry sectors.

TURNING TO FACE DEMAND

Job seekers entering OMJ|CC prior to 2010 were provided resume-writing assistance, training for a job of their choosing, and the hope of employment. The results were not encouraging. Many were trained but remained unemployed, and jobs were left unfilled. An exasperated job seeker was told, “Don’t worry if you can’t find a job, a job will find you.” Safeguards to ensure that the training led to jobs and that trainees were even motivated to find jobs were lacking. The leadership team at OMJ|CC grew increasingly discouraged and realized they had to change their focus. A careful reading of the Workforce Investment Act (WIA) legislation guided their efforts going forward: job placement, job retention, and wages—the metrics specified by the Act—became the new standard by which every activity of the agency would be measured.

Around the same time, from 2009 to 2010, the WIB’s funding declined more than 20 percent, which resulted in the reduction of OMJ|CC staff from 80 to 25 (Halbert 2013). In addition, the agency’s shift in approach required additional painful changes in staffing. Specifically, it needed more business services professionals with sales and recruiting experience and fewer social service professionals. With fortuitous dollars from the American Recovery and Reinvestment Act, OMJ|CC was able to hire the sales and recruiting professionals it needed to actively engage employers.

Despite some initial skepticism from stakeholders, OMJ|CC stuck with the plan and had support from local elected officials. The organization’s leadership effectively communicated the vision that they had to link to and serve the business community. Leaders bought into the vision and provided support and this support was critical to moving to a demand-facing model.

ELEMENTS OF THE DEMAND-FACING APPROACH

The demand-facing approach to workforce development was conceived by OMJ|CC leadership as an efficient and simple way to increase placement, retention, and wages. A WIB achieves these outcomes by facilitating more and better matches between jobs and job seekers, which requires a reliable and up-to-date information system on employer needs and job seeker characteristics. Such a system did not exist—so OMJ|CC created one.

In the demand-facing model, business service specialists generate information about the demand side of the market and serve employers. Their tools are not much more than recruitment and robocall software, online job databases, and excellent sales and business relationship skills. The business service team is in regular contact with employers, usually starting with cold calls to update the information system with current job postings and assess future employer needs. They also clarify job requirements and broker on-the-job-training deals, which can lead to good matches that would otherwise be missed.

OMJ|CC also began to proactively engage job seekers. On the supply side, in addition to their longstanding role of serving walk-ins, employment specialists now actively identify and cold call potential job candidates by tapping the State of Ohio's database of people receiving unemployment benefits. Resumes of job seekers are uploaded into the database during their first office visit or online. Employment specialists make sure the resumes are an accurate description of the job seeker's skills to improve the quality of job matches. OMJ|CC uses recruiting software—PC Recruiter—to identify qualified candidates for job openings, who are “robocalled” when there are appropriate positions available.

Much of the coordination between the business representatives and employment specialists happens through use of the recruiting software. Both use the system: business reps enter job openings and employment specialists enter job seekers. Employment specialists look at new job listings entered into the system and recommend job seekers from the system for open positions.

OMJ|CC also replaced broad public job recruiting events, where anyone can show up, and now organizes targeted recruiting sessions that allow employers to review candidates who have been vetted and who meet their labor needs. OMJ|CC has dramatically increased the degree of screening they do, which makes the process more efficient for both employers and job seekers. Once a set of qualified candidates is identified, employers meet with the candidates, either at one of OMJ|CC's locations or at the employer's office.

In the demand-facing approach, training is not a goal in itself, but is rather a step towards increasing placement, retention, and wages. Training resources are allocated to fill open jobs and to provide targeted on-the-job-training opportunities that allow individuals who are nearly qualified for a job to meet the job requirements. During the training period, OMJ|CC pays as much as 70 percent of the individual's wage; it usually pays 50 percent. This level of on-the-job training is significantly above national averages. Nationally, only 9.4 percent of program year 2011 WIA training participants received on-the-job training (Social Policy Research Associates 2012). Forty-five percent of OMJ|CC's training participants received on-the-job training in 2011, up from 2.6 percent in 2009 (Halbert 2013). The WIA permits such an emphasis on on-the-job training, so OMJ|CC did not need any waivers to make this change.

OMJ|CC credits its success with on-the-job training to a couple of factors. First, the WIB has streamlined the on-the-job training process by creating a simple five-page contract for employers that includes a clear training plan specific to the trainee and the position and that helps employers with reporting requirements. Second, the agency has gradually built a good reputation among employers and local economic development agencies. OMJ|CC is now a part of economic development and business relocation and expansion efforts, and on-the-job training is presented as part of a suite of incentives and services offered to firms. In the words of David Megenhardt, executive director of United Labor Agency, the lead service provider of OMJ|CC, “We are the emergency room of the local economy: we are called when businesses are closing and when they are growing. The assurance of having 200 welders with customized training might be the icing on the cake needed to close the deal.” These expansions and relocations create the opportunity to fill a number of permanent jobs using on-the-job training and the firms often continue to work with OMJ|CC for later hiring needs.

Other types of training are still available, but those resources are now more carefully targeted to training that leads to job placement. Job seekers may request traditional training after developing an individual employment plan with a specialist and securing a letter from a company seriously interested in hiring them after training. This new shift in policy helps to target dollars to fill open positions and tests whether training recipients are highly motivated. OMJ|CC contracted training providers are now under performance-based contracting that holds them accountable for job placement. They are paid at three milestones: 25 percent on enrollment; 50 percent when training is completed; and 25 percent when the job seeker is placed. Public institutions, such as community colleges, are the only training providers exempted from the pay for performance model. Prior to performance-based contracting, training providers were paid based on their own rules, not on their performance. To safeguard training quality, OMJ|CC

periodically reviewed the completion and placement rates of training providers and removed poor performers from their list of approved providers. That process is still in place, but performance contracting provides an additional incentive for providers to get trainees placed.

One measure of the success of the demand-facing approach is that it has built a critical bridge between workforce development and economic development in the region. The City of Cleveland's Economic Development Department and other organizations devoted to economic growth now turn to the WIB for support with business attraction and retention. Jay Farran, senior vice president for Business Attraction at Team NEO (a nonprofit business attraction and growth organization that markets Northeast Ohio) said, "We are regularly challenged to provide workforce development solutions tailored to meet companies' needs. In recent years, we have enjoyed particular success with the demand-facing model deployed by the local Workforce Investment Board."

JOB SEEKERS AND EMPLOYERS BENEFIT

The demand-facing approach is paying dividends for job seekers. This can be seen in Table 1.1. An exiter is defined as a job seeker who has completed services from a WIB. Keep in mind that the demand-facing approach was fully implemented in July 2010, so 2011 was the first year that the model was in place for a full year. Below we compare the outcomes from 2011 to those from 2007 because the Great Recession began in December 2007.

Table 1.1 Adult and Displaced Worker Outcomes from OMJ|CC and the Rest of Ohio WIBs

Program year	Exiter's entered employment rate				Number of clients served			
	Adults		Displaced workers		Adults		Displaced workers	
	OMJ CC	Rest of Ohio	OMJ CC	Rest of Ohio	OMJ CC	Rest of Ohio	OMJ CC	Rest of Ohio
2007	80.1	78.2	84.7	87.5	2,701	16,162	1,205	8,023
2008	75.5	75.3	82.6	85.1	2,982	15,936	2,044	12,721
2009	53.1	65.6	62.3	68.6	3,709	20,334	2,433	20,581
2010	79.8	66.4	79.5	73.1	3,784	15,005	1,987	17,802
2011	91.2	72.9	91.1	79.1	3,485	12,535	1,563	11,485

SOURCE: Ohio Department of Jobs and Family Services (various years)

From 2007 to 2011, OMJ|CC's adult-entered employment rate (the rate at which exiters entered employment) rose from 80.1 percent to 91.2 percent, a gain of 11 percentage points.³ Over the same time, the remainder of Ohio's WIBs saw a 5 percentage point decrease, with only 72.9 percent of 2011 exiters entering employment. The average monthly earnings of OMJ|CC's adult exiters entering employment rose from \$2,450 in 2007 to \$3,040 in 2011, a gain of almost \$600. Average monthly earnings for the remainder of the state's WIBs declined \$113 from 2007 to 2011, ending at \$2,597 in 2011. OMJ|CC's increase in employment rates and average earnings came at a time when the Cleveland metro area saw less job growth than the state as a whole. Since adopting the demand-facing approach, OMJ|CC has also dramatically increased the number of clients served. The total number of adults and dislocated workers

served rose from 3,906 in 2007 to 5,048 in 2011—a 29 percent gain. The number served by the remainder of the state’s WIBs was essentially the same in 2011 as in 2007.

One caveat we considered is that Workforce Investment Act core reports that provide outcomes data such as that cited in the prior paragraph can be gamed, most often by not counting hard-to-place people as participants and not counting participants as exiters until they are placed. There is no evidence that OMJ|CC is participating in those games, as both the number of participants and the share of participants who are exiting rose dramatically more than they did in the remainder of Ohio. OMJ|CC now counts job seekers as participants early in the process, when their information is entered in the PC Recruiter case management software. This partly explains why the number of adults served by OMJ|CC grew while the remainder of Ohio’s WIBs saw a decline. Over the same time, the share of OMJ|CC’s adult participants who exited during the year rose from 32 percent to 60 percent, while the rest of Ohio’s WIBs saw that number rise from 32.4 percent to 42.3 percent.

Policy Matters Ohio—a nonprofit, nonpartisan policy research institute that works to create “a more vibrant, equitable, sustainable and inclusive Ohio”—published a report by Hannah Halbert studying OMJ|CC’s new approach and its impact on clients. The report found that the participants served by OMJ|CC became more educated as the demand-facing approach was implemented. However, the changes were modest. The share of exiters with no college experience dropped from 55.9 percent in 2009 to 48.1 percent in 2011, while the share with some college but less than a bachelor’s degree rose from 26.8 percent to 34.1 percent (Halbert 2013).⁴ The share of exiters with a bachelor’s degree or higher rose only 0.4 percentage points (Halbert 2013).

The moderate increase in the education levels of participants is not the driving factor behind the increase in employment rates. Halbert (2013) found all education levels saw dramatic increases in their placement rates. In 2011, exiters’-entered employment rate was fairly similar across education groups, ranging from 83.1 percent for the no-college-experience group to 86.6 for the bachelor’s or higher group (Halbert 2013). Other figures show that the benefits are also comparable across age, race, and gender groups (Halbert 2013). This demonstrates that the demand-facing approach benefits participants across the skill spectrum.

In addition to the quantifiable benefits for job seekers, employers report that OMJ|CC’s services make it easier for them to recruit new employees. This testimonial from Macceo Shorts of GCA Commercial Services is typical: “OMJ|CC was a great asset during our recent recruiting drive. Our success rate rose about 10 percent by adding the OMJ|CC as a recruiting tool. OMJ|CC was also able to reduce the amount of time that my HR team spent on-boarding. Each session has yielded excellent results for the amount of time we spent versus what we normally spend on the first few stages of recruiting.”

Employers also value the availability of wage subsidies for people hired through OMJ|CC to get on-the-job training.

REFOCUSING YOUTH SERVICES

The fact that youth services differ substantially from adult services is evidence that the demand-facing approach is not blindly applied across the board. Youth services are geared towards individuals from low-income families between the ages of 14 and 21 facing significant barriers to employment. Broadly speaking, the goals of such services are to prepare youth for postsecondary education and the job market, as well as to connect them with potential jobs. OMJ|CC has restructured its youth programming to align with one clear goal: high school and GED completion. While the WIA requires local WIBs to report the percent of youth obtaining certificates or diplomas, OMJ|CC recognizes that, without a high school diploma, a certificate gives youth little hope of succeeding in the job market. Prior to the change in approach, the majority of youth in the program earned certificates that rarely led to a job and exited without a high school diploma. Now the objective is for them to obtain a high school or GED diploma, even if this amounts to a higher cost per youth served and greater time spent in the program.

This particular focus for youth customers does, however, benefit from the agency’s demand-facing approach. The new focus on job market preparation along with the ability to draw real-time information

from its enhanced database has also influenced the selection of youth program providers. Preference is given to providers that offer more internship opportunities and exposure to employers, particularly in occupations identified to be in high demand. Finally, the OMJ|CC has improved its ability to reach out to youth by hiring contractors to provide services in high schools in coordination with the Cleveland Metropolitan School District. In 2011, the agency created the Youth Resource Center at OMJ|CC's downtown office as a welcoming place for young adults in need of tutoring, employment services, support, and guidance.

