

| WIOA Task Force/Subcommittee | Local Governance and Sectors |
|------------------------------|---|
| <p>Recommendation</p> | <p><i>In order to answer the question, “How would we know if sector strategies make a difference?” the Steering Committee (Local Governance and Sectors Subcommittee) recommends that the Workforce Training and Education Coordinating Board (Workforce Board):</i></p> <ul style="list-style-type: none"> • <i>Convene a work group to develop a rubric aligned to the Workforce Board approved sectors framework. The rubric will be used by local areas as part of their regional/local plans to identify their status in the implementation of targeted sector initiatives, their plans to advance local initiatives and as a, tool to track the specific outcomes of sector activities. The rubric would be updated every two years as part of local plan submissions or updates, and would provide the Workforce Board with data on the implementation and outcomes for sector initiatives.</i> • <i>Use the rubric and reporting based on the rubric as a mechanism to promote continuous improvement and learning.</i> • <i>Provide formal training for local practitioners on the implementation of sector strategies and the use of the rubric to create greater consistency and expertise.</i> |
| <p>Background</p> | <p>The Local Governance and Sectors Subcommittee was asked to recommend guidance regarding sector strategies, industry engagement and local sector targeting. The state board approved the initial components of a sectors framework forwarded by the subcommittee in May. Remaining deliverables included a recommendation on how the state board would know if the investment in sectors made a difference.</p> <p>The performance outcomes for sector strategies are the same as for other economic development and workforce activities:</p> <ul style="list-style-type: none"> ○ Did people get and keep jobs? ○ Did people get and increase wages? ○ Were businesses retained or grown? ○ Did the job seeker and the business have a positive experience? <p>No additional statewide performance measures are needed for sector strategies.</p> <p>Discussion with data and labor market experts clarified that direct causal links between sector strategies and statewide performance improvements are impossible to prove. However, the result of sector strategies can be and often are tracked at the local level. In order to roll this information up to a statewide level, a common</p> |

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| | <p>approach to sector strategies and reporting tool is needed. Local sector experts identified the lack of consistency in the implementation of sector strategies as a challenge to learning across and even within local areas.</p> <p>Therefore, it was recommended that a rubric be developed and incorporated in the state strategic plan. The rubric would provide</p> <ul style="list-style-type: none"> ○ Common definitions ○ Clarification of the steps needed to implement a sector strategy ○ Criteria that would help a local area identify, track and map it progress throughout a sector project ○ Sample outcome measures and a tool for tracking sector specific outcomes. <p>Local areas/regions would complete a rubric for each targeted sector as part of their strategic plans, and would update their progress every two years as part of local/regional plan reviews. The rubric would include a template for tracking and reporting outcomes that could be compiled across regions/areas to give the board and the locals a better understanding of the results obtained. This approach also recognizes that the implementation of sectors is a learning opportunity. Locals should not be penalized for taking risks to address industry needs. Sector strategies are most effective as a way to gain more precise, actionable information to better fill the needs of employers and job seekers.</p> <p>Sample rubrics are included to help committee members visualize what a rubric for sectors might look like.</p> |
| <p>Who was engaged in this process? <i>(Please provide a list of subcommittee or task force members and who they represent)</i></p> | <p>The members of the Sectors Task Force:</p> <p>Katie Mirkevich, DSHS/DV Tracey Schreiber, SWWDC Elizabeth Iaukea, OSOS/WSL Sean Murphy, Pac Mtn. WDC Kathy Goebel, STCBC Alex Pietsch, Commerce Bryan Pannell, SeaKing WDC Dave Wallace, WTB Agnes Balassa, ESD Jennifer Peppin, ESD Carolyn McKinnon, Commerce</p> <p>Members of the Performance and Accountability Subcommittee: Dave Pavelchek, Workforce Board Scott Wheeler, ESD</p> |
| <p>What, if any, is the minority recommendation?</p> | <p>N/A</p> |
| <p>Are there any unresolved issues?</p> | <p>N/A</p> |

