SKILLS IN THE STATES

SECTOR PARTNERSHIP POLICY

TOOLKIT

Brooke DeRenzis and Bryan Wilson

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NATIONAL SKILLS COALITION
Every worker. Every industry. A strong economy.

A **state sector partnership policy** is a state-level policy that authorizes ongoing state support for local sector partnerships through funding, technical assistance, and/or program initiative(s). We recommend that states develop robust sector partnership policies that include all three types of support.

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SECTION 1

Purpose of this Toolkit

Middle-skill jobs make up the largest portion of the labor market, yet employers can't find enough workers trained to the middle-skill level. Sector partnerships help solve this problem. Sector partnerships bring together multiple employers in an industry with education, training, labor, community-based and other organizations to address that industry's local skill needs.[1] States should adopt policies to establish, scale, and sustain local sector partnerships in their communities.

Through a 50-state scan, National Skills Coalition has identified 21 states with sector partnership policies that authorize ongoing state support for local sector partnerships through funding, technical assistance, and/or program initiative(s). Of these 21 states, only 10 have policies that include all three components. States without policies can use this toolkit to establish them, and those with policies can use it to strengthen or scale-up their existing policies.

This toolkit provides information that state policymakers and advocates can use to drive the establishment or expansion of sector partnership policies at the state level. It contains:

- Guidance on key elements of a robust state sector partnership policy
- Case studies of three states' policies and examples of local sector partnerships they support
- A legislative template for a state sector partnership policy, which can also serve as the basis for an Executive Order

Policymakers and advocates can use this toolkit to:

- Inform key decisions for establishing or expanding state policies that support local sector partnerships
- Learn about best practice policies from other states
- Develop legislation and executive orders that establish state sector partnership policies

What Is a Sector Partnership?

Through sector partnerships, employers work together with education, training, labor, and community-based organizations to develop plans to close skill gaps. An organization with industry expertise, capacity, and credibility among partners is charged with playing a convener role, and the leadership of employer members is critical for developing strategies that respond to the industry's workforce needs.

Why Should States Establish Sector Partnership Policies?

By establishing robust sector partnership policies that include funding, technical assistance, and program initiatives, states can:

- Expand local communities' use of the proven sector partnership strategy
- Ensure that local sector partnerships provide quality services to employers and workers in an industry
- Make sector partnerships an integral component of the state's workforce system by aligning them with other key workforce strategies such as career pathways and job-driven training investments
- Carry out the Workforce Innovation and Opportunity Act's (WIOA) requirement for states to support local partnerships[2]

SECTION 2

A Guide for State Sector Partnership Policies

THE COMPONENTS OF A ROBUST STATE SECTOR PARTNERSHIP POLICY

National Skills Coalition (NSC) defines a state sector partnership policy as a state-level policy that authorizes ongoing state support for local sector partnerships through funding, technical assistance, and/or program initiative(s). In developing or growing a sector partnership policy, states must determine which of these types of support they will provide to local sector partnerships.

We recommend that states develop robust sector partnership policies that include all three types of support. States with robust policies are better positioned to seed and scale partnerships in communities throughout the state, inform the quality of partnership activities and services, align sector partnerships with other key workforce development strategies, and assess the performance of local partnerships in meeting the needs of workers and employers. This portion of the toolkit provides recommendations to states on each component of a robust state sector partnership policy.

Funding

States should use a combination of federal and state funds to provide grants to local sector partnerships, and should consider requiring local partnerships to match a portion of given grant amounts, either monetarily or in-kind. Funding should include the use of WIOA statewide reserve funds to provide grants to local sector partnerships. States that are using funding to establish sector partnerships for the first time in a local area should provide two-phased planning and implementation grants.

Funding is the first form of state support for sector partnerships. Sector partnerships use funding to convene and staff partnership meetings and to support planning and implementation activities. States can use federal and state funding sources to support local partnerships. At a minimum, WIOA Title I requires that states use a portion of the governor's statewide reserve funds to support local sector partnerships, "providing information on and support for the effective development, convening, and implementation of industry or sector partnerships."[3] States have also used federal grants and state funds to support local partnerships. Non-federal,

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Funding

Using federal funds to provide sector partnership grants: *Kentucky* has used the Workforce Innovation Act (WIA) (now WIOA) statewide reserve funds to provide grants to local sector partnerships. *Ohio* has used a U.S. Department of Labor Incentive grant to help fund sector partnerships.

Blending federal and state funds to support sector partnerships: *California Community Colleges* braid federal Perkins Career and Technical Education Title 1B (state leadership) funds with funds authorized by two different pieces of state legislation to support its *Doing What Matters for Jobs and the Economy* initiative.

Using state funds to leverage private investment: *Pennsylvania* and *Massachusetts* state laws require sector partnerships receiving state grant funds to provide a match of 25 percent and 30 percent respectively.

Providing planning and implementation grants: *Maryland* started its EARN program to support sector partnerships with an initial round of planning grants followed by implementation grants.

state funding sources include general fund appropriations, unemployment insurance offset funds, and trust funds established for workforce development. States can also blend federal and state dollars to support local sector partnerships.

There are key reasons why states should include funding in their sector partnership policies. First, funding helps sector partnerships sustain activities particular to the partnership approach: identifying and responding to industry needs through the deep and continuous interaction between employers and workforce development providers. By investing in sector partnerships, states can help establish and sustain local partnerships and expand their use throughout the state. By specifically investing state resources, states can increase buy-in from industry, state legislators, and other stakeholders.[4] States can also use state investments to leverage investments from other sources. When states provide resources, they can require local partnerships to provide a cash or in-kind match. In addition, investing state resources helps justify establishing state requirements for quality partnerships, data collection, and performance reporting.

When establishing new partnerships, we recommend that states provide planning grants followed by implementation grants. Planning grants provide an opportunity for partners to formally come together to jointly assess a regional industry's skill needs and to develop a plan for addressing those needs. They also provide a chance for partnerships to identify additional employers and organizations that should be included and to distinguish a partner organization with the capability and capacity to serve as a convener of the partnership.