APPLICABILITY OF THE DEMAND-FACING APPROACH

In a nutshell, OMJ|CC's strategy was to reorganize its operations to focus on the outcomes defined by the WIA: placement, retention, and wages. Since jobs are in the hands of employers, the agency's approach is to face demand with a rich inventory of potential job seekers for the jobs available. This has led to markedly improved outcomes, because a much larger number of jobs and people are inventoried, job descriptions and job seekers' resumes are clearer, and training is used to finalize or strengthen matches that have a high chance of success.

It is crucial that local WIBs be given the freedom to innovate and improve. As funding for WIBs continues to decline and states look for cost-efficient ways to operate more successfully, WIBs need to experiment to find what works. Careful piloting of promising programs will lead to better outcomes. The demand-facing approach is an example of an experiment that has moved to permanent implementation and is paying dividends for employers and job seekers.

The confluence of circumstances that led to the dramatic change in strategy by the OMJ|CC may not repeat itself. However, with undoubted success after three years of implementation, the program reveals a simple, efficient, and adaptable structure that lends itself to replication. It is clear how the model works and what needs to be done to implement it. The leadership of OMJ|CC feel that other WIBs would experience similar results if they adopted the demand-facing approach fully. The model's emphasis on direct interactions with employers to fill available positions allows the agency to readily respond to labor market changes. On-the-job training customized to a specific position also allows the demand-facing approach to be more responsive to changes in labor demand than classroom training. It will be informative to watch the experience of three other WIBs in Northeast Ohio that recently contracted with the United Labor Agency to apply this model to their work.

The component of the model that is probably hardest to replicate is the commitment of the leadership to radically depart from the status quo. Arguably, the most important component of the change was completely shifting the mindset of the organization from serving job seekers to serving employers. Such a culture change requires effective, clear, and committed leadership. In the face of severe budget cuts, the leadership also had enough commitment to go through the very painful process of reducing staff in order to get the right skill mix and staff size. Furthermore, the new approach led to the closure of several less effective training providers. This created political pressure to stop the change, which both the WIB leadership and the mayor of Cleveland resisted. Leaders who want to replicate the model need enough confidence in the model to be undeterred by similar challenges. Hopefully, the success that OMJ|CC experienced and the opportunity to better serve their clients and community can instill the necessary commitment in the leaders.

The demand-facing approach has been a remarkable success and has allowed OMJ|CC to do more with less. In the past, the agency primarily connected individuals to training; now it primarily connects employers to job seekers. With this change, the agency has been able to cut costs, provide higher-quality services to more employers and job seekers, and consequently improve placement, job retention, and wages. This success should ensure its sustainability and encourage its adoption by other WIBs.

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¹ As part of a statewide rebranding effort, in early 2014, the agency changed its name from Employment Connection to Ohio Means Jobs | Cleveland-Cuyahoga County. We use the current name throughout.

² This case took place during the time when the WIA was in place. The Workforce Innovation and Opportunity Act of 2014 replaced the WIA legislation, but would likely not change this case. Many of the employer relationships are encouraged in the new legislation.

³ The figures cited in this paragraph are drawn from the Ohio Department of Jobs and Family Services (various years).

⁴ The figures cited in this section are from special tabulations by OMJ|CC. Comparable data were not available for other workforce regions in Ohio.

The Jobs-Plus Model: Interagency Collaboration in New York City

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In an increasingly complex and resource-constrained job training and human service environment, integrated service models may help improve the efficiency and effectiveness of services for job seekers. Funders are looking at the promise of these models, too. The federal government and philanthropic communities increasingly emphasize service and funding coordination through initiatives such as the federal Social Innovation Fund (which targeted collective impact projects as high priority in its 2014 funding competition) and federal Neighborhood Revitalization Initiatives like Choice and Promise Neighborhoods. It is also important for local governments to coordinate services for citizens who may have to interact with multiple departments and agencies. Having the tools to manage an interagency collaboration effectively can promote such efforts' success and impact.

New York City has been working to develop effective collaborative management tools and models. Four city agencies have collaborated to coordinate services through the Jobs-Plus program. The agencies jointly manage contracted community-based organizations that deliver housing and employment services. The four agencies are the New York City Center for Economic Opportunity (CEO, part of the Office of the Mayor), the New York City Housing Authority (NYCHA), the Human Resources Administration (HRA, the social service agency), and the Department of Consumer Affairs' Office of Financial Empowerment (OFE).

Jobs-Plus is a uniquely robust interagency partnership that manages and sustains coordinated services to New York City job seekers—including collaborative board governance, performance-based contract management, and protocols for communication. Our case study identifies key features for general interagency collaboration and highlights collaboration features that are broadly relevant to other programs.

THE NEED FOR JOBS-PLUS SERVICES AND INTERAGENCY COLLABORATION IN NEW YORK CITY

Across the New York City Housing Authority's 334 public housing communities, 46 percent, or more than 81,000 working-age residents,¹ do not report income from employment, and 84 percent of households earn below the city's average median income. These numbers identify the significant number of New Yorkers who have weak attachments to the labor market or depend on often tenuous low-wage

employment. While New York City offers a number of employment services through several agencies, 2009–2011 data suggest that NYCHA residents were not fully engaged in these workforce programs.

The Jobs-Plus model was originally designed to serve the needs of public housing residents. In 1998, the U.S. Department of Housing and Urban Development (HUD) partnered with the social research firm MDRC and private funders to create a program for residents of project-based public housing (Bloom et al. 2005). The model has three primary components. First, participants are connected with employment-related services such as job search assistance, high school equivalency courses, and vocational training located at the public housing site. Second, the housing authorities offer residents rent-based financial incentives, including the Earned Income Disallowance (EID), through which federal rules allow increased earnings to be disregarded in calculating rent levels, which in public housing are directly tied to earnings. Finally, program staff members recruit, train, and supervise a small cadre of residents as “community coaches” to conduct community outreach and coordinate neighbor-to-neighbor work support systems.

MDRC conducted a rigorous study of the model in public housing developments in six cities across the nation over seven years (Riccio 2010). The study showed that Jobs-Plus worked. According to the 2010 report, “Overall, for the three sites [that were tracked through the follow-up period], the earnings impacts averaged \$1,517 per year during the post-program period (a 19 percent gain relative to the comparison group mean) and \$1,300 per year (a 16 percent gain) for the entire seven-year follow-up period” (Riccio 2010). The evaluation also found that the programs that were most effective were multipartner initiatives between the public housing authority, workforce agencies, educational groups, and residents of the public housing sites.

New York City was the first municipality to implement Jobs-Plus after the demonstration. Inspired by the program’s strong evidence, it used local funding that had fewer administrative restrictions to implement the program at one location in East Harlem. Once that program met its early targets for job placements, New York City used additional city tax levy funding and attracted federal and private funds to expand to nine sites.

SIDEBAR: JOBS-PLUS IN NEW YORK CITY

Evidence base (1998–2003): HUD demonstration
MDRC finds Jobs-Plus model effective when fully implemented.

Phase 1 (2009–2013): Jefferson Houses (NYCHA/HRA/City University of New York)
Using city tax levy dollars, CEO pilots first Jobs-Plus in New York City.

Phase 2 (2011–2013): Social Innovation Fund (Mayor’s Fund)
CEO replicates Jobs-Plus in the South Bronx and San Antonio, Texas, through a federal Social Innovation Fund grant.

Phase 3 (2013–2015): Expansion (NYCHA/HRA/OFE)
The city expands Jobs-Plus through Young Men’s Initiative to seven new sites, with HRA support to continue the Jefferson Houses program (eight sites total).

Preliminary analysis of NYCHA data for the site that opened in 2009 shows that the percentage of residents reporting income from employment increased from 40 percent in 2010 to 47 percent in 2013, whereas the percentage decreased in neighboring developments that were not part of the Jobs-Plus

program over that time period. While these data are encouraging, more rigorous analysis is under way to understand better the population characteristics and effects on residents' earnings.

While seven of the nine expansion sites have been open only since spring 2013, early employment-related performance is strong. The sites—which are operated by community-based providers under contract with HRA—achieved 106 percent of their prorated enrollment goal by enrolling 4,486 residents and 93 percent of their prorated job placement goal by placing 1,007 residents in jobs. Early retention results from the first contract year of the expansion were promising and on track to meet higher targets in subsequent years. Future analysis will help determine the direct effects of the program on these residents.

Meanwhile, the Obama administration has maintained an interest in the Jobs-Plus model. The fiscal year 2014 HUD budget included \$15 million for a federal Jobs-Plus pilot program with the intention of leveraging resources from other agencies. The administration is interested in significantly expanding funding for the job training model across the country.

JOBS-PLUS INTERAGENCY COLLABORATION SUCCESS

Localities interested in increasing coordination among agencies even without new funding can learn from the New York City Jobs-Plus model.

First, develop partnerships in which each organization brings value to the effort and understands its role. Each partner in the New York collaborative brings its unique position and expertise to the program. CEO provided central coordination from the Office of the Mayor and expertise in piloting and scaling evidence-based strategies. HRA deployed its significant experience implementing employment and job retention outcome programs to manage the day-to-day operations of the partnership, which has included developing performance-based contracting models. Based on HRA's work with other contractors, the collaborative designed Jobs-PlusStat, a performance management forum conducted individually with each site to manage the collaboration. The OFE provided financial education and services to the collaborative. NYCHA recruited residents, tracked data analytics on resident employment levels and incomes, and managed housing for residents (including the Earned Income Disallowance discussed earlier).

Jobs-Plus has been a prominent effort that is concurrent with better outcomes across the agencies, potentially because of their involvement with and collaboration with one another. For example, NYCHA has increased take-up of the Earned Income Disallowance benefit systemwide as a result of improvements made through Jobs-Plus. The EID is a benefit available to residents of all HUD-funded public housing authorities, but promotion and take-up historically have been low. Because of its experience implementing the EID within Jobs-Plus, NYCHA revised its EID policy and procedures, automated the EID calculation process, and retrained nearly 1,000 frontline staff. As a result, nearly 3,000 of NYCHA's 4,125 reported EID cases since 1982 occurred after the 2012 revision of the policy.

LESSONS LEARNED FOR STRONG INTERAGENCY PARTNERSHIPS

The Jobs-Plus interagency collaboration took five years to build out. The overriding lesson is that it takes time to build an effective collaborative infrastructure, but the investment is worthwhile and foundational. Experiences from the initiative suggest several important principles:

High-level leadership must support and endorse the initiative. The support of the Office of the Mayor and agency leads were critical to Jobs-Plus.

Clear roles and responsibilities for individual agencies and staff must be defined around a common agenda that is agreed upon prior to providing services.

Lead representatives from each partner should participate in the design process. In New York, partners worked together to write the request for proposals (RFP). The collaborative process of writing the Jobs-Plus RFP highlighted every element of program design and provided a framework for discussing the goals and preferences of the group. The collaboration must establish protocols for communication and decision making. At the outset, the staff of many of the city agencies involved in Jobs-Plus were accustomed to sharing information with superiors and subordinates and less accustomed to sharing information horizontally with partners. Collaborations require a different level of sharing and discussion

that must be developed intentionally. The organizations had to build trust in one another. This was through formal efforts as well as through building relationships, connecting socially, and communicating effectively.

RELEVANCE OF JOBS-PLUS TO OTHER LOCALITIES

The characteristics and challenges of the New York City Housing Authority and its residents can be seen in other such agencies across the country. Public housing authorities in the United States seek to promote the economic advancement of their residents, yet they struggle to address core housing-related needs in a time of diminishing public resources.

The Jobs-Plus program model has powerful evidence of effectiveness, and its targeted implementation can galvanize an agency to implement broader reforms. That said, the model is complicated to replicate because it has a comprehensive range of interventions (workforce development, social services, housing authority rent policies, and community organizing). The expertise in these various areas is best gathered from a group of collaborative partners—and through effective management of the group, their collective strength can be realized. Residents in public housing face a multitude of challenges and comprehensive efforts to address them are more effective than singular interventions. As communities develop programs to serve the employment needs of low-income residents, it is important to develop integrated service models that can address many of their needs to support future employment and mobility. An effective relationship and service management system are key in those efforts. The New York City Jobs-Plus program provides an example of one such model.

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¹ *Working-age resident* is defined as aged 18–61 and nondisabled, based on 2012 NYCHA year-end demographic data.

3

Workforce Development in Australia: Employment Services and Training Investment

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INCREASING EFFICIENCY IN AUSTRALIAN EMPLOYMENT SERVICES

Australia is unique among those countries participating in the Organisation for Economic Co-operation and Development (OECD) in that its traditional government employment services for unemployed job seekers are completely contracted out to the private sector. Australia's activation policy and participation programs are cited as positively contributing to the country maintaining one of the highest employment levels in the OECD (OECD 2012). The United Kingdom has also moved in this direction, and it may be a precursor to where other countries move to. In outcome terms, Australia's system performs well compared to other programs internationally.