Sectors Framework (approved by WTECB on 5/28/15)

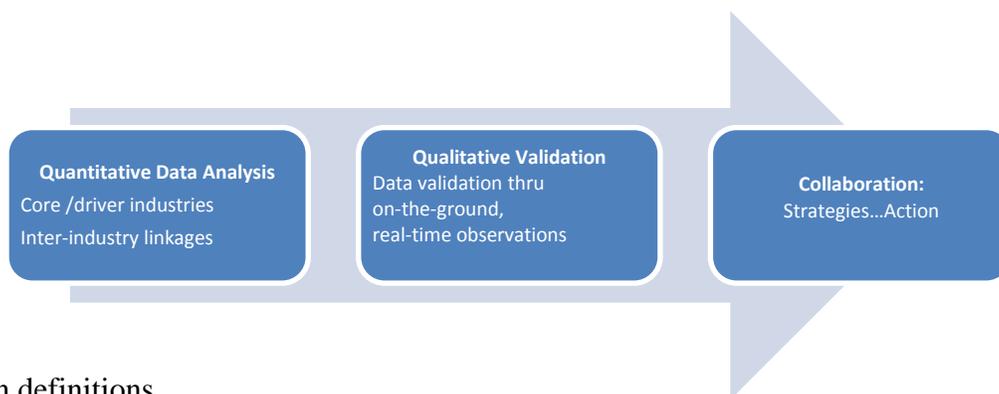
Guiding Principles

- Sector strategies are but one of many strategies for workforce and economic development.
- Statewide and local sector strategies can co-exist in mutually-reinforcing and beneficial ways. They are not mutually exclusive of one another.
- Critical factors for identifying sectors to be targeted for sector strategies include employment opportunities (*including opportunities for those with barriers to employment*), wage levels (including career and wage progression potential), and the economic impact of the industry.
- Because policy objectives vary, workforce and economic development partners may work from different lists of targeted sectors. That being said, collaboration and coordination is imperative when economic and workforce strategies target the same sectors.
- Nascent or emerging sectors, as well as mature or plateaued ones, have a role in workforce and economic development initiatives.
- Both traded sectors and local services sectors have a role in workforce initiatives. Traded Sectors generally include export or innovation-based industries – agriculture, manufacturing, scientific Research and Development. Local services sectors are more population-based. Retail, health care, educational services, food services, public administration – tend to locate based on population and are prevalent in almost all communities.
- Targeted sector lists should be updated periodically to keep pace with changing economic conditions.
- As sector strategies are developed, there should be an emphasis on data-driven outcomes (e.g., employment placements) *for businesses, job seekers and workers, including individuals with barriers to employment.*
- Sector strategies are developed,

Process and criteria for identifying and prioritizing target sectors

- Conduct quantitative data analysis: Identify core/driver industries and inter-industry linkages. Measure and rank criteria relating to industry concentration, employment, and opportunities for wage and career progression. Criteria should include, but not be limited to:
 - Industry concentration – Using employment location quotient for the local area relative to the nation. (Possible Data Sources: *ESD's Quarterly Census of Employment and Wages*, *Bureau of Labor Statistics location quotient calculator at http://data.bls.gov/location_quotient/ControllerServlet*)
 - Recent and projected employment growth – Looking for positive projected growth potential. (Possible Data Source: *ESD's employment projections for projected data and ESD's Quarterly Census of Employment and Wages for recent employment data*)
 - Opportunities for wage progression – As indicated by range between 25th and 75th percentiles in wages observed within a given occupation in the sector (Possible Data Source: *ESD's Occupational Employment Survey wage data.*)