Technical Assistance

States' policies should include technical assistance from the state to local partnerships in the form of staff assistance, professional development and capacity building, economic and labor market analysis, and information-sharing on industry needs and trends.

Technical assistance is another form of state support for sector partnerships. Technical assistance may include:

- Direction and counseling from state staff in forming and sustaining local partnerships
- Professional development and capacity building through academies, toolkits, and peer sharing networks
- Customized labor market and economic analysis
- Information on career pathways, worker training resources, skill standards, and industry-based certifications

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Technical Assistance

Providing professional development and capacity building: *Colorado* provides intensive technical assistance to support the establishment and sustainability of sector partnerships. Colorado has created an online toolkit that includes a sector partnership primer, guides for selecting and mobilizing target industries, a workbook to help conveners launch partnerships, self-assessment tools on partnership readiness and sustainability, and a key performance indicator dashboard to measure partnership outcomes. Colorado provides training on these tools through regional, statewide and virtual convenings.

Providing data and staff assistance: *California Community College's Doing What Matters for Jobs and the Economy* initiative also provides intensive technical assistance to partnerships by offering economic analysis, industry information, and counseling from staff experts. For each region, the initiative provides economic indicators on the labor market and industry and occupational studies. The initiative also funds sector navigators – sector-specific experts who address partnerships' specific needs within a particular region.

By providing technical assistance, states can disseminate best practices and increase the quality of local partnerships. By centralizing technical assistance provision at the state level, states can also achieve economies of scale.

Program Initiatives

States should adopt program initiatives that promote sector partnerships as a key component of the state's workforce system and set key criteria for partnerships.

Program initiatives promote the use of local sector partnerships as part of a state strategy and often set criteria for such partnerships. For example, states may adopt legislation that sets a policy and funding framework for sector partnerships. Governors or state agencies may develop policy documents such as executive orders, workforce board resolutions, requests for proposals, or technical guidance that set specific criteria for the focus, composition, and activities of sector partnerships.

States can also use program initiatives to require or promote the use of sector partnership policies as a key element of their workforce development strategies. Such initiatives might include using competitive economic development or workforce grants to require or incent the use of sector partnerships, or policy guidance that instructs local areas to use sector partnerships in the delivery of workforce services.

There are benefits to a state policy that uses program initiatives both to set criteria for local sector partnerships and to promote the broad use of sector partnerships as a critical component of the workforce system. By setting criteria for local sector partnerships, states can identify and communicate what quality partnerships should look like. By using program initiatives to broadly promote sector partnerships, states can ensure that partnerships are not simply a stand-alone initiative but rather a critical component of the state's overall workforce development system. In fact, states can make certain that other workforce development efforts such as career pathways are effectively engaging employers by requiring them to tap into sector partnerships.

Setting Criteria for Sector Partnerships through Program Initiatives:

States can use program initiatives to set criteria for local sector partnerships on a range of issues, from geographies that should be served by partnerships to activities that should be undertaken by partnerships. We recommend that states follow the guidelines discussed below when using program initiatives to set criteria for local sector partnerships.

1. Defining geographic area(s) served by sector partnerships.

States should define geographic areas according to labor market activity and should generally support only one sector partnership per industry in a geographic area.

Consistent with WIOA, sector partnerships may serve one or more local workforce development area.[5] When defining the geographic areas to be served by sector partnerships, states should account for where the economic activities of targeted sectors take place. The geography of these activities may not neatly align with a single local workforce development area, but may instead reflect a regional economy that includes more than one workforce area. In such cases, sector partnerships should not be limited to serving employers located in a single workforce development area.

We recommend that states generally support only one sector partnership per industry in a geographic area for a few key reasons. First, by having only a single sector partnership per industry in a region, states can help partnerships avoid duplication of effort by employers, education and training organizations, and other partners. Single partnerships with a broad membership (as opposed to multiple small partnerships in the same industry and region) are also better positioned to raise the resources required to sustain partnership activities and to achieve the economies of scale that come from working with several employers and a diversity of partners.

2. Targeting industry sectors.

To ensure alignment with economic and workforce development activities, states should identify target sectors, but allow local areas to propose additional sectors based on key evidence.

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Program Initiatives: Promoting Sector Partnerships as a Key Workforce Development Strategy

Using legislation and requests for proposals to establish a sector partnership framework: *Maryland*, *Massachusetts*, and *Pennsylvania* all have laws in place that identify sector partnerships as a key component of their state's workforce strategy, set parameters for partnerships, establish grant programs to fund partnerships, and require outcomes reporting. Requests for proposals issued by these states further detail criteria for sector partnerships in regard to partnership members, target industries, and activities.

Colorado has passed legislation recognizing sector partnerships as a proven model for engaging employers (2014 Senate Bill 205) and requiring sector partnerships to be used in the development of industry-specific career pathways in order to ensure that pathways are employer-driven and meet industry needs (2013 House Bill 1165 and 2015 House Bill 1274).

Using policy guidance and incentives to promote sector partnerships. *Michigan's* Workforce Development Agency has used policy guidance to implement the Michigan Industry Cluster Approach (MICA). Agency policy guidance directs local Michigan Works! Agencies to take steps toward implementing partnerships, which are referred to as "cluster strategies." State MICA guidelines explain that eligibility for statewide reserve and rapid response funding is contingent upon agencies' adoption and implementation of MICA.

In guiding local sector partnerships on targeting industry sectors, states have two options: states can identify strategic sectors for local areas, or states can allow local partnerships to identify target sectors based on certain criteria. In either case, sectors should be chosen based on their relevance to the area's labor market, as evidenced by indicators such as local concentrations of employment above the national average, substantial and growing job opportunities, and family-supporting wages.

