

SECTOR PARTNERSHIP POLICY TOOLKIT SUMMARY



October 2016

Why States Should Establish Sector Partnership Policies

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. At the same time, many low-skilled and low-income people need better access to middle-skill training and jobs.

Sector partnerships help solve these problems. Through sector partnerships, employers work together with education, training, labor, and community-based organizations to address their industry's local skill needs. Sector partnerships are a proven strategy for helping workers prepare for middle-skill jobs and helping employers find skilled workers.

States can establish policies that help establish, sustain, and scale local sector partnerships by providing ongoing funding, technical assistance, and/or support through program initiatives. By adopting sector partnership policies, 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, aligned with other key workforce development policies; and
- Carry out WIOA's requirement for states to support local sector partnerships.

WHAT'S A SECTOR PARTNERSHIP?

Sector partnerships convene multiple employers in an industry with education, training, labor, and community-based organizations to close skill gaps. An organization with industry expertise, capacity, and credibility among partners is chosen to play a convener role. While employers do not typically convene partnerships, their leadership and engagement is critical for developing strategies that respond to industry's workforce needs.

Components of a State Sector Partnership Policy

National Skills Coalition 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 initiatives. We recommend that states develop robust sector partnership policies that include all three types of support.

Funding

States should use a combination of federal and state funds to provide grants to local sector partnerships, including WIOA statewide reserve funds. They should also consider requiring local partnerships to provide a monetary or in-kind "match" to a portion of given grant amounts. Funding can help sector partnerships play a convening role in order to continuously



engage employers and workforce development providers to identify and respond to skill needs. State funding with a required local match can increase buy-in from industry, state legislators, and other local and state stakeholders.

States that are using funding to establish local sector partnerships for the first time should provide two-phase planning and 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; identify additional employers and organizations that should be included; and identify a partner organization with the capability and capacity to serve as a partnership convener.

Technical Assistance

States should also provide technical assistance to local partnerships. By providing technical assistance, states can disseminate best practices and increase the quality of local partnerships. Such 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 information and economic analysis; and
- Information on career pathways, worker training resources, skill standards, and industry-based certifications.

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. Such criteria should include:

- Geographic areas to be served by sector partnerships according to labor market activity;
- Target sectors with allowance for local areas to propose additional sectors based on evidence of need;
- The types of organizations that may serve as potential intermediaries and their qualifications;
- Required partner organizations, including at least three employers, labor representatives, and multiple education and training providers; and
- The range of planning and implementation activities that partnerships can undertake.

Administering State Policies and Assessing Partnerships

States should choose a lead agency to administer the sector partnership policy. While the lead agency can vary depending on a state's particular governmental structure and needs, it should collaborate with other state education, training, and economic development agencies.

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

STATE EXAMPLES

Massachusetts advances regional sector partnerships through its Workforce Competitiveness Trust Fund. Established by legislation, the Trust Fund supports partnerships that create training pipelines in industries with skill gaps. The Trust Fund provides competitive grants to partnerships using state funds, with criteria for partnerships set out in its request for proposals. The Commonwealth Corporation, which administers the Trust Fund on the state's behalf, provides technical assistance to sector partnerships through staff support, peer-learning opportunities, and data measurement.

Colorado has adopted state policies that make sector partnerships "a way of doing business" in the state. The Colorado Workforce Development Council (the state workforce board) adopted a sectors strategy subcommittee charged with coordinating sector partnerships with the Council's broader efforts to align education, workforce development, and economic development. In 2014, the state legislature passed Senate Bill 205 to codify sector partnerships as a key component of the state's workforce system. Colorado is also focused on ensuring that sector partnerships inform career pathways. In 2013 and 2015, Colorado passed House Bill 1165 and House Bill 1274 respectively to require career pathways in key industries that engage employers through sector partnerships.

Maryland's Employment Advancement Right Now (EARN) supports regional sector partnerships through a competitive grant program funded with state dollars. Established by Senate Bill 278 in 2013, EARN first provided planning grants, followed by implementation grants to fund planned training activities. The state additionally provides technical assistance through staff support to partnerships and hosts an annual meeting to provide professional development and peer-to-peer learning opportunities.

LEGISLATIVE TEMPLATE

This 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.

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.

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