- Opportunities for career progression – As indicated by percent of occupations in the middle- and high- wage ranges and other indicators of occupational mobility within a given sector. (Possible Data Sources: *ESD's occupational wage data and industry-occupation matrix.*)
- Conduct qualitative validation: Validate quantitative findings through conversations with industry (business and labor) and regional economists. Criteria may include just should not be limited to:
 - Quantitative factors such as employment projections relating to retirements and turnover; output; earnings per worker; commuting patterns; change in establishments; change in wages; exports as percent of output; traded versus local services sectors. (Possible Data Sources: *ESD's Employment projections, Bureau of Labor Statistics national replacement rates for occupations at http://www.bls.gov/emp/ep_table_110.htm, comparisons between job openings and numbers of unemployed from sources like Help Wanted on Line at <https://fortress.wa.gov/esd/employmentdata/reports-publications/occupational-reports/employer-demand-report>, Department of Revenue's Quarterly Business Income at <http://dor.wa.gov/content/aboutus/statisticsandreports/TID/StatisticsReports.aspx?query=gbinaiacs>, commuting patterns from the Census Bureau's county to county migration flows, *change in establishments and changes in wages reported on ESD's Quarterly Census of Employment and Wages; Occupational Employment Survey.*)*
 - Qualitative Factors such as industry-recognized certifications and related opportunities for career progression, policy/regulatory/legislated issues, resources at-hand, and factors of chance and special circumstances, as identified by companies within the sector.
- Develop strategies for action through collaborative planning with economic development, business and education partners.
- Define intended outcomes and measure results.



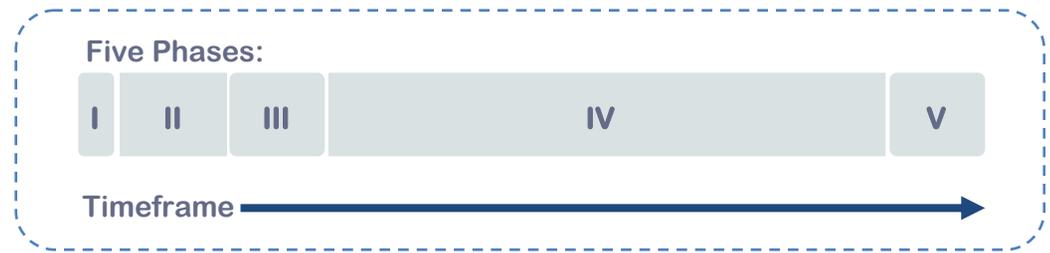
Common definitions

- Sector: A group of industries with similar business processes, products or services like construction or health services; formerly categorized by the Standard Industrial Classification (SIC) system, now categorized by the North American Industry Classification System (NAICS). Traded sectors – those that produce goods - often locate where near the resources

necessary to create products, while local services sectors – retail, healthcare, education - tend to exist throughout the state since these are population based.

- **Industry Cluster:** A geographic concentration of interdependent competitive firms that do business with each other, including firms that sell inside and outside of the geographic region as well as support firms that supply new materials, components, and business services. (RCW 43.330.090)
- **Targeted Industries or Clusters:** Industries and industry clusters that are identified based on a strategic economic development consideration or other public concerns.
- **High Employer Demand Program of Study:** Postsecondary or Industry Recognized Certificate or degree program in which the number of students prepared for employment per year (from in-state institutions) is less than the number of projected job openings per year in that field—statewide, or in a sub-state region.
- **High-Demand Occupation:** An occupation with a substantial number of current or projected employment opportunities.
- **High Student Demand Program of Study:** Postsecondary or Industry Recognized Certificate or degree program in which student demand exceeds program capacity.

The Columbia-Willamette Regional Workforce Collaborative Industry Engagement Framework



Phase I: Investigate

Phase II: Inventory & Analyze

Phase III: Convene

Phase IV: Act

Phase V: Evaluate

Goal: Determine target industries

Goal: Vet growth trends, produce industry report

Goal: Prioritize potential workforce initiatives

Goal: Implement workforce initiatives

Goal: Produce a final report, identify next steps



- Determine growth sectors to investigate
- Ensure relevance in two or more WIB regions
- Evaluate industry against 10+ considerations relating to growth, relevance to economic development activities, and other key factors
- Make a recommendation to the Regional Competitiveness Committee (RCC)
- Pursue approved industries using the 5-phase approach

