

Excerpts from Reports Supporting the Technical Proposal

Description of the Problem or Issue

Factor 2 – Extent of the Problem

2006 National Governor’s Association report, “Sector Strategies: Regional Solutions to Worker and Employer Needs,” the main challenges:

***Lack of Meaningful Employer Engagement** ...the percentage of employers that utilize the one-stop centers to meet their workforce needs remains relatively small. There also is no mechanism to ensure WIB members represent those that use the system, creating a possible disconnect between those businesses represented on the board and those that use or might use the systems’ services. Similarly, most states have no formal mechanism for aligning K–12 and postsecondary curricula with industry skill needs.*

Without a way to maintain an ongoing dialogue with industry, government programs cannot adequately understand industry needs, facilitate learning between related businesses, or formulate effective solutions. Subsequently, employers look elsewhere to address their workforce needs, and public systems lose out on opportunities to connect low-income, low-skilled workers to good jobs and keep strong industries in their regions.

Lack of Coordination Among Key Stakeholders

A lack of coordination exists among the various stakeholders who have influence over regional labor markets. In most states, there is no single entity with responsibility for bringing the different systems—and other key stakeholders—to the table. For public systems, funding streams lead organizations to focus on specific categories of individuals (e.g., welfare recipients, unemployed workers) or single firms, making it difficult to focus on the larger challenges confronting regional economies. Further, cultural differences between organizations – including terminology, different definitions of customers, and divergent performance measures – can be daunting obstacles to collaboration.

As a result, regions have no shared vision or set of priorities, leading to lost opportunities for collaboration, leveraging resources, and coordinating information that could lead to a deeper understanding of industries and their needs. Rather than bringing together information and resources to maximize impacts and take projects to scale, programs are confined to small victories.

In November 2011 Brookings Institute study, “Building America’s Job Skills with Effective Workforce Programs: A Training Strategy to Raise Wages and Increase Work Opportunities,” concluded sector-based training investments yield better earnings for participants than all other traditional training programs.

The study concludes:

If the United States is to remain a global economic leader, we cannot leave large segments of the

Optional Attachment 1 – Excerpts from Reports

population behind. Some of America's most vulnerable populations—disadvantaged and displaced workers—are at risk of being left out of the nation's economic recovery due to skills deficits that inhibit their full participation in the workforce. By scrutinizing existing programs to identify best practices and prioritizing scarce dollars toward the most effective models, we can begin retooling our training agenda to meet the needs of today's economy and begin building America's workforce for the future.

2. Describing Your Project: Strategic Approach and Logic Model

Factor 1 – Goals and Outcomes

Goal 1

A NGA produced report, “The 2007 State New Economy Index: Benchmarking Economic Transformation in the States,” provides an analysis of policy options essential for global competition which are as follows:

There are nine key policy areas states need to address: 1. Align incentives behind innovation economy fundamentals; 2. Co-invest in an infrastructure for innovation; 3. Co-invest in the skills of the workforce; 4. Cultivate entrepreneurship; 5. Support industry clusters; 6. Reduce business costs without reducing the standard of living; 7. Help boost productivity; 8. Reorganize economic development efforts; and 9. Enlist federal help.

Goals 2 and 3

A Center for Law and Social Policy (CLASP) report, “Research Shows the Effectiveness of Workforce Programs,” May 2011, included an analysis of several studies with key excerpts provided below:

- *An experimental study of three sector-focused training programs found positive impacts for low-income, disadvantaged workers and job seekers. Participants earned 18 percent—about \$4,500—more than control group members during the two-year study. Participants also were more likely to work in jobs with higher wages and hold jobs that offer benefits.*
- *Sector-focused workforce programs are beginning to identify the benefits that flow to participating employers or an entire industry. These outcomes include improvements to a business's ability to find and retain qualified workers, increases in productivity and increases in the skills of existing workers.*
- *An evaluation of Capital IDEA, a sector-focused training program in Austin, Texas found substantial employment, earnings, and Unemployment Insurance-related impacts relative to a comparison group receiving low-intensity one-stop center services. Participants have experienced earnings impacts of more than \$3,100 per quarter seven years after enrollment and the impacts appear to be increasing during the economic recession and recovery.*
- *Research cited Washington State's Integrated Basic Education and Skills Training (I-BEST) program participants are 56 percent more likely than regular adult education students to earn college credit, 26*

Optional Attachment 1 – Excerpts from Reports

percent more likely to earn a certificate or degree, 19 percent more likely to achieve learning gains on basic skills tests, and experience higher employment rates and earnings three quarters after leaving the program.

Goal 4

USDOL System Integration Indicators, was created in 2004 and revised in 2007, focusing on state\local level keys to success including the following:

- 1. All partner programs support a shared Employer Outreach/Business Relations or Services Unit that provides a Single Point of Contact for Employers.*
- 2. Basic client information is shared across programs (abiding by all confidentiality laws), thus avoiding customers having to fill out multiple applications.*
- 3. A triage model/process is used to assess employer need and services.*
- 4. The One-Stop Center has a Business Service Center to serve the broad HR needs of smaller employers.*

Goal 5 - The Joyce Foundation in September 2010 published “Statewide Data as a Lever for Systems

Change: Experiences and Lessons from Shifting Gears” detailing lessons learned by mid-western states that have informed Kentucky’s efforts around ROI and the dashboard, including the following:

- In a systems change initiative, it is important to identify and clearly define up front the type of data needed and how it can be used.*
- Data can be helpful in building awareness and generating support for systems change.*
- An intentional strategy to apply data and analyses to inform, drive and support institutional and program improvement is necessary.*