The outsourcing of Australia's employment services was an effort to make the system more efficient, less bureaucratic, and less expensive to administer. The introduction of the Job Network in 1998 resulted in the aggregate cost of labor market programs falling by approximately 50 percent between 1996–1997 and 1999–2000 (Productivity Commission 2002).

The current system—Job Services Australia—has four streams, from least (1) to highest (4) level of comparatively disadvantaged individuals. Table 3.1 outlines estimated and actual costs per outcome for streams 1 to 3 and stream 4 from 2009–2010 to 2012–2013. Costs for all of the programs have largely declined in recent years.

Table 1: Job Services Australia deliverables

Cost per employment outcome for employment services delivered by Job Services Australia

Stream	Financial Year							
	2009–2010		2010–2011		2011–2012		2012–2013	
	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual
Streams 1-3	\$4,000	\$2,079	\$4,000	\$2,332	\$4,000	\$2,136	\$3,000	\$1,989
Stream 4	\$17,300	\$11,442	\$17,300	\$8,524	\$12,000	\$7,029	\$12,000	\$7,539

SOURCE: Department of Education, Employment, and Workforce Relations (2010, 2011, 2012, 2013)

One of the hallmarks of the Australian system of employment services has been the introduction of mutual obligation arrangements, whereby job seekers are required to participate in activities to be eligible to receive income support payments. Government has a legislated requirement (the 1991 Social Security Act) to provide universal access to support and activities that help job seekers meet their mutual obligation. There are a finite number of participants in the market at any one time—yet they cover the breadth of the nation and services need to be available no matter where a job seeker is located.

POLICY SETTINGS FOR EMPLOYMENT SERVICES AND TRAINING INVESTMENT IN AUSTRALIA

Employment services and postsecondary training in Australia operate as distinct services, are regulated differently, and are funded through different means. Employment service providers are contracted to provide services to the federal government. Vocational education and training is primarily the responsibility of state governments around Australia, while the federal government has responsibility for universities.

The incentives of the employment services system (based on outcomes) are very different from the incentives of the vocational education system (where there is a greater focus on graduation). This lack of alignment creates some challenges in achieving optimal collaboration between the two services. There are currently some discussions under way about the need for better alignment and a greater focus on employment outcomes for training providers.

The qualifications settings for training in Australia operate within a national framework, but much of the policy development and investment occurs at the state level, supplemented in some areas at the federal level. One of the distinctive characteristics of the education and training system in Australia is the Australian Qualifications Framework (AQF), a national system that provides the standards for Australian qualifications. It is an integrated framework that has the objective of facilitating pathways to and through formal education. There is also a national system operating in vocational education and training (VET) through the establishment of training packages. A training package is a set of nationally endorsed standards and qualifications for recognizing and assessing people's skills in a specific industry, industry sector, or enterprise used as the basis for most programs delivered in the VET system.

Through the Coalition of Australian Governments (COAG), federal and state governments in Australia have agreed to work together on skills and workforce development issues. This work has included a National Agreement for Skills and Workforce Development and a National Partnership Agreement on Skills Reform. These reforms include a national training entitlement for a government-subsidized training place to at least the first Certificate III qualification (a credential that signifies broad workforce skills in Australia); reducing upfront costs for students undertaking higher level qualifications, by offering income-contingent loans for government-subsidized diploma and advanced diploma students.

In recent years, there have been two national workforce development strategies published by an expert advisory body to the federal education minister, the Australian Workforce and Productivity Agency (AWPA), which set out projections for future skills and job demand to 2025 and recommends policy settings with the aim of ensuring that Australia has the workforce it needs to remain productive and competitive (AWPA 2013). This work includes the Specialized Occupations List (SpOL), which is based on a formula intended to identify those occupations that may need to be targeted for intervention to ensure a balance of supply and demand. The criteria are long lead time (length of study), high use (more than 50 percent of people in the occupation have qualifications in the area), high risk (costs of not having sufficient supply) (AWPA 2014). This work also informs the Specialized Occupations List (SOL), which determines the occupations eligible for Australia's General Skilled Migration Program on an annual basis. The ongoing status of this work, however, is unclear, as the federal Government has recently disbanded the Australian Workforce and Productivity Agency, although staff and functions are expected to transfer to the Department of Industry (Bullock 2013).

Another approach from the federal government to prioritize training resources is the National Skills Needs List, which identifies and provides additional government support to traditional trades identified as experiencing a national skills shortage Australian Apprenticeships (2014). The National Workforce Development Fund, a co-investment approach to training and workforce development, was introduced to support training and workforce development in areas of current and future skills need. Under this fund, employers are eligible to apply for funding to support the training of existing workers and new workers, including job seekers in areas of shortages (AIG 2010).

Following its first meeting since the change of federal government, COAG has recently announced a new set of priorities, which include a major focus on reducing red tape and overlapping or inconsistent regulation, as well as an integrated approach to training, education and employment, and data that supports governments and industry to better understand future job needs. While acknowledging the significant strengths of the VET system, COAG also noted that ongoing reform is necessary to ensure it effectively supports the current and future skills needs of businesses across all sectors of the Australian economy (CAG 2014). A new Industry and Skills Council Advisory Committee will also be established to provide industry with a formal role in relation to policy directions and decision making in the national training system (DOI 2014).

The Australian government has also announced a VET Reform Taskforce, which is working with stakeholders to agree a way forward. The reforms aim to enhance the capacity of the system to deliver high quality outcomes for students, strengthen industry investment, increase the responsiveness of regulation and increase flexibility for training providers to meet employer needs.¹

WHO PAYS FOR TRAINING FOR UNEMPLOYED JOB SEEKERS?

In Australia, training funds to support job seekers can be sourced from two main sources. One is the Employment Pathways Fund, which is a flexible pool of funds that can be accessed to overcome vocational and other barriers to employment for jobseekers.² The other is via government-subsidized training places. In recent years, there has been a downward trend in federal and state government funding per student contact hour in the vocational education and training system when compared to other areas of education, particularly school education. Table 2 demonstrates how the relative funding levels have shifted.

Table 2: Commonwealth and state government recurrent expenditure, funding per full-time equivalent student (school and higher education) and per annual hour (VET) indexed to 1999 (1999=100).

Year	Primary government schools	Secondary government schools	Vocational education and training	Higher education
1999	100	100	100	100
2000	108	103	94	99
2001	113	105	89	92
2002	113	108	92	89
2003	117	113	94	89
2004	124	117	94	89
2005	124	118	91	93
2006	127	116	89	101
2007	128	116	86	102
2008	129	115	82	103
2009	128	115	80	99
2010	130	122	75	108
2011	131	120	75	103

SOURCE: Australian Bureau of Statistics 2013

These figures highlight the challenge of “who pays” for training. In the area of literacy and numeracy, in a survey of Australian businesses, a little over one third (38 percent) saw a role for employers in improving literacy and numeracy skills. Two-thirds saw a responsibility for education providers, 54 percent saw a role for individuals, and 47 percent a role for government (AIG 2010). There are currently

two federal programs that support literacy and numeracy. The Skills for Education and Employment (SEE) Program is for job seekers, who are able to access up to 800 hours of free accredited training delivered by a registered training organization (RTO) to assist with literacy, numeracy, and confidence building.³ The Workplace English Language and Literacy Program is a cofunded approach that helps businesses train employees in the areas of English language, literacy, and numeracy.⁴ Taken together, there are good opportunities for job training and higher relative per capita funding than in other countries for workforce development.

The fiscal environment in Australia is one where it could be expected that there will be an increasing expectation for individuals and employers to pay for training. The language of the Australian Treasurer is that “the age of entitlement is over” (Hockey 2012). The government has also established an external commission of audit, which has been charged with a “broad remit to examine the scope for efficiency and productivity improvements across all areas of Commonwealth expenditure, and to make recommendations to achieve savings sufficient to deliver a surplus of 1 percent of GDP prior to 2023–24”(NCATR 2014). As these reforms are implemented, workforce development programs in Australia will need to ensure that they continue to demonstrate their value or they may face significant cuts.

WHAT MIGHT THE IMPLICATIONS BE FOR THE UNITED STATES?

There are clearly some significant differences between workforce development and the provision of employment services in Australia and the United States. For example, a major difference between Australia and the United States relates to the nature and duration of support provided to job seekers. While the American Job Centers in the United States are mandated to provide “universal” service, there is not a mandate to provide funds for skill assessment, training, or support services such as transportation, work clothes, initial work tools, and so forth. To qualify for more intense services other than some job-hunting and resume-writing workshops, an individual must meet income qualifications. Only then can they receive skill assessments, career guidance, and training assistance.

On the one hand, there is the recognition that “free trade” agreements cause worker dislocation in the United States and therefore a generous benefits package is provided to individuals affected by trade. However, that outlook changes when the individual has been unemployed more than 26 weeks, which is the initial benefit maximum collection period. At this point, the assumption shifts the burden of displacement on the individual. Politically, policymakers cite the average of 4 million job vacancies as proof that if the individual wanted to work, he or she could be working, despite the fact that job seekers outnumber job vacancies by 2.5 to 1 (Economic Policy Institute 2014).

In the United States, there is no single national workforce development strategy in place. Instead, mandates and strategies of congressional funding are spread across many federal agencies and numerous bureaus. The reauthorization of the Workforce Investment Act of 1998 (WIA) has raised the issue of the complexities for job seekers and business clients caused by a lack of agreement on outcomes expected for the federal investment. The WIA was originally intended to create a locally integrated "one-stop" delivery system of multiple employment services, job training, and education programs. These services were designed to be universally accessible to job seekers and to meet local industry demands in communities across the county. Training expenditure is managed at the local level by workforce investment boards (WIBs), which make determinations on how training funds are spent at the local level. WIBs determine how many one-stop career centers are needed in their area and how they will be operated. WIBs are all heavily regulated by federal and state entities that provide oversight of their activities.

Despite the differences, it appears that the direction of some debates are similar. As noted earlier, there are discussions under way in Australia around how to better link training and employment outcomes. Similar discussions are occurring in the United States. In 2014, the Workforce Innovation and Opportunity Act (WIOA) was passed by the U.S. Congress incorporating many of these changes into the federal workforce development legislation. WIOA requires the development of an action plan to make the workforce and training system more jobs-driven, integrated, and effective. This approach includes

programs and policies that should be more focused on imparting relevant skills with job market value, more easily accessed by employers and job seekers, and with greater accountability for producing positive employment and earning outcomes (Obama 2014).

Australia's experience in privatizing the provision of employment services is promising because it has managed costs and improved outcomes for job seekers. A question for the United States is whether this approach could also be undertaken, and if so, how would it be funded and managed and how effective would it be in connecting unemployed job seekers to employment?

A key distinction between Australia and the United States is the relative roles played by federal and state governments. In Australia, there is a federal system of government that has clearly defined powers, one of which is collecting income tax revenue. Given that Australia has a national qualifications framework and a national tax base, there is significant room for the federal government to influence training and other issues at the state level. In the United States, there is no national qualifications framework, although there are some sectors (such as manufacturing) that are working to develop national standards. While there are many examples of local-level innovations, there is no national, systematic approach to workforce development in the United States outside of particular federal government programs.

CONCLUSION

The balance of responsibilities for workforce development between government, employers, and individuals has long been an area of relative contention. Governments set the regulatory and policy frameworks for workforce development, and there are a range of choices about the nature of that intervention. In employment services in Australia, governments have become a purchaser of services in a legislative environment that requires universal support in the context of mutual obligation. In the United States, there is a stronger onus on individual responsibility.

In the delivery of skills training, the Australian approach in recent years has been one where much of government investment has targeted areas of particular need. However there are strong signs of a growing expectation that employers and individuals will bear the primary responsibility for funding of training as government intervention is reduced.

The current policy mantra of steering government-funded workforce development programs towards being market driven has yet to fully reconcile the notions of the volatility in current labor markets, the behavior of workforce intermediary organizations that work with individuals, and the role of regulatory oversight. Central then to the challenges any workforce development system faces is that of "market response." In responding to markets a certain risk ought to be assumed to enhance the flexibility of intermediaries to respond to changing markets. The challenge of how to provide flexibility to the intermediary and uphold the values of access to the labor market for individuals, and equity and efficiency in service delivery provides additional challenges. How best for government to achieve the balance? The Australian system of contracting suggests an alternative method to the American strategy of regulated and limited flexibility.