- Conduct a baseline review of demand-side (employer) and supply-side (labor pool) data
- Analyze industry trends, review existing research/reports
- Conduct employer workforce survey to gather primary, local data
- Analyze gathered intelligence
- Produce a brief industry report focused on local issues, trends, and labor shed data

- Present potential workforce initiatives and investments to industry
- Collect input from industry about how to prioritize potential strategies
- Identify industry stakeholders who commit to guiding implementation of identified priorities.
- Convene industry panel(s) targeted toward specific strategies
- Develop preliminary action plans for selected initiatives

- Develop an operational plan for WIB staff
- Execute plans, monitor progress
- Provide Industry Panels and Collaborative leadership with status reports at agreed-upon intervals.
- Identify roadblocks or barriers and address them in a timely manner.
- Continue to re-evaluate industry trends in real time as initiative(s) are carried out.

- Conduct quantitative and qualitative data collection through a variety of methods from project participants and stakeholders
- Analyze data and vet initial findings
- Prepare reports targeted to industry employers and consortia, public officials, and media
- Present findings, where appropriate, to targeted groups in web-based or in-person forums
- Convene Industry Panel for close-out meetings to articulate a final recommendation to the RCC regarding next steps with the industry.





Oregon Workforce System Performance Measures: Targeted Sectors Summary Report

Overview

In 2013, the Governor's Office and Oregon Workforce Investment Board (OWIB) asked the Oregon Employment Department to develop and implement a series of new workforce performance measures to meet the needs of the evolving workforce system. A total of nine measures have been identified. This paper provides analysis and recommendations related to the targeted sectors measure.

Targeted Sectors Work Group

Lead: Gail Krumenauer, Oregon Employment Department

Other Members:

Department of Community Colleges and Workforce Development: Shalee Hodgson, Karen Humelbaugh, Todd Nell; Department of Human Services: Jennifer Bell, Belit Burke, Alma Estrada; Local Workforce Investment Boards: Pam Ferrara, Nick Knudsen, Robin Onaclea-Scott; Oregon Business Development Department: Lisa Ansell; Oregon Employment Department: Robert Brown, John Glen, Jeff Hughes, Graham Slater

Definitions

Targeted Sector: an industry identified as key to the local economy because of its size, concentration of employment, current or future growth opportunity, high-wage employment, or some other reason (or a combination of these and other reasons).

Targeted Sectors: The Issue

One of Oregon's new workforce system performance measures focuses on the degree to which the needs of businesses in identified "targeted sectors" are met. Conceptually, if the workforce system specifically commits to targeting or prioritizing certain industries, businesses in those industries would experience some higher level of service: training targeted to their industry needs; workforce system staff with a high level of industry understanding; referral of highly qualified job seekers.

Previous efforts to set performance measures for sector strategies focused on the trends in total employment for a particular sector. This work group believes that to be an inadequate measure of Local Workforce Investment Board (LWIB) and system performance. The group's reasoning for this position is twofold:

- Many LWIBs prioritize sectors, such as manufacturing, with generally declining employment over the long term. Efficiency gains and mechanization allow some of these employers to produce the same or larger amounts of product with fewer actual employees. Yet those industries may be essential to an area's economic health and





Oregon Workforce System Performance Measures: Targeted Sectors Summary Report

may need new or higher skills that may be difficult for employers to readily find in the existing workforce.

- With the exception of health care, total sector employment is driven to a larger degree by economic expansion and contraction associated with the business cycle than by the targeted efforts of an LWIB. Evaluating an LWIB's success in sector engagement by total employment overlooks their efforts at the ground level. Simply measuring total employment incentivizes LWIBs to specifically choose health care for its employment gains, rather than considering any sector that would benefit from workforce system support.

Targeted Sectors Work Group Solution

This work group has been asked to establish a framework that allows flexible and locally driven methods to determine the effectiveness of LWIBs in engaging with their targeted sectors to meet employer needs. Important factors presented to the work group for consideration in the plan include: different sectors among the various local areas; the inclusion of targeted job seeker populations in targeted sector planning; and the ability for local area workforce boards to customize the work on which they're measured. These criteria form the foundation for our alternative to total employment as a targeted sector measure.