3. Identifying conveners.

State policies should include a list of the types of organizations that may serve as potential intermediaries and their qualifications, but allow for local flexibility.

Conveners are organizations that take the lead role in convening partners on an ongoing basis, coordinating their efforts, and staffing partnership activities. Organizations acting as conveners may also serve as fiscal agents for partnerships. WIOA requires local workforce boards to use certain funds to "develop, convene, or implement"[6] sector partnerships, and sector partnerships must be convened by or act in partnership with a state or local workforce board.[7] However, while WIOA allows local boards to serve as an intermediary, it does not require them to play that role. In practice, different types of organizations play the convener role, including local workforce boards, community colleges, community-based organizations, funder collaboratives, chambers of commerce, and economic development agencies or organizations. To be an effective convener, an organization should have credibility with partners and the capacity to effectively broker, convene, and staff the partnership. For this reason, the type of organization suited to serve as conveners may vary by region and industry within the state.

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Program Initiatives: Setting Partnership Criteria

Defining the geographic areas served according to labor market activity: ***Ohio*** supports sector partnerships (called industry workforce alliances) that serve the state's six JobsOhio regions, which are defined according to the industry activities of the state's major metropolitan areas, and may include more than one local workforce development area.

Targeting industry sectors to align with the state's economy while allowing for regional flexibility: ***California Community College's*** *Doing What Matters for Jobs and the Economy* initiative uses labor market and other economic data to maintain a list of 10 statewide priority sectors. Regional partnerships then use this list, along with data and guidance provided by the initiative, to choose priority and emergent sectors most relevant to their regional economies.

Providing guidance for states to identify conveners while allowing flexibility: ***Massachusetts*** provides flexibility on the type of organization that can serve as a convener, but specifies qualifications for conveners. In a request for proposals, Massachusetts provides a list of 10 organizational types that can serve as a partnership convener/lead applicant but specifies that the intermediary must have the capacity and capability to work with the state's administrative entity to meet participant needs and planned outcomes; convene partners and coordinate their activities in order to carry out training; collect and report data and participate in evaluation; and manage public funds.

Requiring partnerships to include a substantial share of the sector's local employers and education and training providers, as well as labor representative(s): ***Maryland*** includes a broad set of potential partners in its definition of sector partnerships. The state's solicitation for grant proposals requires sector partnerships to include at least five employers from the target industry and representatives from at least two of the other organizational types listed in the definition.

Describing planning and implementation activities that partnerships can undertake while allowing flexibility for local industries' needs: ***Pennsylvania's*** industry partnership law lists several activities that grant-funded partnerships can take on, including convening partners to share information on an industry's common skill needs; aggregating the training, education, and other human resources needs of multiple employers; helping training providers align curricula and programs to industry demand; collaborating with partners to address workforce challenges faced by disadvantaged adults and youth; helping create opportunities for incumbent workers across firms; and strengthening connections between businesses within an industry to improve competitiveness and job quality.

4. Identifying partners.

Sector partnerships should include a substantial share of the sector's local employers and education and training providers. At a minimum, states should require local sector partnerships to include at least three employers, labor representatives, and multiple education and training providers, including adult basic education and postsecondary institutions, to ensure that sector partnerships can inform career pathways.

WIOA lists several types of stakeholders that can participate in a sector partnership.[8] Under the law, sector partnerships include multiple employers or businesses, one or more labor representatives as appropriate, and one or more representatives of higher education and/or other education or training providers. Additional partners may include representatives of state or local government, state or local economic development agencies or organizations, state or local workforce boards, state workforce agencies, business, industry or trade associations, nonprofit or community-based organizations, philanthropic organizations, and others.

Sector partnerships are better positioned to close skill gaps within a particular industry if the partners at the table represent a large share of the sector's employers and training providers. By having multiple employers at the table, partnerships can address common skill needs shared across firms. Similarly, by engaging multiple education and training providers, partnerships can craft training solutions that combine the distinct expertise and services of different organizations, and that serve individuals with different skill levels and needs.

5. Setting expectations for partnership activities.

State policies should describe a range of planning and implementation activities that sector partnerships can undertake, but should allow flexibility so that activities can respond to a local industry's particular needs.

Sector partnerships should engage in planning and implementation activities aimed at closing the skill gap in their industry. Planning activities include research to identify skill gaps in the sector and factors contributing to skill gaps, as well as development of plans to close gaps. Implementation activities include developing or refining training for unemployed or incumbent workers, establishing a K-12 to postsecondary pipeline, identifying skill standards and industry-based certifications, informing curriculum, and other activities that assist in creating career pathways in the sector.

ADMINISTRATING AND ASSESSING STATE SECTOR PARTNERSHIP POLICIES

Administering State Policies

The lead agency charged with administering the state's sector partnership policy should collaborate with other state education, training, and economic development agencies.

States should choose a lead agency to administer the sector partnership policy. The lead agency can vary depending on a state's particular governmental structure and needs. Lead agencies might include state departments of labor and commerce, state workforce boards, state community college boards, or even public-private partnership organizations. Factors to consider in selecting the administrative agency include experience in administering money from the funding source, experience working with the type of entities that will be local partners and conveners, and ability to connect sector partnerships to the state's workforce development strategies.

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Administering State Policies

Promoting collaboration between the lead agency administering the policy and other agencies responsible for education, training, and economic development:

Maryland law identifies the Maryland Department of Labor, Licensing, and Regulation as the lead agency in the administration of its EARN sector partnership program, but requires the Department to administer the program in consultation with the Department of Business and Economic Development and the Governor's Workforce Investment Board.

Massachusetts law requires the quasi-public Commonwealth Corporation to administer the Workforce Competitiveness Trust Fund on behalf of the Executive Office of Labor and Workforce Development, and establishes an advisory committee to provide oversight of the Fund's activities.

Pennsylvania law charges the Department of Labor and Industry with administering its industry partnership policy, but sets out particular activities that the Departments of Agriculture, Community and Economic Development, Education, and Public Welfare must engage in to support the Department's administration of the policy.