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³

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The Lancaster and Berks County WIBs: Building Lasting Industry Partnerships

Tom Strong
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BUILDING THE GROUNDWORK, 2001–2003

Lancaster County is farm country. Home to one of the largest Pennsylvania Dutch settlements in America, the county is third in the United States for corn silage acres, 10th in the value of livestock, milk, and dairy, and 18th in the value of agricultural products sold (USDA 2007). Lancaster’s rich agricultural setting has in turn attracted many food processors, with national brands including Tyson, Pepperidge Farm, Kellogg’s, and Turkey Hill operating facilities in the region. In total, the Lancaster agricultural supply chain amounts to approximately \$6.9 billion dollars per year, representing 18 percent of the total regional economy (Lancaster County Workforce Investment Board 2012).

In 2003, the Pennsylvania Department of Community and Economic Development made funds available for public-private partnerships focused on workforce training. Most of the early grants went to customized training programs for individual firms. The following case study describes efforts to develop a broader regional training program for the food industry.

When the director of the Lancaster Workforce Investment Board (WIB), Scott Sheely, reviewed local employment data, he wondered if he could work with employers on a more ambitious scale than setting up training programs for individual companies. Moreover, the size of the local food economy had caught his attention from the beginning, and he felt that was where he would focus his efforts.

He began communicating with the WIB director in neighboring Berks County, which also relied heavily on agriculture (USDA 2007). Ed McCann was a proponent of Michael Porter’s cluster theory (Porter 1998) and believed that the region’s food processing companies could achieve a greater competitive advantage by approaching issues such as workforce development as an industry and working together. But first the two WIB directors needed to understand how employers defined the issues and opportunities.

Over the next few years, the directors interviewed food industry leaders to learn about their workforce needs so they could better serve the industry. The answers they received were unexpected. According to one of the directors, “We were expecting them to talk about things like sanitation and food safety. Instead, one after another, they all kept saying how difficult it was to find multispecialty industrial maintenance technicians” (Sheely, personal communication, April 14 2014).

During the previous decade, local facilities had invested huge amounts in automation, but their workforce investments had not kept pace. This divergence led them into an unexpected 21st-century conundrum: the mechanics they employed to solve machinery problems were *too* specialized. As one manager stated, “I get damn sick and tired because every time a machine breaks, I argue with three guys about who is supposed to fix it” (McCann, personal communication, April 15 2014).

The two WIBs held focus groups with employees and found that the vast majority of industrial maintenance technicians developed the necessary skills on the job, usually in an ad-hoc manner. They also learned that companies did not see partnering with educational providers as a solution because the essential skills spanned three different degree programs, with many courses often offered at the baccalaureate level. The time necessary to train workers was significant. There were not enough graduates

with the necessary breadth of expertise, and the firms did not feel comfortable parting with their best workers for such a length of time.

THE AMIST CERTIFICATE AND THE SCHMIDT CENTER: 2003–2008

In 2003, Sheely learned about mechatronics from a former Hershey executive, Keith Campbell, who knew a great deal about the discipline. An emerging, interdisciplinary approach to advanced machinery maintenance, mechatronics marries traditional mechanics with electronics and computer science, and requires higher-level mathematics (trigonometry at a minimum) and integrated thinking. Illinois State University (ISU) was the first school in the United States to offer a certified mechatronics program, called the Certificate in Advanced Manufacturing/Integrated Systems Technology, or AMIST. At ISU, it was promoted as a course for students and dislocated workers.

Sheely and McCann were intrigued by AMIST’s possible relevance to the food cluster, especially its potential to train generalists to repair machinery used in the food industry. The two WIB directors contracted with Campbell and a few other industry experts. Based on their research, they knew they wanted to target incumbent workers so they could maximize the value of AMIST to the food processing companies. Campbell’s role was to research local educational providers to determine how many of them were prepared to offer this kind of cross-disciplinary program. He found a strong prospect in Berks County’s Reading Area Community College (RACC), which in 2005 received U.S. Department of Labor funding to create a new industrial lab, the Schmidt Training and Technology Center.

RACC’s dean of workforce and economic development quickly proved to be an enthusiastic partner. The dean worked with RACC faculty to build the certificate program across multiple departments, and RACC agreed to grant college credit for training that began in the workplace. The bulk of the curriculum was to be delivered online, supplemented by onsite lab work that employees could complete during flexible hours. These adaptations addressed the main concerns employers had about college-based training programs in mechatronics. The Schmidt Center opened in 2006 to high demand for the training program. The many years the program administrators had spent building relationships with company leaders proved fruitful, as they were able to recruit more than 35 companies for the initial consortium in support of the AMIST certificate.

OUTCOMES AND DEVELOPMENTS: 2008–2014

Since the Schmidt Center’s opening, more than 500 students have enrolled in AMIST coursework at RACC. About 120 students have completed at least the first certificate level out of four (see Table 4.1).

Table 4.1 Number of Students to Complete AMIST

Level	Total Students Completed, 2008-2014
AMIST Level 1	124
AMIST Level 2	80
AMIST Level 3	53
AMIST Level 4	26
AAS Mechatronics Engineering Technology	9

SOURCE: Bonnie Spayd, Reading Area Community College, email to author on April 21, 2014

Of the 500 enrollees, more than 200 incumbent workers from Lancaster were funded partially or completely by industry partnership dollars. Table 4.2 details how these funds break out on a year-to-year basis. Participating employers were expected to cover at least 40 percent of the tuition costs, with the state training partnership dollars covering the rest. The companies were also expected to provide in-kind support by paying the employees’ wages during training time. It should be noted that the employer contributions did not include applicable tuition reimbursement benefits that employees could in many

cases draw upon as well. Tuition fees were directly billed to the industry partners, so in most cases workers bore no financial cost for training. (See Table 4.2.)

Table 4.2 Number of AMIST Trainees and Amount/Type of Support

Year	AMIST trainees	WIB Expenditures	Employer Match (tuition)	Employer Match (in-kind)	Total Expenditures
2009–2010	15	\$22,725	\$15,150	\$5,680	\$43,555
2010–2011	112	\$169,680	\$110,082	\$117,966	\$397,728
2011–2012	39	\$59,085	\$33,891	\$36,264	\$129,240
2012–2013	40	\$60,600	\$48,330	\$48,065	\$156,995
TOTAL	206	\$312,090	\$207,453	\$207,976	\$727,518

SOURCE: Lancaster Workforce Investment Board, Industry Partnership Annual Reports, 2009–2013

The average WIB contribution per trainee was \$1,515 over this period. Between their tuition and in-kind contributions, the average employer contributed \$2,076 per trainee. While mechatronics was the most popular program among partnership companies, there were many others as well. The total expenditures for the program over the four years were about \$1.89 million, with about two-thirds of that coming from employers.

While only a handful of trainees have completed the full associate’s degree in mechatronics at RACC, that’s largely due to the program design and the needs of the industry. Even today, only 18 percent of the industrial maintenance technicians in Lancaster-Berks have an associate’s degree or higher, whereas 48 percent have completed a postsecondary certificate (EMSI 2014). These numbers suggest that sometimes traditional outcome measures such as graduation or degree attainment don’t always accurately represent the effectiveness of a program.

The opportunity to support the industry by training industrial maintenance was significant because potential wage gains for becoming an industrial maintenance technician are large, and the educational requirements were attainable in a relatively short time. Sheely and McCann’s research showed that most technicians start as packaging and filling machine operators and tenders, who have a median wage in the county of \$13.73/hour, or roughly \$27,500 annually (EMSI 2014). These jobs have stagnated in recent years, and are expected to see little to no growth over the next decade. By contrast, industrial maintenance technicians earn considerably more: \$22.15 an hour, or roughly \$46,000 annually (EMSI 2014). They also enjoy strong growth prospects: there are 1,400 maintenance technician jobs in the county, and these jobs are projected to grow at a rate of 12.5 percent through 2023.

No formal evaluation of the partnership’s efforts has taken place, so its impact on wage gains is not yet quantifiable. Yet the continued funding of incumbent workers by companies, even after the state-level partnership grants dried up in 2013, strongly suggests that firms are finding it to be a strong return on investment. “Even with the decline of state funding [to postsecondary institutions in Pennsylvania, *editor’s note*], we haven’t skipped a beat,” noted the director of Business and Industry Programs at RACC. “Employers keep sending people into our AMIST courses as they can’t seem to get enough of them” (Bonnie Spayd, personal communication, April 17 2014).

EXPANSION TO OTHER SECTORS AND REGIONS

The popularity of the AMIST certificate and the food industry consortium quickly led to interest from other industries. The consortium grew to more than 60 firms by 2012, and added to its ranks numerous companies outside of food processing, including Bayer, Merck, Yasakawa Electric, and Overhead Door. To keep everything organized, Sheely, McCann, and Campbell developed new organizational

structures—referred to as the region’s Centers for Excellence. The original food processors partnership became the Food Manufacturers Training Consortium of South Central Pennsylvania. Then to that, they added new consortia in metalworking, plastics, and printing.

Agriculture was another sizable cluster industry for the region. Although this industry had considerably less need for mechatronics, Sheely developed an approach for it similar to the one the partners had developed for food processing. But with agriculture, he focused on developing a range of training solutions for farmworkers (particularly those dealing with the care and transportation of livestock) and their managers. Sheely estimated that the agriculture consortium has provided more than \$725,000 in training funds for nearly 3,000 agricultural workers since 2005, with about half of that coming from employers.

The program directors also added a central hub in 2009 for the industrial maintenance partnership, as that ended up serving several industries. This hub is called the Industrial Maintenance Training Center (IMTC) of North America. Campbell took over leadership of this organization, which among other efforts promoted the spread of the AMIST certificate program to other regions and colleges. In 2012, the IMTC began a partnership with the Manufacturing Institute and the Packaging Machinery Manufacturers’ Institute (PMMI) to support the spread of mechatronics programs throughout the state. By IMTC’s count there are now 15 education providers in Pennsylvania providing AMIST certification at various levels (see table 4.3).

Table 4.3 Certified Providers of AMIST certificates in Pennsylvania

Levels	Certified Provider
1,2,3,4	Reading Area Community College–Reading
1	North Montco Technical Career Center–Lansdale
1	Lancaster County Career and Technology Center–Mt. Joy
1	Community College of Allegheny County–Pittsburgh
1	Precision Manufacturing Institute–Meadville
1	Central PA Institute of Science & Technology–Pleasant Gap
1	Lehigh Career & Technical Institute–Schnecksville
2	North Montco Technical Career Center–Lansdale
1	Harrisburg Area Community College–Harrisburg
2,3	Precision Manufacturing Institute–Meadville
1	Bucks County Community College–Newtown
1,2	Thaddeus Stevens College of Technology–Lancaster
2	Lehigh Career & Technical Institute–Schnecksville
2	Lancaster County Career and Technology Center–Mt. Joy
2	Community College of Allegheny County–Pittsburgh
2	Harrisburg Area Community College–Harrisburg
1,2,3	Bucks County Technical High School–Newtown
2	Central PA Institute of Science & Technology–Meadville

SOURCE: North Carolina Advanced Manufacturing Alliance

The Lehigh Valley WIB successfully replicated the AMIST partnership, where the WIB maintained a strong network of industry partnerships that endured after state funding disappeared. Lehigh Valley’s cluster focused on the health care sector, but that did not prevent a high level of interest in the AMIST program, which was successfully adapted by Lehigh Career and Technical Institute (LCTI). According to its leadership, the institute trained 312 incumbent workers in 2013.

CRITICAL SUCCESS FACTORS AND LESSONS LEARNED

The AMIST model did not work everywhere it was tried. In particular, the original academic model at ISU shut down in 2008 due to insufficient demand and difficulty placing students in jobs. Similarly, another academic program at Allegheny County Community College struggled for years with low student demand before a turnaround in 2012—when they began to institute an approach to work with employers on training incumbent workers.

That original decision by the WIBs in Lancaster and Berks counties—to partner with the employers—was central to their program’s success. Most workforce development programs understandably focus on dislocated workers or full-time students or both. Sheely and McCann’s research with manufacturers, however, showed that manufacturers place a high premium on working experience, and do not see much inherent value in college degrees or even certificates. The reality is that when a frontline worker moves up, it often creates an entry-level vacancy that can be filled by another worker, creating a stream of new skilled workers that benefit employees and the company. This does suggest that the program does not focus on the hardest to employ, but may ultimately benefit them.

Another central factor in the success of the mechatronics program was the patient, long-term approach the Lancaster and Berks WIB directors took to building corporate partnerships. They cultivated relationships with a goal of better understanding the region’s economy and employer concerns. They then identified shared problems and turned them into an opportunity for a joint, scalable solution. The approach emerged from a genuine commitment to and engagement of the region’s employers and workforce.