With the performance measure needs and the work group charter in mind – and the direct input of LWIB staff at the forefront – the group has developed a hybrid process- and outcome-based strategy for identifying the priority industries, engaging with them, and meeting their needs. Our plan adapts and expands upon the Columbia-Willamette Regional Workforce Collaborative's five-phase plan for targeted sectors (<http://www.workforcecollaborative.org/industry-engagement>).

Targeted Sector Performance Measure Recommendations

The attached single-page project management and reporting tool serves as a guide for LWIBs to follow throughout the life of their sector strategy plans, and a tracking report to ensure progress towards OWIB's requirement for engagement with employers in priority industries. The reporting tool includes six performance goals that must be met, steps that must be completed to meet the goals, and a customizable set of items for consideration to complete each step. The sixth performance goal includes detailed tracking of job seeker placements and training- and employer-related outcomes.

The Workforce Performance Measures Targeted Sectors work group recommends:

1. LWIBs use one copy of the single-page reporting tool for each targeted sector.





Oregon Workforce System Performance Measures: Targeted Sectors Summary Report

2. LWIBs establish sector strategy plans on a biennial basis, with the latitude to justify customizing the starting quarter and number of quarters for each sector's strategy.
3. Each quarter the local workforce board completes one report and brief, linked narrative for each sector and submits it to Oregon's Performance Reporting Information System (PRISM). Reporting tool items may be expanded or modified, but all steps and goals must be completed by the agreed-upon quarter.
4. PRISM automates a lookup of the current reference quarter and corresponding goal. Each sector is tallied as a yes/no for being on schedule or complete.
5. OWIB receives a quarterly total of the number of sectors progressing on schedule (e.g., 26 of 28 are on schedule or complete). For more details, the one-page report and brief companion narrative provide additional information.

Quarterly Reporting Tool Benefits

The targeted sectors work group sees several advantages in the recommended quarterly reporting tool. The local workforce board representatives appreciate the single-page report's usefulness in their daily sector strategy activities, rather than a submission that creates busywork. The planning framework also moves all LWIBs towards broad, common goals, while allowing flexibility to customize process steps across sectors and geographic areas based on local circumstances.

The hybrid process/outcome approach to sector strategies recognizes the time required to create thoughtful programs that address specific needs in priority industries. This reporting tool tracks benchmarks towards concrete outcomes, and also captures hard numbers of placements and associated, relevant goals upon the implementation of sector-specific initiatives.





Targeted Sector Quarterly Progress Report

Local Workforce Board Name

Targeted Sector: [Include name here after sector chosen]

June 18, 2014

Expected completion dates of activities shown by quarter

| Q1 | Q2 | Q3 | Q4 | Q5 | Q6 | Q7 | Q8 |
|---------|----------|---------|---------|---------|----------|---------|---------|
| 9/30/15 | 12/31/15 | 3/31/16 | 6/30/16 | 9/30/16 | 12/31/16 | 3/31/17 | 6/30/17 |

Goal I: Determine targeted sectors

A. Gather data elements that help to inform about priority industries

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| X | | | | | | | |
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Long-term projected industry growth, location quotients, and/or employment totals

Average wages and/or occupations with career ladder advancement

Industry relationships, anchor or headquarters firms, or local industry associations

Emerging or entrepreneurial industry (patents data, venture capital investments, etc.)