The lead agency should collaborate with other state economic development, education, and training agencies to ensure that the state's sector partnership policy is integrated into the state's broader economic and workforce development strategies. The lead agency can do this through its state workforce board or by creating some other state-level sector policy committee(s).

Assessing Sector Partnerships Supported by the State

States should identify how they will use WIOA's outcome measures to assess sector partnerships. They should also determine, in collaboration with local partnerships, additional metrics that would be useful in assessing the quality of local sector partnerships.

States should develop a system for assessing the quality of local sector partnerships, which they can do by measuring outcomes for workers and employers served by sector partnerships. Under WIOA, certain state programs and training providers will report outcomes for workers using common metrics for employment rates, earnings, credential attainment, and skill gains. WIOA also requires one or more metrics for measuring effectiveness in serving employers, which are currently under development. By using WIOA's common metrics, states and local areas will be in a better position to coordinate sector partnerships with other workforce development efforts.

In order to have additional information on the outcomes of sector partnerships, states and local partnerships can develop additional measures. Some states have specified these additional measures while other states have offered a menu of measures for local partnerships to choose from. Still others have allowed local partnerships to suggest their own measures based on their industry and needs. By setting measures in addition to the WIOA measures, states can collect additional information with which to assess the quality of the sector partnerships they support.

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Assessing Sector Partnerships Supported by the State

Applying WIOA common metrics to sector partnerships: WIOA sets six primary indicators of performance as follows:

- Percentage of participants in unsubsidized employment during the second quarter after program exit
- Percentage of participants in unsubsidized employment during the fourth quarter after program exit
- Median earnings of participants who are in unsubsidized employment during the second quarter after program exit
- Percentage of participants who obtained a recognized postsecondary credential or secondary school diploma, or its recognized equivalent during participant within one year after program exit
- Percentage of participants who, during a program year, are in an education or training program that leads to a recognized postsecondary credential or employment or who are achieving measurable skill gains
- Effectiveness in serving employers

Creating additional metrics: ***Pennsylvania*** has set performance indicators for partnerships' impacts on workers, employers, and systems change. ***Massachusetts*** offers potential metrics that partnerships can use to gauge outcomes for employers. ***Maryland*** sets "core indicators" on worker outcomes but also works with partnerships to set custom metrics on issues of specific interest to each partnership.

SECTION 3

Legislative Template

This section of the toolkit provides a template that can be used to develop legislation to establish a robust sector partnership policy. The template can also be used to inform an executive order or other state policies on sector partnership policies.

Intent

The [state] Sector Partnership Program is established for the purpose of supporting local sector partnerships to close skill gaps in strategic industry sectors.

Sector partnerships are a proven strategy for engaging employers in key industries, helping workers train for and access good jobs, and coordinating education, training, and workforce development activities in response to industry needs.

The [state] Sector Partnership Program is an essential program for ensuring that the state's workforce development and economic development activities align with the needs of employers' in the state's key industries.

Sector partnerships supported by the [state] Sector Partnership Program shall be a primary vehicle for education and training programs to engage employers.

State Administration

The [state administrative agency] shall administer the Sector Partnership Program (hereafter referred to as the Program). In establishing and administering the Program the [agency] shall consult with other entities including, but not limited to [list of other state entities, such as the state workforce development board, the workforce administrative agency, the economic development agency, and the higher education agency].

The [agency] shall grant funds appropriated for the Program to sector partnerships in local areas of the state through a competitive process. The [agency] may retain up to 5 percent of the funds to administer the Program.

A local area under the Program shall consist of a Workforce Development Area (WDA) as established under the Workforce Innovation and Opportunity Act or any successor act, except that a partnership may cover more than one WDA should the required partners in each of the WDAs agree to a multi-WDA partnership.

A local area may have more than one partnership, except that no more than one partnership shall receive funds under the Program for the same industry sector in the local area.

The [agency] may provide grants for partnerships in the following strategic industry sectors:

[Insert strategic industry sectors identified by the state.]

The [agency] may provide grants for partnerships in other industry sectors that a local partnership demonstrates to be strategic for economic development and workforce development in the local area. In order to demonstrate that an industry sector is strategic in the local area, the following factors must be considered:

employment in the sector; projected employment growth; wage levels; the location quotient of the sector; and employment opportunities for middle-skill jobs that require some form of postsecondary training but not a bachelor's degree.

In awarding grants, the [agency] shall give priority to applications that address skill gaps for middle-skill jobs.

Grants to local sector partnerships may be for either planning or implementation activities as described below. Planning grants may be for up to [suggested: $30,000] and for less than one year. Implementation grants may be for up to [suggested: $200,000] over two years.

The [agency] shall provide technical assistance to local sector partnerships. Technical assistance may include, but is not limited to, direction and counseling from state staff in forming and sustaining local partnerships, professional development and capacity building through academies, toolkits, and peer sharing networks, customized labor market and economic analysis and information on career pathways, worker training resources, skill standards, and industry-based certifications.

Local Sector Partnerships

In order to be eligible to receive a grant through the Program, a local sector partnership must satisfy the below criteria:

The local sector partnership must consist of at least the following: three employers within the industry sector, a labor organization as appropriate, a local workforce board, a postsecondary education institution, an adult basic education provider, and the Employment Service. Partnerships may also include community-based organizations and other nonprofit organizations, local government, economic development organizations, chambers of commerce, trade associations, representatives of K-12 education, and other entities.

The employer members of the partnership must employ a substantial portion of the individuals who are employed in the industry sector in the local area.

The partnership shall designate one of the member entities as the convener of the local partnership, and one of the members as the fiscal agent for the grant. The convener and the fiscal agent need not be the same entity. The convener shall organize the partnership, recruit employers and other members, and conduct the meetings. The convener may perform additional functions as agreed to by the partnership.