Finally, Sheely and McCann recognized that the region had an economic advantage due to its concentration of various industries. This concentration became a jumping-off point for building a strategic approach to workforce challenges, and made workforce development a critical element in the regional economic development strategy. This connection was intentional and resulted in a transformative approach that proved to be sustainable even after state funding was eliminated. It also provided the WIBs with strong credibility among employers, which allowed them to build and sustain similar consortia in a variety of industries in an effort to improve the health of the regional economy.

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Excellence through Community Engagement and Learning: A Partnership between the University of California–San Francisco and Jewish Vocational Service

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Excellence through Community Engagement and Learning (EXCEL) is a partnership between the University of California–San Francisco (UCSF), one of the biggest employers in the Bay Area, and Jewish Vocational Service (JVS), a workforce development agency in San Francisco. EXCEL uses public funds to position program participants for entry into middle-wage jobs in less than a year. The program uses classroom and on-the-job training to prepare unemployed public assistance beneficiaries for career entry in the health care sector, with a concomitant decrease in welfare benefits. Through the EXCEL program, 80 percent of those who complete the program have gained employment at average starting wage of nearly \$18 an hour, at least 70 percent higher than San Francisco’s annually adjusted minimum wage.

Following 10 weeks of customized vocational and basic skills training, EXCEL participants are placed in paid, four-month internships at UCSF as administrative assistants. Each participant works 32 hours per week and returns to JVS one day a week for continued instruction and peer support that align with and reinforce the work-based training. Since 2010, EXCEL has graduated six cohorts with an initial placement rate of 80 percent. These promising results have encouraged replication through emerging partnerships with the City and County of San Francisco’s Department of Public Health and Human Services Agency as well as a local hospital.

RESPONSE TO ONGOING CHANGES IN THE HEALTH CARE SECTOR

EXCEL provides access to a career pathway within the health care sector, which is poised for rapid and transformative change. The U.S. population aged 65 years or older will double in the next 25 years, which will coincide with a wave of retirements among health care professionals (CDC 2013; IOM 2008). The Affordable Care Act should also have a profound effect: up to 2.7 million Californians will join the insured, creating by 2021 an estimated 48,000 new health care and select support care jobs in California, an increase of 6 percent compared to the 2010 figure (Spetz et al. 2014). Concurrently, trends toward patient-centered medical homes and team-based care may also drastically alter staffing patterns and roles for health care providers. In this environment of high demand for skilled, culturally competent front-line professionals, EXCEL connects low-income job seekers to the training and support needed to meet evolving health care workforce needs.

2010-2013 PROGRAM PARTICIPATION AND RESULTS

Interest in the EXCEL program is consistently high: for each cohort of approximately 20, 70 to 100 applicants are considered. Eligibility has been limited to participants on public assistance (CalWorks, California’s federally funded welfare program, or Personal Assisted Employment Services [PAES], a San

Francisco support program for low-income adults). Participants must be eligible for Workforce Investment Act funding, have a seventh-grade reading and math level and a high school diploma or GED, and pass the background clearance and drug screening required by UCSF. Since 2010, nearly half have been between 25 and 34 years of age and about one-fifth have been transition-age youth (18–24). Most participants were supporting children—73 percent had children living at home and 6 percent were noncustodial parents.

Since 2010, EXCEL has graduated 95 participants in six training cohorts, or approximately 80 percent of those who began the program. On average, approximately 20 percent have dropped out either as a result of obtaining other employment or behavioral issues. For the most recent cohort, the drug screen was scheduled earlier in the eligibility process to prevent enrollments of candidates who would not meet this requirement. Most participants who complete the training and internship secure full-time positions with benefits. Many positions are secured initially through UCSF’s interim staffing department, which creates opportunities for provisional employment, continued skill training, and consideration for career positions as they become available.

EXCEL participants appear to demonstrate high rates of successful employment and earning gains compared with similar individuals. For example, EXCEL graduates’ initial placement wages exceed average wages earned by other participants in San Francisco’s Jobs Now subsidized employment program; they earn an hourly average of \$12.70 in full-time positions. In contrast, EXCEL participants are successful candidates for positions paying \$18 per hour because of the intensive training, valuable on-the-job experience, and job readiness and placement support they receive through the program. The EXCEL program’s constellation of services optimizes the benefits of a subsidized employment program that typically channels recipients into minimum-wage, low-growth jobs.

Similarly, the Department of Labor reports that among women who were eligible for services through the Workforce Investment Act—a comparable population to EXCEL participants—and who had completed a training program, only 54 percent had entered employment (DOLETA 2012 reporting fiscal year 2011 data). The same study found that these participants had an 80 percent retention rate, similar to that of EXCEL, and average six-month earnings of \$13,619. (EXCEL participants’ average six-month earnings range between \$17,000 and \$18,000.) These comparisons suggest that EXCEL’s advantage may lie in getting a higher percentage of participants initially employed and at a wage higher than wages of peers.

CORE ELEMENTS OF THE EXCEL PROGRAM

Several core characteristics of the EXCEL program model contribute to its success.

Employer and Service Provider Partnership

UCSF’s involvement in and commitment to the EXCEL partnership with JVS ensures the relevancy and impact of the curriculum and internships, facilitates transition into interim staffing and unsubsidized employment, and positions graduates for career ladder progression within the institution and the industry. UCSF’s Vice Chancellor of University Relations plays a leadership and promotional role, internally as well as externally, to engage funders and other stakeholders. UCSF supervisors serve as mentors for EXCEL participants and work closely with JVS staff to ensure that additional training or support needs are met early in the internship, supporting participants’ long-term success in the program and postplacement. Interns are trained both on the job and in class to match the requirements of each job site and to be prepared for real-world health care employment in the future.

Contextualized Instruction and Support for Student Transformation

EXCEL’s community-based training model engages participants in an intensive six-month learning experience that reshapes their understanding of education, employment, and themselves. Classroom instruction is cohort-based, and students form trusting and supportive peer relationships. Instruction in basic grammar and math, computers, communication, and customer service skills is contextualized to the

health care field and the specific needs of UCSF, building a strong foundation for workplace success. As they transition to work-based learning, students return from internships to JVS for weekly skills reinforcement, workplace communication role-play, and motivational check-ins. Importantly, the JVS program coordinator forms a bond with each student that extends from intake through training and placement and is complemented during the internship by the worksite supervisor. These supportive relationships create continuity from the training environment to the worksite and constitute the foundation of the wraparound support students need to overcome personal and practical barriers to training and career success. Additional services, including emergency basic needs assistance, health care, and child care, are provided through Workforce Investment Act funds, CalWorks and PAES, and the City and County's Human Services Administration.

Customized Curriculum and Program Structure for Workplace Readiness

EXCEL's classroom curriculum builds skills in workplace-relevant English, math and computer applications, medical administration (including basics of electronic medical records and panel management), professional communication, problem-solving, emotional intelligence and interpersonal relations, and career development (including resume and cover letter writing, networking, interviewing, and job search techniques). A UCSF representative visits JVS classroom sessions to hear student reflections and concerns, creating an effective feedback loop. JVS responds nimbly to both the skill needs of students and the training needs of UCSF.

JVS has made curriculum modifications in response to UCSF feedback, including strengthening hard- and soft-skills training, emphasizing professionalism and communication, increasing computer skills training offerings and time spent on training and practice (up to 12 hours per week), and designing the classroom experience to mirror the workplace (with a student "job" description, sign-in sheets, and guidelines for professional attire and behavior). EXCEL's unique blend of classroom training, integrated work-based learning (including site visits and guest speakers), personalized support, and job search assistance equips each participant with the skills, experience, confidence, and network connections that will carry them forward in their careers.

PROGRAM FUNDING AND SUSTAINABILITY

UCSF embarked on this program as part of a commitment to the City and County of San Francisco to engage residents in a workforce training and internship opportunity. The EXCEL program has leveraged public and private philanthropic dollars to deliver results for job seekers and a partnering employer. The program was relaunched in 2010 using funds from the American Recovery and Reinvestment Act (ARRA) and the Temporary Assistance for Needy Families program, which provided wage subsidies to help the unemployed reenter the labor market while stimulating job growth and addressing employers' workforce needs. With San Francisco's decision to sustain this wage subsidy program using state funds (through San Francisco's Human Services Agency's Jobs Now program), EXCEL has continued to operate under its original model of publicly subsidized internships matched by employer or philanthropic contributions (including funds from the Salesforce Foundation, JP Morgan Chase, and the Walter and Elise Haas Fund). Training costs are around \$6,000 per person, and the internship costs \$8,371 per person for 16 weeks (paying \$16.35 for 32 hours a week).

At an overall training and service direct cost of \$300,000 per cohort, or roughly \$15,000 per participant, the EXCEL model provides an intensive and supportive training program, with a direct connection to the workplace and family-supporting income. Most significantly, EXCEL graduates exit into employment in an occupation that provides a middle-wage income and access to a career ladder. A 2013 report from the Economic Mobility Corporation provides evidence that similar programs used these funds to create significant positive impact on low-income job seekers' employment and earnings (Roder and Elliott 2013).

PROGRAM REPLICATION

Encouraged by the strong outcomes of six EXCEL cohorts, JVS has scaled and adapted the core elements of the model with promising initial results. In October 2013, JVS and the City and County of San Francisco launched the Health Worker Training program, which prepares low-income city residents for direct service positions within 11 different departments and community clinics. Though it mirrors the effective practices of EXCEL, the Health Worker Training program is distinguished by its training curriculum tailored to health outreach and education roles in high-poverty communities and the great variety among internship sites and positions. Rollout of the program replication was rapid, with staff recruitment, outreach, and orientations taking place during just three months preceding the training start date. The success of this pilot cohort will become evident when participants complete their internships in July 2014 and begin to search for employment. The labor market demand for skilled and culturally competent community health workers remains strong, however, and a survey of worksite supervisors suggests a high likelihood that they will retain interns in unsubsidized positions.

In December 2013, JVS secured funding from the California Workforce Investment Board to replicate EXCEL with Contra Costa County's John Muir Hospital. This program will be faithful to the EXCEL model, with a dedicated hospital partner and intern placements of medical administrative assistants. Curricular adjustments will be developed to accommodate a target population of dislocated workers, who are likely to enter the program with higher levels of education, experience, and job readiness than did EXCEL's participants. JVS is working with the local workforce investment board to secure funds to support intern wages for future cohorts, since this county lacks a subsidized employment program. JVS is eager to glean lessons from this replication, which will benefit future iterations of this model.

LESSONS FOR POLICYMAKERS AND THE FIELD

The successful outcomes of EXCEL suggest several recommendations for the scaling of effective workforce development practices and policies in the United States. In the context of the 2014 Workforce Innovation and Opportunity Act and state and local workforce investment board (WIB) planning, prioritizing sector-based, employer-driven customized training programs such as EXCEL holds promise for labor force development. A nimble public workforce development system should support core program elements such as extended classroom training and publicly subsidized internships, coupled with concurrent and post-training wraparound support services.

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6

The North Carolina Advanced Manufacturing Alliance: A Transformative Approach to Workforce Development for the Advanced Manufacturing Sector in North Carolina

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Workforce development and human capital development can drive competitive advantage for industries and business sectors. It might actually help to drive business locations and expansions too. Although there is still a hearty debate about whether workforce development drives these outcomes, many agree that they certainly help to reinforce them.

North Carolina has been experiencing significant growth in employment and investment in advanced manufacturing, and a workforce development alliance has been an important part of that development. The state announced \$977 million in new advanced manufacturing projects and expansions and more than 3,200 new jobs in 2012--2013 in areas serviced by the 10 community colleges making up the North Carolina Advanced Manufacturing Alliance (NCAMA). The economic growth is a significant return on investment for an \$18.8 million Round 1 grant from the U.S. Department of Labor awarded in 2011 (DOL 2011). It is also a highly visible barometer of confidence by industry in the ability of NCAMA to meet the specialized workforce needs of advanced manufacturing in these service areas of North Carolina.

Advanced manufacturing uses advanced and computer-controlled technologies, automation, mechatronics, and sophisticated biological processes to manufacture products. According to the White House's *A National Strategic Plan for Advanced Manufacturing*, 67 percent of manufacturing employers report a moderate-to-serious shortage in the availability of qualified workers (NSTC 2012). This sentiment is in keeping with face-to-face feedback from manufacturing companies serviced by consortium colleges. Changing demographics in the manufacturing workforce could further exacerbate the workforce skills shortage. Approximately 2.8 million manufacturing workers (nearly 25 percent) are now 55 years of age or older (BLS 2010).