Local area training programs geared toward industry

B. Submit targeted sector selection

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Sector(s) named with supporting summary of key findings from data elements

Additional narrative: anecdotal local industry expertise, political considerations, or alignment with grant funding for the industry

Go to narrative

Goal II: Identify sector supply/demand and employer needs

A. Determine sector employment demand

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High-demand and/or fast-growth occupations from long-term employment projections

Vacancy survey data by occupation

Real-time labor market data (such as HWOL help wanted online ads) by occupation

B. Determine sector labor supply

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Number of workforce system customers and targeted populations (e.g., IB and other training recipients) with industry experience and credentials

Local area training programs that supply new workers for targeted sectors occupations

C. Conduct employer survey

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Determine industry needs and "pain points" and satisfaction with local workforce board efforts

Ask employers to identify needed skills and in-demand occupations

D. Submit targeted sector supply, demand, and key findings

Go to narrative

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Goal III: Formally engage with and convene targeted sector employers

A. Hold targeted sector forum(s)

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Give overview of targeted sector key findings and concerns to date

Solicit interactive feedback from sector employers

B. Develop targeted sector committee to plan actions that meet sector needs

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Committee to be chaired by industry, majority industry members

Committee consists of economic development, education, and other key partner organizations

C. Submit sector committee list and key forum points in narrative

Go to narrative

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Goal IV: Develop goals and measurable outcomes for targeted sectors

A. Targeted sector committee meetings

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Determine desirable outcomes and numbers (such as NCRCs, placement of key job seeker populations, training completers)

B. Translate desired outcomes and associated into summary of sector initiatives

| | | | | | | | |
|--|--|--|---|---|--|--|--|
| | | | X | X | | | |
|--|--|--|---|---|--|--|--|

C. Submit narrative of initiatives and desired outcomes

Go to narrative

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Goal V: Operationalize and implement sector strategies initiatives

A. Complete details of sector initiatives

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Specify actions, responsible parties, and timelines for completion

Determine needed numbers of NCRCs, job seeker placements, training completers, other relevant outcome numbers for sector

B. Engage with employers and partner organizations as outlined

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|--|--|--|--|--|---|---|--|

C. Complete sector engagement activities narrative

Go to narrative

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Goal VI: Achieve sector strategy outcomes and report results

A. Re-survey targeted sector employers about satisfaction with LWIB efforts

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B. Submit initiatives progress narrative, associated outcome numbers to date

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C. Summarize outcomes and report to employers in targeted sector

Go to narrative

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Progress to date on desired sector outcomes

| Desired Outcome | To Date | Goal | % of Goal |
|--|---------|------|-----------|
| National Career Readiness Certificates commitment letters signed | 0 | 40 | 0% |
| On-the-job training completed | 0 | 30 | 0% |
| Job placements | 0 | 100 | 0% |
| Targeted population job placements | 0 | 25 | 0% |
| Incumbent workers trained | 0 | 25 | 0% |
| Youth work experiences | 0 | 25 | 0% |

Legend for Project Status Colors

| |
|------------------------------|
| Complete |
| On Schedule |
| Stalled |
| Requires Immediate Attention |
| Not Used in This Plan |
| Not Yet Started |

Indicator of goal achievement

Quarter when goal must be completed

Steps to complete goal

Item(s) used to complete step



Targeted Sector Quarterly Progress Report

Supporting Narrative

LWIB NAME GOES HERE, TARGETED SECTOR NAME HERE

June 11, 2014

| | |
|---|--|
| Goal I: Determine targeted sectors | |
| Q1 (9/30/15) | We selected manufacturing. The concentration of manufacturing employment in our area is more than three times that of the U.S. (LQ=3.09) Data also show that one-third of the local workforce in manufacturing is 55+ years old, and employment projections show a need for 2,400 replacement workers in production occupations by 2022. Manufacturers have partnered with the local community college for two training programs for specific skills at their firms. |
| Goal II: Identify sector supply/demand and employer needs | |
| Q2 (12/31/15) | |
| Goal III: Formally engage with and convene targeted sector employers | |
| Q3 (03/31/16) | |
| Goal IV: Develop goals and measurable outcomes for targeted sectors | |
| Q4 (06/30/16) | |
| Goal V: Operationalize and implement sector strategies initiatives | |
| Q5 (09/30/16) | |
| Q6 (12/31/16) | |
| Goal VI: Achieve sector strategy outcomes and report results | |
| Q7 (03/31/17) | |
| Q8 (06/30/17) | |