In order to be eligible, local partnerships must provide resources to match at least [suggested: 25 percent] of the value of the grant. Resources may be monetary or in-kind services.

Funded Activities

Grants under the Program may fund either planning or implementation activities.

Planning activities include research identifying the skill gaps in the sector, the factors contributing to the gaps, and the creation of a plan to close the gaps.

Implementation activities may include, but are not limited to, skills training, establishing a K-12 to postsecondary pipeline, establishing career pathways for adults, identifying skill standards and industry-based certifications, developing curriculum, marketing for workforce recruitment, and other activities that assist in preparing or supplying workers for the sector. Skills training may include training for unemployed individuals before or once they have been hired by employers or training for incumbent workers. Training may include on-the-job training or classroom training. Training may be in basic skills, general workplace skills, or specific occupational skills.

In order to receive an implementation grant, the local partnership must have completed planning activities for the sector, whether funded under this Program or by some other means.

Monitoring and Evaluation

The [agency] shall report by December 1 of each year to the Governor's Office and the appropriate policy committees of the Legislature on the performance of the Program. Grant recipients shall report performance information to the [agency] as required by the [agency].

The [agency] shall determine the content of performance reports in collaboration with sector partnerships. Program performance reports shall include information on individual participant results, including, but not limited to, employment rates, earnings, skill gains, and credential attainment. Performance reports shall also include information on outcomes for employers. Examples of employer outcome measures include vacancy rates, employee turnover, employer satisfaction, number of employer members in partnerships, number of workers employed by employer members, employer member retention rates, and employer investments.

Appropriation

For the period ___ to ___, $____ funds are appropriated to the [agency] for the Sector Partnership Program established under this Act.

SECTION 4

Case Studies of State Sector Partnership Policies

MASSACHUSETTS

Massachusetts advances regional sector partnerships through its Workforce Competitiveness Trust Fund (Trust Fund or WCTF). Established through legislation, the Trust Fund supports regional sector partnerships focused on creating a training pipeline in industries with skill gaps.[9]

The Trust Fund was established by the Economic Stimulus Act of 2006 and capitalized with $18 million. The statute promotes sector partnerships as a key strategy for helping workers increase their skills and income and for helping firms increase their competitiveness. It also creates a grant program to support regional sector partnerships. Under the law, partnerships can receive grants of up to $500,000 for up to a three-year period and must provide a match equal to 30 percent of the grant award. Partnerships must use Trust Fund grants to develop and implement training programs that result in positive outcomes for workers and businesses.

The 2006 statute charges the quasi-public Commonwealth Corporation with administering the Workforce Competitiveness Trust Fund on behalf of the Executive Office of Labor and Workforce Development. It also establishes an advisory committee appointed and chaired by the Secretary of Labor and Workforce Development to provide overall supervision of the Trust Fund and assess the effectiveness of its grants. The statute requires the advisory committee to include representatives from the state's education and training agencies, industry associations, labor unions, and community-based organizations.

In 2012, the state passed legislation that recapitalized the Trust Fund with $5 million.[10] It also amended the law to require a portion of the Trust Fund to be used to support partnerships aimed at: 1) closing the state's middle-skill gap; 2) creating career pathways focused on issues such as stackable credentials and transitions from adult education to postsecondary training; and 3) building on the existing expertise and capacities of partner organizations.

In 2015, for the first time, the state passed a budget with a $2 million line item for the WCTF. This budget change may set a precedent for regular, recurring funding to the Trust Fund.

As the organization charged with administering WCTF grants, the Commonwealth Corporation sets additional requirements and guidance for sector partnerships in requests for proposals (RFPs). In accordance with RFP guidelines, sector partnerships must include a minimum of two businesses in the target industry and one or more partners with expertise in training, education, support services, and job placement. Partnerships are encouraged to include additional partners from organizations such as workforce investment boards, public education institutions including community colleges, one-stop career centers, vocational technical high schools, regional or local fiscal agents for WIOA funds, community-based organizations, and labor unions. The Commonwealth Corporation's RFP allows different types of organizations to serve as the partnership convener and lead applicant for grants. Partnerships choose the industry and occupations they will target, but must provide evidence to demonstrate its importance to the regional economy and must document specific employers' needs and hiring opportunities. Commonwealth Corporation requires partnerships to report outcomes for training participants regarding program completion, credential attainment, job placement and retention or wage gains for incumbent workers, and if serving incumbent workers, partnerships must work with participating businesses to document business impact, such as reduced employee turnover or vacancies filled by internal staff promotions.

In addition to using RFPs to set partnership criteria, Commonwealth Corporation delivers technical assistance to partnerships that receive grants. Each partnership is matched to a Commonwealth Corporation program manager who shares resources on best practices and engages in problem-solving. Program managers use a dashboard to measure each partnership's progress toward goals on a quarterly basis, and to help partnerships course-correct as appropriate. Commonwealth Corporation also provides peer-learning opportunities for sector partnerships in the form of quarterly grantee meetings and facilitated webinars.

Training programs created by these WTCF-funded partnerships have yielded positive results for workers and employers. From 2007-2012, 5,600 Massachusetts residents completed training provided by 31 sector partnerships across the state. These partnerships primarily served incumbent workers. Of those trained, 87 percent earned a skill credential and 97 percent experienced a positive employment outcome, such as job placement, promotion or wage gain. Since 2012, 15 additional partnerships have been awarded grants to serve unemployed and underemployed individuals. To date, 726 participants have completed training, and 77 percent of completers have secured a new job. Partnerships will complete placement activity by June 30, 2016.

SECTOR PARTNERSHIP SUPPORTED BY STATE POLICY

Franklin-Hampshire Regional Employment Board

With support from the WTCF, the Franklin-Hampshire Regional Employment Board has created a successful manufacturing sector partnership. Valley Steel Stamp, a local manufacturer, led an effort to organize local businesses to raise $250,000 in private contributions to upgrade equipment at Franklin County Technical School. Students in the high school manufacturing program had been learning on old, outdated equipment and were therefore not prepared for the jobs local employers needed to fill. With a grant from the WTCF, the Board was also able to expand training to unemployed and underemployed adults in the evenings when the new equipment was not being used to instruct high school students.