Manufacturing has always relied on mechanization and technological innovation for production and productivity expansion. However, in advanced manufacturing, workers are increasingly managing production equipment in a mediated fashion, rather than directly. Instead of operating a machine, workers in new manufacturing plants operate sophisticated computer numeric controlled machinery and digital interfaces; mechatronic production lines; short, quickly customized components and production runs; and new production equipment, processes, and materials. These changes have created a moving target and a resulting gap between the skills that many in the manufacturing workforce hold and what workers need to know to gain employment in advanced manufacturing positions.

NCAMA addresses head on the issues posed by training for advanced manufacturing and provides an approach that aims to address many of the challenges.

The Alliance comprises 10 community colleges in counties spread across the length of the state in largely rural and poor regions. Staff and instructors from the community colleges work closely with local companies. Funded by an \$18.8 million U.S. Department of Labor grant, the Alliance adopted a three-pronged approach:

- Matching advanced manufacturing equipment in training programs to the equipment that workers will use on the job locally
- Developing programs and support structures that produce students with the necessary, sought-after certifications and skills sought by local advanced manufacturers
- Using modern marketing communications to attract students and shape perceptions about advanced manufacturing and the careers it provides.

NCAMA colleges have used approximately \$7.2 million of the \$18.8 million grant for state-of-the-art equipment. By matching the equipment on which students are training to the equipment in local advanced-manufacturing facilities, students are learning the skills, processes, and fundamentals they need. This approach also has other benefits. Onboarding costs and training at companies for new technicians are significantly reduced, and industry confidence in training outcomes is high. Ensuring equipment remains current with industry in the future will require a sustainable funding structure for the initiative or industry support.

One benefit of developing partnerships with the community colleges was their ability to quickly align curriculum to focus on operating the new machinery and developing programs customized to local business needs. Alliance colleges developed new coursework internally and used training materials from established vendors such as Tooling U, Economic Modeling Specialists International—Analyst and Career Coach, Scientific Management Techniques, and the National Center for Construction Education and Research (NCCER). To ensure instructors remain current, the Alliance has forged partnerships with national training and certifying bodies such as NCCER. The Alliance's master instructors are able to update the skills of its colleges' instructors, providing industry-defined and recognized credentials to the instructors, such as credentials provided from industry-recognized national organizations such as the NCCER and others.

The Alliance provides a range of certificate, diploma, and associate degrees in specific fields that apply to the advanced manufacturing field. Some include more traditional industrial maintenance fields, drafting and design, and mechatronics, but programs also have an eye to future production such as 3D printing. Programs are also designed so students can obtain portable, industry-recognized credentials to more easily find work if they are to relocate outside the state or switch companies. Programs are designed in direct consultation with industry, and their continuing input and participation are key aspects of the partnering between NCAMA and industry.

Support for students to boost retention and completion rates is an important part of NCAMA's approach. Alliance colleges have success managers who are able to make a difference to students juggling family responsibilities, employment obligations, and their academic requirements. Success manager support includes help finding babysitters, ridesharing, financial assistance, and the tracking of their results to suggest areas in which academic support may be useful. The program is designed to understand that students need flexibility to learn in nontraditional settings and timeframes. Students in the programs also receive support to stay connected. To that end, students are issued iPads to connect to online coursework and other resources and provide an ability to remain in touch continuously with the college—something not necessarily taken for granted in poor, rural communities. These supports show some promise in helping keep students engaged, enrolled, and working toward program completion. According to NCAMA's program administration statistics, student retention rates are 6 percent better than other

programs in the North Carolina Community College System, and student enrollments have grown since the inception of the programs.

NCAMA colleges partner closely with local industry by matching programs closely to internal processes and equipment. These partnerships enable NCAMA to create internship solutions, resolving the experience barrier for hires new to advanced manufacturing. The partnerships enable companies to have confidence in the quality of the students' training, and internships provide a no-risk method for companies to take on potential new hires with the skill sets they need. In fact, companies are proactively seeking interns from NCAMA programs for paid internships.

NCAMA is planning to develop a continuing pipeline of workers for an industry sector expected to grow. It has developed outreach programs that reach into the K-12 system to engage a future generation of advanced manufacturing technicians and operators, touching both teachers and students.

From the outset, NCAMA has had a sophisticated focus on marketing, communications, student recruitment, and strategic positioning.¹ In January and February 2014 alone, server records show that the mobile-friendly website² attracted more than one million page views. NCAMA distributes a monthly newsletter, has a YouTube video channel, and uses social media to connect and engage students, the public, and industry. The communications plan enables colleges to promote their advanced manufacturing programs on their respective college websites to prospective students. Given the growing number of educational programs and job-training opportunities, the NCAMA program understood that outreach to students was an essential part of its work; the program's organizers could not simply hope that students would find the program on their own.

Outreach also meant developing partnerships with other government agencies. The federal grant-funded Alliance has established connections with the broader North Carolina Community College System, the North Carolina Department of Commerce, regional and local economic development agencies, and others.

The best metric of NCAMA's success is shown by advanced manufacturing growth in NCAMA college service areas, as it demonstrates confidence. Table 6.1 shows the full list of company expansions, capital committed, and new jobs created.

Table 6.1 - Growth in NCAMA Service Areas: 2012–2013

2012

Company	Location in NC	Investment	Employment
American Recycling	Enka	\$1.5 million	20–30 new jobs
Butterfields	Rocky Mount	\$300 thousand	10 new jobs
Avgol	Mocksville	\$35 million expansion	42 new jobs in next 3 years
Campbell's Soup	Maxton	\$46 million expansion	68 new jobs
Carolina Precision Plastics	Mocksville	\$5.3 million new facility	140 new jobs in next 3 years
ConMet	Asheville	\$4.5 million expansion	
East Coast Packaging	Rocky Mount	\$1.5 million	29 new jobs
Draka	Rocky Mount	\$3.2 million	67 new jobs
Hospira	Rocky Mount	\$85 million expansion	200 new jobs
Ingersoll-Rand	Mocksville	\$22 million expansion	60 new jobs in next 3 years
Linamar	Arden	\$75 million expansion	400 jobs by 2020
Mountaire Farms	Parkton	\$5 million expansion	77 jobs

New Belgium Brewing	Asheville	\$175 million	154 by 2020
Plasticard-Locktech	Asheville	\$4.6 million	42 new jobs
Penco Inc	Rocky Mount	\$1.5 million	10 new jobs
02 Energies	Rocky Mount	\$5 million	
Sonoco	Waynesville	\$3.8 million expansion	33 new hires
Subtotal		\$478.2 million	1,284 positions

2013

Company	Location in NC	Investment	Employment
Ashley Furniture	Advance	\$80 million expansion	500 new jobs
Campbells Soup	Maxton	\$19 million expansion	23 jobs
Cape Fear Arsenal	Lumberton	15.2 million new facility	150 jobs
Custom Nonwoven	Thomasville	\$12.8 million new facility	72 jobs in the next 3 years
DPSTC	Lumberton	1.37 million new facility	45 jobs
Fx Immune Co	Asheville	\$ privately held	6 positions
Flo Tite	Lumberton	\$1.5 million expansion	15 jobs
GE Aviation	Asheville	\$125 million expansion	242 new jobs
Gildan Activewear	Mocksville	\$112 million new facility	290 new jobs
Graphic Packaging	Lumberton	\$9 million expansion	5 jobs
Jacob-Holm	Enka	\$46 million	66 jobs
Nutkao-USA	Rocky Mount	\$7.3 million	56 new jobs
Oak Ridge Industries	Washington	\$9.4 million	35 jobs in 5 years
Piedmont Candy	Lexington	14.4 million expansion	20-30 new jobs
Pro Refrigeration	Mocksville	\$4.9 million expansion	85 jobs in next 5 years
Rocky Mount Recycling	Rocky Mount	\$10 million	15 new jobs
STF Precision	Arden	\$4.5 million	25 jobs
Tarheel Plastics	Mocksville	\$2.5-3.5 million expansion	48 new jobs
TE Connectivity	Fairview	\$1.68 million	40 new jobs
Trinity Foods	Pembroke	\$20 million new facility	150 jobs
Tutco-Farnum	Arden	\$2.5 million	90 jobs
Unilin Flooring	Thomasville	\$Reopening location	14 new jobs
Subtotal		\$499.5 million	1,997 positions
TOTAL		\$977.7 million	3,281 positions

SOURCE:North Carolina Advanced Manufacturing Alliance

Jamie Meadows is an example of the effect that the NCAMA programs can have on workers. At 38, Jamie lost his job during the Great Recession and went to NCAMA's Craven Community College, where he completed the manufacturing technology program, which is focused on manufacturing with composite materials. When he started, he had a GPA of less than 1.0, but support provided by NCAMA staff helped him raise that to 3.5. He is now a full-time composites technician at Spirit AeroSystems, a Kinston-based aerospace company that manufactures the center fuselage section and front wing spar for the Airbus A350 XWB airliner (NCAMA 2014).

The programs operated by the North Carolina Advanced Manufacturing Alliance can be replicated in other settings, and potentially the outcomes can be as well. Below is a summary of the key program lessons:

- Match equipment for specialized training to local industry clusters for optimal workplace skills relevance. New training programs for the new equipment must be developed.
- Develop strong industry-college partnerships and replicate actual industrial processes in training facilities.
- Develop portable and industry-recognized credentials.
- Create internship opportunities for students and graduates.
- Provide technology to students that allows them to work on- and offline while remaining connected.
- Develop the organizational capacity for leadership, strategic positioning of the initiative, high-level interactions with industry, support for instructional staff, and other stakeholders.
- Provide consortium communications capabilities that allows advanced manufacturing departments statewide to share ideas, solutions, curricula, and other resources.
- Develop strategic, long-term approaches to marketing, positioning, communications, and student recruitment, areas that are vital to developing strong connections to students and employers. Students most likely will not find programs on their own.
- Enable programs to follow students and assist them with their college experience and understand that many participants will have complex challenges. Off-campus issues such as transportation, childcare, and economic stress, among others, often negatively affect outcomes of promising students, particularly in poorer economic regions. A comprehensive complement of services and support can foster student success.

Use the consortium for evaluating and implementing program solutions, including off-the-shelf solutions from vendors and certification of instructors.

Ensure that economic development agencies can use consortium infrastructure, successes, strategic positioning of specialized training, and industry partnerships for future growth.

NCAMA advanced manufacturing programs are full. Consortium colleges report that they are being approached by companies for interns, suggesting that they value the programs. Companies are also increasingly asking for incumbent worker training. Placement numbers are significant. NCAMA has placed 190 interns at 70 companies as of this writing in 2014, with the greatest numbers in the past six months as students begin completing associate degrees. Since 2012, 454 people have completed short courses, certificate programs, diplomas, and other programs. A total of 3,613 certificates have been issued through 2014.

In a very short time, NCAMA has demonstrated an approach that has delivered results in supporting the advanced manufacturing sector. The approach it has adopted bodes well for helping to meet the specialized workforce needs in the areas the community colleges service. Its state-of-the art training on equipment currently used in industry and its ability to place interns directly into positions in industry where most of them are able to go on to full-time employment have proven both dynamic and effective. Coupled with the consortium's modern communications practices around student recruitment and

economic development, NCAMA is able to demonstrate what it is doing online and create a virtuous circle.

During due diligence by companies seeking a location for a facility or an expansion, the credibility of workforce programs and the ability of a location or region to be able to supply the necessary pipeline of workers is a top-tier consideration. Economic developers and site selection consultants rate this factor as top five determinant (Brown 2015). NCAMA's credibility is straightforward to assess through the quality of its programs, the equipment it uses, its ongoing industry partnerships, and its highly visible, ongoing recruitment of students to supply the future worker pipeline. Although economic development recruiting usually goes on behind closed doors, the role of NCAMA in supporting state and regional recruiters—helping create an effective and agile workforce through its development programs—is easy to validate and act on.

About external marketing for industrial recruitment, the flip side of the coin is student recruitment. As word gets out that good, well-paying jobs are available in advanced manufacturing after specialized training, program managers in a competitive environment report easier student recruitment. And as more and more people discover how today's advanced manufacturing differs from that of yesteryear, the number of people seeking a career in the sector can begin to catch up with the current shortfall advanced manufacturing is experiencing. In North Carolina, the NCAMA workforce development programs have played a role in encouraging the investment of nearly \$1 billion in advanced manufacturing.

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¹ Strategic communications planning and economic development services implementation have been provided by [Integrated Media Strategies](#).

² See the [North Carolina Advanced Manufacturing Alliance website](#).

Gilchrist Construction Company and the Cenla Work Ready Network

A Case Study on a Regional Approach to Linking Education and Workforce Development Efforts in Alignment with Regional Economic Priorities

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THE CHALLENGE FOR CENTRAL LOUISIANA AND GILCHRIST CONSTRUCTION COMPANY

Over the last several years, Louisiana has invested more than \$60 billion in new and expanding business opportunities throughout the state, heralding a period of exceptional economic growth (Louisiana Workforce Investment Council 2013). Economists predict that Louisiana will reach two million jobs in 2015 for the first time in the state’s history (Scott et al. 2013). A report by the Georgetown University Center on Education and the Workforce reports that between 2008 and 2018, new jobs in Louisiana requiring postsecondary education and training will grow by 65,000, and jobs for high school graduates will grow by nearly as much (Carnevale et al. 2010).

Louisiana is increasingly recognized as one of the most improved climates for business anywhere in the United States (Louisiana Economic Development 2014). However, coincident with improvements in the state’s economic climate, employers are experiencing challenges with finding the skills they demand in the workforce. More than one-third of 3,000 employers surveyed in Louisiana indicate that their greatest workforce challenge is finding qualified, skilled, or experienced applicants for open positions (Louisiana Workforce Commission 2011).

Mirroring the state trend, Central Louisiana (“Cenla”) employers are finding that filling open positions with qualified workers is an enormous challenge. New multimillion-dollar economic development investments are being made regularly in the region, and these new investments will create hundreds of new higher-wage jobs with benefits. Projections through 2018 indicate that the region is poised for job growth at a rate that could outpace that of the U.S. economy (Regional Technology Strategies 2013). The vast majority of positions (84 percent) require less than a four-year degree (Regional Technology Strategies 2013), yet only five percent of adults possess a technical or associates degree (U.S. Census Bureau 2012). The gap between the technical attainment in the workforce and the growing demand represents a significant opportunity for workforce development programs in the region. This case will explore the efforts of one partnership looking to close that gap.

A workforce development initiative, the Cenla Work Ready Network (CWRN) was implemented by a Cenla-based company, Gilchrist Construction Company. CWRN provides a case study of the region’s

collaborative approach to fostering a highly skilled workforce that aims to fulfill current and projected jobs, making the region more competitive both locally and globally.

Founded in 1981, Gilchrist initially specialized in small projects such as foundations, sidewalks, and parking lots. Later, the company began taking on “heavy highway” construction and industrial work. Today, Gilchrist is one of Louisiana’s top highway contractors, with about 375 nonunion workers. However, in 2007–2008, the company experienced a 100 percent employee turnover. Gilchrist leadership recognized that it needed to do something different, and it turned to the CWRN.

A REGIONAL APPROACH TO WORKFORCE DEVELOPMENT: CENLA WORK READY NETWORK

In 2007, the Rapides Foundation (TRF), a private foundation that serves the Cenla region, commissioned a study of current and future regional workforce needs (Regional Technology Strategies 2008). The study found that the regional workforce training infrastructure failed to reach 80 percent of those who could benefit from training. While there were many institutions that provided training and educational opportunities, these institutions varied so widely in purpose, mission, size, and funding that the system appeared dysfunctional and uncoordinated. In 2010, TRF’s educational arm, the Orchard Foundation, searched for a coordinated, regional solution aimed at developing, assessing, and certifying the region’s current and future workforce. The result was the Cenla Work Ready Network.

CWRN’s purpose is to develop a pool of potential employees who improve their skills and hold a National Career Readiness Certificate (NCRC), which is a national, portable credential for those who demonstrate a certain level of workplace skills (LeFebre et al. 2013). The CWRN provides free access to its tools to students at all regional high schools and to all under- and unemployed workers in the region. CWRN tools complement each other to provide career training and a resulting national credential that is a reliable predictor of workplace success (LeFebre et al. 2013). The ACT programs include career-readiness curricula, assessments, and credentials that help to signal workers’ preparation for the workforce, “soft skill” proficiency, and job profiling programs that help employers understand how the ACT credentials match their specific job openings.

The coordinated efforts of several regional public and private partners have made the initiative a success. These partners include (1) the Rapides Foundation, which has invested \$1.36 million to date in CWRN to cover the costs of all site and user licenses for the ACT products; (2) the Orchard Foundation, which oversees CWRN operations and stakeholder development; (3) 65+ area employers, including Gilchrist Construction Company; (4) the Central Louisiana Economic Development Alliance, the regional economic development entity; (5) 49 public and private K–12 schools in the region implementing the workforce training curriculum; (6) all seven campuses of Central Louisiana Technical Community College, which provide training and testing sites for under- and unemployed adults; (7) Regional Workforce Investment Boards and Career Solutions Centers (located in three parishes/counties), which also provide training and testing sites; and (8) the Central Louisiana Chamber of Commerce, which works to engage the Cenla business community in the CWRN.

IMPACT OF CWRN AT GILCHRIST CONSTRUCTION COMPANY

Gilchrist Construction Company was the first employer to implement the CWRN tools in 2011, with the effort spearheaded by coauthor Valerie Aymond, the company’s chief resource officer. With its 100 percent employee turnover rate, Gilchrist decided it needed to “attract the best and brightest, retain them, and help them develop their skills” (ACT 2013).

The CWRN pilot commenced in 2011, with Gilchrist using the ACT WorkKeys® foundational skills assessments to screen hires, assess current employees’ skill levels, and identify areas of need for skill development. Over time, Gilchrist expanded its use all of the tools described above, using them now for all external hires and for internal promotions.

CWRN yielded impressive outcomes for Gilchrist: the employee retention rate improved to 75 percent, and safety incidents decreased by 59 percent. The overall quality of hires has improved, and the

company has observed a greater return on investment for training activities. Today, the majority of employees at the company have earned a National Career Readiness Certificate. By the end of 2014, the company will have assessed 100 percent of its workforce. In November 2013, Gilchrist was honored as one of five recipients of the HIRE Award for its efforts in the field of workforce development, presented by Innovate+Educate, a national organization dedicated to aligning STEM (science, technology, engineering, and math) education and workforce development (Innovate+Educate 2013).

To date across central Louisiana, 9,400 high school students and adults have earned either the National Career Readiness Certificate or the NCRC Plus through the network. Employers in the area know that an individual with an NCRC possesses a foundational level of workplace skills, which the companies report makes them feel more secure when making hiring, promotion, and training decisions.

Additionally, as a result of the work done by the CWRN and its collaborators, Louisiana became one of eight states participating in the ACT Certified Work Ready Communities initiative at the county/parish level in 2013. CWRN applied to the program on behalf of two communities: Rapides Parish and Avoyelles Parish. When these communities achieved Certified Work Ready Community status, they demonstrated with objective data that they have a skilled workforce that is valued by the local industry and a workforce development system that links education and workforce development.

CHALLENGES TO IMPLEMENTATION

School District Buy-in and Participation

Although the CWRN tools are free to participating high schools, it was initially difficult to gain school district commitment. The CWRN learned that educators did not have a clear understanding of how the program could be implemented. As a result, the CWRN now provides technical assistance to high schools.

Employer Buy-In and Participation

Not all employers require or recognize the NCRC as a part of their hiring process, but the number continues to grow. To date, nearly 65 employers in Cenla have agreed to participate, which is an indicator that the training has been found valuable. As more companies recognize the credential, it will help to increase opportunities for job seekers.

LESSONS LEARNED

Identify Early Adopters to Encourage Employer Engagement

An early-adopting employer champion demonstrates the benefits and value of the system to potential participants. Gilchrist Construction Company played this role for the CWRN. The company's early participation provided an example to other businesses about how participation in the network could help their competitive advantage and human resource needs.

The Power of Policy

In 2012, two of the CWRN's nine participating school districts (Avoyelles and Rapides) mandated that all public high school seniors take the ACT WorkKeys[®] assessments prior to their graduation.¹ This step helped to integrate the NCRC into the curriculum. The number of NCRCs has sharply increased in these two districts, although this increase is also attributed to the availability of technical assistance.

Get Creative to Engage Participants

The CWRN created a character named "the Jobinator," who visits area high schools to inspire high school students to do their best on the WorkKeys[®] assessments. The superhero "saves kids from lame jobs." The March 2014 issue of *Site Selection Magazine* featured the Jobinator (Rasmussen 2014).

Collaboration and Investment

Employers have to devote only limited resources to implementing the solution in their organizations because the partnership with the Rapides Foundation/the Orchard Foundation provides free access to CWRN, technical assistance, and management support. This investment by the foundations translates into little to no cost and a low risk level for participating employers. This investment has helped create employer engagement.

Importance of Data and Transparency

Data should be captured and the results posted in a public forum so that employers and partners will have a transparent measure to track the increasing number of skilled workers in the region. CWRN updates the number of NCRCs earned on a monthly basis and posts the results to its website for the public to see.²

NEXT STEPS

Expansion of NCRC

The CWRN aims to increase the number of employers who require the NCRC credential as part of the hiring process, currently at 65+. The experience of the leadership team shows that adding fully engaged employers who actually use the tools available to them is a time-consuming effort, but an essential step to maintaining the relevance of the training offered through the program.

Additional ACT Work Ready Communities

The CWRN is actively working to include additional parishes in the region as ACT Certified Work Ready Communities, and ultimately to getting the entire region certified. The CWRN is optimistic that the state will eventually participate. Expansion of participation in the program will serve workers if they have to move out of the Cenla area.

Sustainability

A major piece of ensuring sustainability for the CWRN is ensuring that the goals of the project continue to be met through activities that are consistent with the workforce development needs of the region. The CWRN is regularly assessing the project and documenting lessons learned, employer impact, and impact on workforce development.

Currently, the Rapides Foundation is providing funding and management support for the CWRN and will continue to do so for the foreseeable future. CWRN leadership is exploring a number of strategies for financial sustainability including:

- The Louisiana Department of Education is embarking on “Jump Start,” a new career education initiative that requires all students graduating from high school with a career focus (as opposed to a college focus) to take the ACT WorkKeys® assessments. This policy will likely lead to an increase in demand for the assessments in Cenla. The state adoption may change the way that the CWRN program funds itself towards a shared funding model. A shared funding model could require that participating stakeholders share the costs of CWRN. Stakeholders could include regional and state economic development entities, employers, school districts, and institutions of higher education. This model would make each partner’s investment more manageable.
- The CWRN provides a promising model for a regional approach to workforce training for other communities. A strong regional partnership between philanthropy, industry, and workforce development organizations have resulted in measurable progress towards developing a highly skilled workforce that will fulfill current and projected jobs, making the region more competitive both locally and globally.

The experience in Central Louisiana demonstrates the importance of developing regional partnerships and choosing a specific set of projects to work on. While there are a number of different approaches to regional skills preparation and credentialing, the CWRN focused its attention around the ACT products and developed business relationships, and it has expanded opportunities for job seekers and improved local economic outcomes. The success has begun to result in policy changes that take into account the needs of workers who will fill many of the technical and vocational positions in Central Louisiana. Local context will drive how partnerships are formed, but it is important to develop specific projects that will lead to measurable results for the partnerships and ultimately the workforce.

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¹ Having students take and pass the ACT Work Keys assessments are one of the central ways that communities achieve ACT Work Ready Community status.

² To see how the number of National Career Readiness Certificates is publicly displayed, visit the [Cenla Work Ready Network's website](#).

8

Working Together: Economic Development and Workforce Development Collaboration in Nashville

Bill Sproull

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Swati Ghosh

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A skilled and highly trained workforce is a top consideration for businesses looking to relocate and expand. Businesses in some industries find it hard to fill job vacancies quickly (Murphy 2014). A big hindrance is the skills gap, or the difference in the abilities jobseekers have gained through education and training and the skills needed by employers.

Among the many communities that are testing strategies to address the skills gap is Nashville, Tennessee, which has a training program that aims to align workforce, economic development, education, and corporate goals to meet local and regional business needs.

The Nashville metropolitan area recently rethought the relationship between economic development and workforce development because a series of local reports identified a mismatch between the skills demanded by local businesses and those available in the marketplace. The reports' findings, along with the Tennessee Complete College Act in 2010, fueled a new collaboration among local and regional workforce development, economic improvement, higher education and the business communities that has the potential to change the labor training system for the Nashville region and the state. The act made policy changes to enhance cooperation between colleges and universities in a bid to increase rates of college completion.

GENESIS OF WORKFORCE AND ECONOMIC DEVELOPMENT ALIGNMENT

The Nashville Area Chamber of Commerce, the lead economic development agency for the city, joined the Tennessee Department of Labor and Workforce Development and three workforce investment boards in the middle Tennessee region to fund a study in 2010 looking to understand the major labor changes taking place and their effects on a 10-county area anchored by Nashville. The study forecast population and employment trends for the coming 10-year period. The good news was it projected steady population growth for the region and an additional 151,000 jobs. The bad news was it also projected a shortage of skilled labor—approximately 25,000 workers—in the region, including for some industry sectors that were expected to grow rapidly, such as health care and information technology (IT). The study also foresaw rising unemployment for the region if the labor development system were to be unable to prepare workers for the changing economy.