To develop the partnership, the Board convened local employers, the career center, Franklin County Technical School, and Greenfield Community College, and engaged each partner as appropriate on program design, recruiting and screening participants, instruction, placement and following up on post-program job retention. Skilled workers at participating businesses are serving as technical skills instructors. Greenfield Community College has institutionalized successful training programs, helping to sustain the partnership's training activities in the region beyond the life of the grant. Since 2013, 49 adult participants have completed training and 41 (84 percent) have been successfully placed in employment.

COLORADO

Over the past decade, Colorado has used a combination of funding, technical assistance, and program initiatives to make sector partnerships a central component of the state's economic development and workforce strategies.[11]

Colorado invested in sector partnerships as a key strategy for workforce development in 2007 when the state participated in National Governors Association's Policy Academy on Sector Strategies. At that time, Colorado created a Sector Strategies Steering Committee of industry leaders and workforce, education, and economic development agencies to guide the state's sector strategy development. The state also conducted industry analyses, created a full-time position to lead the initiative, and used WIA statewide reserve funds to provide planning and start-up grants to local sector partnerships. In 2009, Colorado hosted its first Sector Strategy Academy to provide professional development and peer-learning opportunities to local sector partnerships.

In 2011, Congress reduced the percentage of WIA funds that a governor could spend on statewide activities from 15 percent to five percent. This decline in WIA statewide reserve funds, combined with Colorado's goal of making partnerships self-sustaining, led the state to launch the next generation of sector partnerships. To do this, Colorado intensified its sector partnership program initiative and technical assistance to promote sector partnerships as a key aspect of the state's workforce, education, and economic development strategies.

Colorado took several steps to make sector partnerships a "way of doing business" in Colorado. The Colorado Workforce Development Council — the state workforce board — adopted the Sectors Strategies Steering Committee as a subcommittee, with the charge of coordinating sector partnerships with the Council's broader efforts to align education, workforce development, and economic development. The Governor also issued the Colorado Blueprint, a statewide economic

SECTOR PARTNERSHIP SUPPORTED BY STATE POLICY

Northern Colorado (NoCo) Manufacturing Sector Partnership

The NoCo Manufacturing Sector Partnership formed in 2013 to address manufacturing sector skill gaps in the Front Range region of Colorado. The Colorado Workforce Development Council funded intensive technical assistance to help the Partnership's Manufacturing Talent Committee implement the "Creating Career Pathways in Colorado: A Step-by-Step Guide" to improve the sector's talent pipeline.

The Committee conducted an in-depth assessment of skill gaps in six key occupations and developed an action plan for closing identified gaps. The committee completed skill panels for each occupation, using labor market data as the starting point for in-depth conversations with manufacturing hiring managers and high-performing employees from across the region to identify the skills required in the six target occupations. The committee identified actions that education and training partners can take to help people gain those critical skills. Actions include:

- Changes in curriculum, such as a "2+3" partnership between Front Range Community College and Colorado State University. The Community College will provide a two-year engineering program, complete with for-credit manufacturing internships, to prepare students for industry jobs and/or transfer to Colorado State's four-year engineering degree program.
- Industry badges to recognize the completion of work-based training hosted by manufacturing companies.
- Partnerships between K-12 technology and engineering teachers and industry to develop curriculum with work-based learning opportunities.
- Cross-program advisory committees of manufacturing hiring managers and employees to augment existing education and training curricula.

The NoCo Manufacturing Sector Partnership is now in the process of implementing these actions.

development plan centered around 14 industries. The Blueprint calls on local, regional, and state stakeholders to advance local sector partnerships in order to meet target industries' needs. Meanwhile, the Colorado Workforce Development Council and Colorado Department of Labor and Employment took steps to integrate sector partnerships into local workforce planning and federal grant proposals. In 2014, the state legislature passed Senate Bill 205, which codifies sector partnerships as a key component of Colorado's workforce system.

In launching the next generation of sector partnerships, Colorado rolled out a robust set of technical assistance activities and materials. Colorado created an online toolkit that includes a sector partnership primer, guides for selecting and mobilizing target industries, a step by step workbook to help conveners launch partnerships, self-assessment tools on partnership readiness and sustainability, and a key performance indicator dashboard to measure partnership outcomes. Colorado provides training on these tools through a combination of regional, statewide, and virtual trainings and convenings. Additionally, the Council has provided in-depth 1:1 coaching to all interested partnerships.

In recent years, Colorado's sector strategy has focused on ensuing that the partnerships are driving the creation of career pathways. In 2013, Colorado passed House Bill 1165, establishing a manufacturing career pathway. The career pathway is intended to connect education and training strategies and support services so that people can get industry-relevant skills and credentials, find manufacturing jobs, and advance their education and careers. The law requires the development of the career pathway to be driven by manufacturing sector partnerships that identify skill needs. In 2015, Colorado adopted House Bill 1274, which requires the state to develop career pathways in construction, information technology, and health care that engage employers through sector partnerships. The state of Colorado has also engaged in technical assistance activities to build career pathways in conjunction with sector partnerships. In fact, the Colorado Workforce Development Council's step-by-step guide to creating career pathways explains that "[t]he Colorado model of career pathways assumes they are driven out of emerging and existing sector partnerships."[12]

Today, there are 20 emerging or active sector partnerships across the state. Businesses engaged in Colorado's sector partnerships cite a number of benefits, including reductions in vacancy rates, employee recruitment costs and employee turnover, as well as stronger relationships with local educational entities and the development of new markets and products through company-to-company interactions.[13] Over two-thirds of Colorado's sector partnerships have helped improve participating businesses' human resources practices, recruitment practices, and internal training.[14]

MARYLAND

In 2013, the Maryland State Legislature passed Senate Bill (SB) 278 establishing Employment Advancement Right Now (EARN) Maryland, a state-funded, competitive workforce and economic development grant program. The EARN Maryland program uses program initiatives, funding, and technical assistance to provide support to regional sector partnerships.

Maryland SB 278 identifies sector partnerships as a key element of the state's workforce development strategy, stating that industry-led partnerships created through EARN are to "advance the skills of the state's workforce, grow the state's economy, and increase sustainable employment for working families." The law creates a framework for providing grants to regional sector partnerships. It charges the Department of Labor, Licensing, and Regulation (DLLR) with administering EARN, in consultation with the Department of Business and Economic Development and the Governor's Workforce Investment Board.

As specified by DLLR's request for proposals (RFP) for EARN implementation grants, local partnerships must include at least five employers from the target industry and at least two other entities, which may include nonprofits, community-based organizations, postsecondary institutions, local workforce boards, local governments and human service agencies, regional or local economic development entities, labor unions, K-12 programs, industry associations, philanthropic organizations, or other training providers. DLLR does not prescribe a particular type of organization to act as the convener, but rather allows partnerships to make this determination based on the capabilities and capacities of partnering organizations. DLLR's RFP, however, does underscore the need for the convening organization to be a credible broker among partners and act as the fiscal agent for the partnership. Partnerships are also able to propose target industries and geographic areas served, but must provide data substantiating such choices in proposals. By allowing

SECTOR PARTNERSHIP SUPPORTED BY STATE POLICY

Project JumpStart

Project JumpStart leads two regional construction sector partnerships in Maryland that use pre-apprenticeship training to prepare participants for entry-level construction work. The program offers hard skills training in basic construction, electrical, carpentry and plumbing, certifications in OSHA 10, First Aid and CPR, and support services, such as case management and driver's education, if applicable. JumpStart received an EARN planning grant to identify plans for assessing and expanding its existing Baltimore partnership and establishing a new partnership in Prince George's County, MD. JumpStart also received implementation grants to support its pre-apprenticeship training in both local areas.

The nonprofit Job Opportunities Task Force (JOTF) serves as the convener for JumpStart's two sector partnerships, managing grants and relationships between partners to implement the pre-apprenticeship program. JumpStart uses two employer advisory committees to identify hiring and skill needs in the construction industry in two counties — Baltimore and Prince George's. In addition to regularly engaging these employer advisors, JumpStart works with a broader network of employers to place program graduates in jobs. As partnership convener, JOTF also brokers training and support services among multiple provider partners. Regional chapters of the Associated Builders and Contractors provide skills training in both partnerships while multiple community-based organizations conduct recruitment, assessment, and case management.

The EARN planning grant helped JOTF analyze hiring and skill needs in the construction industry, identify industry-recognized certifications, and review the pre-apprenticeship program's curriculum relative to employer's needs. With support from an EARN implementation grant, the Baltimore JumpStart partnership grew its program, enrolling 26 new participants in training from July 2014 through June 2015. All 26 participants completed the program, and 21 graduates found jobs earning an average wage of $11.50/hour. In Prince George's County, 18 students graduated from the program, and Project JumpStart expects to place at least 75 percent of the cohort.

partnerships to define target industries and geographic areas, DLLR provides them with the flexibility they need to be responsive to the particular needs of a regional labor market that may span local political or geographic boundaries.

Starting in 2013, the state of Maryland has appropriated $4.5 million annually to the EARN program. This funding level has been sustained across two gubernatorial administrations. DLLR implemented EARN through competitively-awarded planning and implementation grants. First, DLLR issued planning grants (at an average of $22,000) to 29 emerging partnerships to support planning activities, such as a detailed analysis of workforce needs, identification of additional partners, and development of workforce training plans to close skill gaps. Next, DLLR issued implementation grants (at an average of $180,000) to fund planned training activities, including job readiness and skills training for unemployed, underemployed, and incumbent workers. Since the program's start, DLLR has issued a total of 40 implementation grants to partnerships that target ten industries.

By beginning with planning grants, partner organizations were given an opportunity to convene regularly around a set of common workforce needs in a particular industry. In doing so, partnerships were able to identify other organizations that should be at the table and develop a workforce training plan. Twenty-five of the 29 partnerships that received planning grants also received implementation grants. As the program gains momentum across the state, DLLR is encouraging organizations interested in EARN to connect with current partnerships to expand the partnerships' membership and efforts.

DLLR additionally provides technical assistance to partnerships. A grant advisor works with each partnership individually, providing technical assistance to ensure that all project deliverables are met. DLLR hosts an annual meeting to provide professional development and peer-to-peer learning opportunities for partnerships. DLLR also facilitates opportunities for partnerships to communicate with members of their industry cluster to share information and discuss common themes or challenges.

With implementation under way, the state is beginning to assess EARN partnerships. SB 278 sets requirements for the Department to report annually the number of individuals who are served by EARN partnerships, their demographic characteristics, and the number of participants who earned a credential or "identifiable skill," were placed into employment, or received a promotion. DLLR is in the process of creating a report on these outcomes for the first round of EARN implementation grants. DLLR also works with partnerships to set custom metrics on issues of specific interest to each partnership.