Around the same time as the study, Tennessee adopted the Complete College Tennessee Act in 2010, which overhauled the state's funding mechanism for higher education. Under the new system, funding was tied to performance metrics such as graduation, student progression through programs and job placement instead of being linked to enrollment, as it is in a number of other states.

While colleges and universities were trying to determine how to meet these new requirements, the Nashville chamber found itself in conversations with various partners in multiple counties. Local

community colleges, workforce investment boards, and businesses were trying to figure out ways to address issues such as job vacancies, the need to upgrade employee skills, new worker training, and talent recruitment. Their efforts were not well coordinated; many organizations were working on duplicative initiatives, and there was little dialog or agenda setting across the region.

The health care sector in the Nashville region, with more than \$70 billion in annual revenues, highlighted some of the issues the area faced. Several health care businesses reported to the chamber regularly on the difficulty of finding skilled workers in the region, a difficulty that made their executives cautious about expanding. An independent study conducted by KPMG in 2011 confirmed the shortage of health care workers in Nashville. In that survey of medical providers, university partners, and community associations, more than 80 percent of respondents cited an inadequate supply of qualified health care information technology (HIT) workers in the Nashville and Middle Tennessee region. The biggest barrier to HIT workforce development, mentioned by nearly one-third of survey participants, was “education and training constraints.” The study also projected a shortage of 5,000 workers by 2014 within the HIT sector (Wright and Cook 2011).

To address the worker shortage, community colleges, workforce professionals, and health care business leaders in several counties collaborated to develop training programs and strategies to address industry needs. The chamber found that the organizations were mostly concerned about the same issues, including challenges with educational attainment, skills mismatches, and limited connections to businesses. The stakeholders began exploring solutions.

Given the scope of the problem across various industry sectors (including advanced manufacturing and information technology) and different geographies, the chamber realized that to truly meet business needs and promote continued economic growth, it would be necessary to address these labor challenges regionally by bringing together multiple education, workforce, and economic development organizations (EDOs) and businesses. Thus, the idea of the Middle Tennessee Regional Workforce Alliance (MTRWA, or “the alliance”) was born. It was established in July 2013.

THE INNER WORKINGS OF THE MIDDLE TENNESSEE REGIONAL WORKFORCE ALLIANCE

The mission of the alliance—which includes the Tennessee Board of Regents, four workforce investment boards (WIBs), the Nashville chamber (workforce and economic development), and several community and technical colleges—is to work together to enhance the skills and competencies needed in three industry sectors in the 10-county region: health care, information technology, and advanced manufacturing. These industries are the chief targets for economic development in the region based on growth projections.

The alliance works with three regional skills committees that enable business leaders to interact directly with education professionals and provide real-time information on worker skill sets needed in the short and long term. Each regional skills panel has 13 to 18 business leaders and three to four educators.

Workforce and education stakeholders have been enthusiastic partners. They followed the chamber’s lead and are working closely with businesses to make changes to the training curricula across the state Board of Regents system, with a focus primarily on specific skills and competencies needed in the three industry sectors. The WIBs staff the regional skills panels and manage the meeting logistics—that is, they provide the staffing to move the programs forward. The community colleges and colleges of applied technology take the work of the skills panels and recommend changes to the training courses to ensure that students have the talents businesses most desire. The Board of Regents is responsible for implementing any curriculum changes, including maintaining uniformity and high quality of instruction across the different colleges.

Input from business is one of the cornerstones of this collaboration. Business leaders in the industry sectors are active participants in identifying the skills needed and working with educators on curriculum design. They also provide a platform for students to gain hands-on experience through internships, job shadowing, and other programs. Similar industry skills panels have been used successfully in other states

such as Washington, Minnesota, and Michigan (Cheney, Wagner, and Woolsey 2008; Hollenbeck and Eberts 2006).

The funding of the alliance reflects the commitment of the various partners. A grant from the Lumina Foundation financed the initial program design, formation of the regional skills panels, and some expenses related to the meetings. Engaged stakeholders have provided in-kind contributions, with the WIBs staffing the regional skills panels meetings, the chamber spearheading the design and formation of the alliance, and the board of regents implementing curriculum changes. In the future, the goal is to have the Board of Regents oversee the alliance, with funding to come from the LEAP legislation (discussed in more detail below).

The alliance is also working on marketing these programs to students and workers who can enroll in the training programs and ultimately fill the jobs being created.

ALIGNMENT CHALLENGES

The work to date has not been without challenges. Some of these are discussed below.

- Changing the mindset from one focused on a local economy to a regional economy has not been easy. It took some time and effort before various stakeholders understood the nature of working regionally and thinking beyond their service areas. For example, the first few meetings of the regional skills panels were disjointed, with businesses, community colleges, WIBs, and other participants focused on their own needs. The facilitator found that by the third meeting, most participants were comfortable considering broader regional needs and how the work of the skills panels could help the alliance meet its goals. Part of this is attributable to the process itself, which allowed information exchange and facilitated discussions to arrive at shared decisions.
- Since managing a large group of stakeholders poses problems, the alliance understood that a measured approach was needed to rolling out the workforce development program. Its goal was to start small and build on early successes. For example, the chamber initially consulted with colleges that provide two-year degree programs. The alliance plans to engage four-year institutions after the initial programs are established.
- Businesses, workforce developers, educators, and economic improvement personnel speak different “professional languages,” making it hard sometimes to understand one another and to reach common ground. The alliance retained a professional facilitator to guide the regional skills panels’ meetings and ensure that each panel worked toward a common goal of identifying talent gaps. She served as the mediator, the translator, and the organizer for the meetings.
- Businesses may not understand the complexities of designing and delivering training programs in a public education system, and educators may not always know the latest business operating models and new technologies. For example, General Motors—a large employer in the region—invited several education professionals into its plants to talk with employees about their work and the skills needed for specific tasks. It was a fairly unique educational experience for several community college faculty members. Other large businesses organized similar “in-service days.” At the same time, businesses on the regional skills panels have learned about curriculum design complexities such as timelines and requirements for accreditation. Businesses and educators alike can use this exchange of information to better manage expectations and perhaps foster increased cooperation and stronger relationships.
- Implementing curriculum changes across multiple institutions can also be challenging. Community colleges have a different calendar and process than colleges of applied technology, making it difficult to schedule events across multiple systems. Aligning course changes with university calendars (once the initiative is expanded to include four-year degree institutions) would add more complexity.

EARLY SUCCESSES

Although a significant amount of work must still be completed, workforce development in the region is becoming seamlessly integrated with economic expansion efforts. One of the first actions following the workforce studies of 2010 was a realignment of departments at the Nashville chamber. The chamber's workforce development team, which focused on talent recruitment and retention, was combined with the economic development department to increase coordination and cooperation.

The economic development staff discusses the local labor market during regular business visits and in conversations with prospective business clients. The chamber estimates it discusses workforce issues—including the work of the alliance—with more than two-thirds of the businesses it assists with relocations or expansions. Many businesses have expressed strong interest in being actively engaged in the work of the regional skills panels. Evidence from similar programs in other communities suggest significant benefits for businesses involved in such efforts. Such benefits include productivity gains, lower employee turnover, and a reduction in customer complaints (Woolsey 2012). For example, in the first 18 months of launching an energy-efficiency industry partnership in Pennsylvania, several employers engaged in the effort reported adding product lines as a result of connecting with other businesses in the region, which led to new job creation, Woolsey reported.

The changing mindset of local stakeholders toward working collaboratively on talent development is an indicator of the promise the alliance holds for improving workforce and economic expansion in the future. To maintain Nashville's position among the top five locations in the country for job growth, community leaders realize that the local talent pipeline has to match jobs created in the economy. More than 70 business leaders, including senior managers at multinational corporations, are investing time and effort in the work of the alliance because they realize the value it can bring to the local economy and their companies.

For example, an executive at a financial institution who chairs the IT regional skills panel reported that some universities were still offering outdated certifications that the industry no longer used. That was a waste of resources that the public education system invested in training as well as of student time and effort. With the direct business engagement in curriculum development fostered by the alliance's work, students can acquire the most desired skills from the start. Similarly, an executive of an automotive manufacturer who heads the advanced manufacturing skills panel stated that he wants to be engaged in this alliance because General Motors is growing in the region and its leadership wants to be a part of an effort that can expand the availability of skilled workers.

Businesses do more than just participate in the regional skills panels. For example, Nissan is investing up to \$2 million to develop a high-technology education and training facility at the Tennessee College of Applied Technology (TCAT)–Murfreesboro. The facility, to be used jointly by Nissan and TCAT, will have shared labs, shared equipment, and shared experts, along with space for the company and the college. The facility is expected to start enrolling students by September 2016.

Building on the framework provided by the alliance and other innovative programs under way in Tennessee, the state launched a program called Labor Education Alignment Program (LEAP) in a further effort to make sure the workforce is equipped with needed skills. Although legislation creating LEAP passed in 2013, the program only received funding in 2014. LEAP provides \$10 million a year in grants for collaborative efforts between employers and colleges to fill skills gaps. The regional skills panels of Nashville were carefully studied as part of the development of the LEAP legislation between 2013 and 2014. Top leadership of the MTRWA was actively engaged in the development of the LEAP program.

The alliance is also attracting aid and recognition outside the region. The Indiana-based Lumina Foundation, a private entity focused on higher education, has selected Nashville as one of 35 communities in its second round of funding designed to boost educational attainment. The foundation will provide support that includes technical assistance, flexible funding, and data tools. In addition, the collaborative program has been viewed as a potential model for state implementation.

RECOMMENDATIONS

Nashville has learned some lessons in its efforts to integrate workforce development and economic development strategies that can help other communities. Below are some recommendations for other communities that want to align and strengthen their workforce development training programs with economic development goals.

1) View improving workforce skills as an integral part of their day-to-day work, much like business retention and attraction efforts. Economic developers can provide a perspective of the regional economy and future business needs, as well as links to business leadership, which are invaluable to skills training. In fact, the chamber found that a considerable amount of its economic improvement work involves worker development. Although the chamber was able to integrate its workforce and economic development departments, such may not be possible for all. It is not sufficient to merge different departments or organizations and think that workforce and economic development are seamlessly integrated. A starting point would be to make it standard practice to discuss workforce issues with businesses that expand into a community.

2) Ensure that the right players are at the table. Although it is obvious that the most effective workforce-development initiatives are collaborative efforts that engage multiple stakeholders, forging these partnerships can be difficult. Building and nurturing relationships requires patience and perseverance. Economic developers should champion the effort and can use their strong networks to bring together various organizations. At the same time, to collaborate effectively and efficiently, stakeholders must fully understand their contributions to the process and how that links with the shared vision. The Nashville chamber worked very hard to engage senior leadership from education, the workforce, and the business community.

3) Think regionally and not locally in addressing labor and economic development challenges. Many of the most successful strategies are regional approaches.

4) Keep communication clear and frequent; this is crucial to success, not only because a large number of stakeholders and organizations must be engaged and learn to work together effectively, but also because it offers the opportunity to build a team focused on a common goal. This is, however, a shared responsibility for all engaged partners. A neutral third party such as a professional facilitator can help ensure that the process keeps moving forward when there are disagreements between different stakeholders. The stakeholders interviewed for this chapter mentioned the crucial role the facilitator played in making sure that every meeting was productive and the different teams were making progress.

5) Don't hang on to the phrase "If you build it, they will come." Although the phrase is common in economic expansion, it may not be the correct approach in workforce development. The MRTWA engaged employers and the skills panels to get a better appreciation of the labor demand and matched skills investments to those needs. The group felt that training people for jobs that had not yet materialized wouldn't lead to new business development.

6) Understand that workforce development is a long-term effort and not a finite project. Effective partnerships can adapt to emerging needs and may be able to experiment with different approaches that will work in a community.

THE NEXT STEPS FOR MTRWA

In the short term, the three regional skills panels will recommend curriculum changes to the Tennessee Board of Regents. The new training programs will be able to produce their first batch of graduates as early as 2016.

In the longer term, the alliance envisions a couple of ways to expand. One is to add a skills panel focused on financial services and management, which would require the addition of four-year programs and universities to the process. Another possibility is to do a deeper analysis of the skills needed, specifically within information technology and focused more on health care IT and financial services IT.

Aligning workforce and economic development goals and strategies will be a continuing effort. It is necessary to ensure that communities can remain globally competitive by successfully connecting people and jobs locally. Educational institutions and the business community play an essential role in devising effective strategies.

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