SECTION 5

List of State Resources

National Skills Coalition

Skills in the States: Sector Partnership Policy 50-State Scan: http://www.nationalskillscoalition.org/documents/2015-08-Skills-in-the-States-Sector-Partnership-Policy.pdf

California:

California Community Colleges Doing What Matters for Jobs and the Economy Landing Page: http://doingwhatmatters.cccco.edu/Home.aspx

Colorado:

2013 House Bill 1165 Concerning the creation of a manufacturing career pathway: http://tornado.state.co.us/gov_dir/leg_dir/olls/sl2013a/sl_305.pdf

2014 Senate Bill 205 Concerning the talent pipeline working group within the State Workforce Development Council: http://tornado.state.co.us/gov_dir/leg_dir/olls/sl2014a/sl_245.pdf

2015 House Bill 1274 Concerning the creation of career pathways for students for critical occupations in growing industries: http://tornado.state.co.us/gov_dir/leg_dir/olls/sl2015a/sl_196.pdf

Colorado Workforce Development Council's Sector Partnership Landing Page: http://www.sectorssummit.com/colorados-sectors-summit-and-the-colorado-blueprint/

Colorado Sector Partnership Toolkit: http://www.sectorssummit.com/toolkit/

Kentucky:

2014 Request for Proposals, Industry Partnerships: http://kwib.ky.gov/industrypartnerships/IPRFP4.pdf

Maryland:

2013 Senate Bill 278 Establishing Employment Advancement Right Now (EARN) Maryland: http://www.dllr.state.md.us/earn/earnbill.pdf

EARN Maryland Landing Page: http://www.dllr.state.md.us/earn/

2013 Solicitation for Planning Grant Proposals, EARN Maryland: http://www.dllr.maryland.gov/earn/earnfinaleas.pdf

2014 Solicitation for Implementation Grant Proposals, EARN Maryland: http://www.dllr.state.md.us/earn/earnsolicimplgrants.pdf

Massachusetts:

2006 Chapter 0168 Establishing Certain Educational Funds: http://archives.lib.state.ma.us/actsResolves/2006/2006acts0168.pdf

2012 Chapter 238, Section 17A (Amending 2006 law on Workforce Competitiveness Trust Fund): https://malegislature.gov/Laws/SessionLaws/Acts/2012/Chapter238

2013 Request for Proposals for Workforce Competitiveness Trust Fund Addressing the Middle Skills Gap Grant Program: http://commcorp.org/resources/rfp.cfm?ID=24#.VgIWzpeIOfE

Partnerships: A Workforce Development Practitioner's Guide: http://commcorp.org/resources/detail.cfm?ID=1007

Michigan

Michigan Industry Cluster Approach (MICA) White Paper, Toolkit, Guidelines and other resources: http://www.michigan.gov/wda/0,5303,7-304-64363-299373--,00.html

Ohio:

2014 Industry Workforce Alliance Partnership Grants Request for Grant Applications: https://procure.ohio.gov/PDF/527201410308RFGA_WEB.pdf

Industry Workforce Alliance Toolkit: http://workforce.ohio.gov/ResourcesReports/IndustryWorkforceAllianceToolkit.aspx

Pennsylvania:

2011 Act 67: http://www.legis.state.pa.us/cfdocs/legis/li/uconsCheck.cfm?yr=2011&sessInd=0&act=67

Fiscal Year 2015-2016 Industry Partnership Program Notice of Grant Availability: http://www.pawork.org/wp-content/uploads/2014/03/FY15-16-IP-NGA.pdf

Endnotes

1 For more on sector partnerships, see Dedrick, Fred. 2014. "Industry Partnerships: Theory and Practice" In *Connecting People to Work: Workforce Intermediaries and Sector Strategies*, Maureen Conway and Robert P. Giloth, Eds. 2014. New York: The American Assembly, Columbia University.

2 Under WIOA, states must use a portion of statewide reserve funds to support local areas in the development, convening, or implementation of industry or sector partnerships. State workforce boards must assist the Governor in developing and expanding strategies for meeting the needs of employers, workers, and jobseekers, particularly through sector partnerships.

3 Workforce Innovation and Opportunity Act, Section 134(a)(2)(B)(i)(III)

4 Andy Van Kleunen. "Will Workforce Policy Finally Catch Up to Sector Practice?" In *Connecting People to Work.*

5 Workforce Innovation and Opportunity Act, Section 106(c)(1)

6 Workforce Innovation and Opportunity Act Section 134(c)(1)(A)(v)

7 Workforce Innovation and Opportunity Act Section 3(26)

8 See Workforce Innovation and Opportunity Act Section 3(26) for definition of an industry or sector partnership.

9 Massachusetts has two other sector investment programs: The Workforce Training Fund Program and the Health Care Workforce Transformation Fund. The Workforce Training Fund Program provides grants to employers to support skills upgrade training for their current workers and is funded through a surcharge on businesses' quarterly unemployment insurance tax payments. The Health Care Workforce Transformation Fund investments are focused primarily on training for incumbent workers. The Fund was established to address workforce needs associated with legislation designed to support health care cost containment and improved quality of care. Since Massachusetts has these other robust funding streams in place to support incumbent worker training, the focus of the WCTF has more recently been on training for unemployed and underemployed individuals.

10 2012 Massachusetts House No. 4352.

11 Information included in this case study was compiled by reviewing several documents available at: www.sectorssummit.com/

12 Colorado Workforce Development Council, Prepared by Collaborative Economics and The Woolsey Group, LLC. *Creating Career Pathways in Colorado: A Step-by-Step Guide*, Version 2.0 www.sectorssummit.com/wp-content/uploads/2015/07/Creating-Career-Pathways-in-Colorado.pdf (2014)

13 Colorado Workforce Development Council, *The Colorado Talent Pipeline Report*, 2015 available at: www.colorado.gov/pacific/sites/default/files/2015%20Talent%20Pipeline%20Report.pdf

14 *Colorado Talent Pipeline Report*, 2015.

National Skills Coalition organizes broad-based coalitions seeking to raise the skills of America's workers across a range of industries. We advocate for public policies that invest in what works, as informed by our members' real-world expertise. And we communicate these goals to an American public seeking a vision for a strong U.S. economy that allows everyone to be part of its success.

1730 Rhode Island Avenue NW
Suite 712
Washington DC 20036
Phone: 202.223.8991
Fax: 202.223.8354
info@nationalskillscoalition.org

www.nationalskillscoalition.org

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