



Regional and Local Plans

Minnesota's Workforce Development System under WIOA

Program Years 2016 & 2017

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Submitted by

RWDA: **Regional Workforce Development Area 2**
(Local Workforce Development Areas 3 & 4)

LWDA: **Local Workforce Development Area 4 – City of Duluth**

Department of Employment and Economic Development

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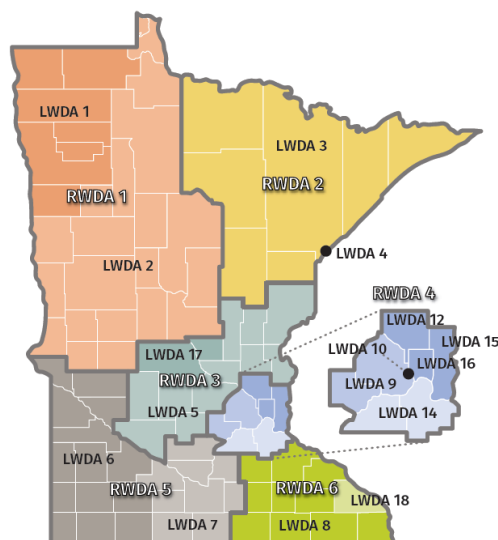
INTRODUCTION

The purposes of the WIOA are the following:

- (1) To increase, for individuals in the United States, particularly those individuals with barriers to employment, access to and opportunities for the employment, education, training and support services they need to succeed in the labor market.
- (2) To support the alignment of workforce investment, education and economic development systems in support of a comprehensive, accessible and high-quality workforce development system in the United States.
- (3) To improve the quality and labor market relevance of workforce investment, education and economic development efforts to provide America's workers with the skills and credentials necessary to secure and advance in employment with family-sustaining wages and to provide America's employers with the skilled workers the employers need to succeed in a global economy.
- (4) To promote improvement in the structure of and delivery of services through the United States workforce development system to better address the employment and skill needs of workers, jobseekers and employers.
- (5) To increase the prosperity of workers and employers in the United States, the economic growth of communities, regions and states and the global competitiveness of the United States.
- (6) For purposes of subtitle A and B of title I, to provide workforce investment activities, through statewide and local workforce development systems, that increase the employment, retention and earnings of participants, and increase attainment of recognized post-secondary credentials by participants, and as a result, improve the quality of the workforce, reduce welfare dependency, increase economic self-sufficiency, meet the skill requirements of employers and enhance the productivity and competitiveness of the Nation.

Workforce Development Areas

Minnesota has designated six Regional Workforce Development Areas (RWDAs) in the state that represent a combination of Local Areas, as defined in WIOA, and Economic Development Regions, as defined in other federal law. These Workforce Development Areas have been approved and adopted by the Governor and the chief local elected officials of the Local Areas.



Each Regional Workforce Development Area is responsible for submitting a Regional Plan, inclusive of the Local Plans of the Local Workforce Development Areas. The Regional and Local Plans will align with the strategic vision set by the Governor, address the regional needs of the workforce and business communities and comply with the planning requirements as determined by the State of Minnesota's Department of Employment and Economic Development and the U.S. Department of Labor and applicable federal and state statutes.

Minnesota's Vision for the Workforce Development System

Vision Statement:

A healthy economy, where all Minnesotans have or are on a path to meaningful employment and a family sustaining wage, and all employers are able to fill jobs in demand.

This vision statement was developed through Minnesota's participation in the National Governor's Association's Policy Academy on Career Pathway Models. Minnesota's effort engaged seven state agencies and has influenced workforce development thinking at the system level. It is fitting to continue to move forward with pursuing the implementation of WIOA under this inclusive effort.

Mission:

The creation of a Career Pathway System that aligns local, state and federal resources, policies and services to meet the workforce needs of business and industry and improves access to employment, education and training services for Minnesota's current and future workforce.

Rationale:

The economic conditions of the 21st century require a more responsive approach to meeting the needs of business and industry; and the growing diversity of the workforce population. As economies become more global, competition will continue to increase and pressures on the inputs of production, specifically the timing, availability and skill base of the workforce. Rediscovering the value proposition of the Workforce Development System is critical to responding to the 21st century economy.

A Career Pathway System approach will position the needs of a skilled workforce at the center of the system, recognizing the important role of a "dual customer" approach – businesses and workers. Businesses will lead sector strategies that address the most critical growth needs in occupations that support family sustaining wages. The diverse needs of workers will impact the design and delivery of employment and training programs and services to fulfill these employment needs and their career goals.

SECTION A: REGIONAL PLAN

REGIONAL LEADERSHIP APPROACH

The regional leadership approach describes how the local area boards within each regional workforce development area will define and coordinate the strategic priorities established by the Governor under WIOA.

1. Describe the selection process for the membership who will provide the leadership to oversee the development and coordination of the regional plan.

Regional planning efforts in Northeast Minnesota will be facilitated by a leadership team comprised of 4-5 members from each Local Workforce Development Board (LWDB) – 8 to 10 total members. Interested individuals will volunteer and be selected based on criteria that ensures broad representation from a variety of industries and occupations, including both private and public.

Both boards agree that a small leadership team will be more nimble and effective in the initial phases of development, but concur that others must be engaged at various stages to ensure those most affected by these efforts have an equal opportunity to provide input and actively participate. Additional recruitment will be undertaken as efforts develop and/or as ad hoc members are needed, including outreach to elected officials, key decision-makers from business and industry and individuals from diverse groups, especially those experiencing barriers. Voting members of the leadership team will be current board members and each board will have an equal number of members represented.

2. Describe how the selected organizations from the region will provide oversight to development and implementation of the regional plan. Complete **Attachment A – Regional Oversight Committee**.

The regional leadership committee will meet at least quarterly, either in-person or by phone, to facilitate implementation of regional strategies. Technology such as webinars or teleconferencing may also be utilized to facilitate connectivity and participation. One representative from each local board will serve as a co-chair of the committee. Communication back to local boards will occur after each regional meeting so all members are informed of and connected to initiatives and projects as they develop.

The committee is charged with ensuring all regional strategies are clearly defined and measurable. They will guide decision-making and monitor progress of regional efforts to ensure progress is made and outcomes are achieved. The committee will engage key stakeholders, individuals from diverse groups, and those experiencing barriers throughout the process of development and implementation of regional strategies. A “job” description will be developed to guide committee efforts and ensure alignment with assigned responsibilities.

See Attachment A for membership listing.

3. Describe how the approach used will ensure that partner engagement includes diverse representation, specifically among populations experiencing barriers to employment.

Engagement of key stakeholders with diverse perspectives and experiences is critical to the success of regional planning efforts. The leadership team will utilize the February 28th convening with Marnita's Table as a starting point for reaching out to and garnering input from individuals and organizations, including those with the greatest barriers to employment. Intentional efforts have been made to engage those who are experiencing barriers to employment first-hand, including African American and Native American populations and individuals/families in poverty. Efforts have included outreach to key decision-makers from organizations that serve individuals with barriers to employment, and other key stakeholders who can help identify and implement solutions. This includes, but is not limited to, representatives from communities of color, tribal communities, those involved with the criminal justice system, individuals with disabilities, K12, higher education, and organizations/associations specifically committed to addressing employment disparities. The Marnita's Table convening provides a valuable opportunity to engage diverse groups early in the process to ensure strategies are reflective of their voices and ideals.

Following the event, board members and staff will facilitate connections with individuals who express interest in working with the boards to further develop and begin implementation of regional strategies. Efforts to understand how, when and where people prefer to engage will be undertaken to remove barriers and ensure authentic, meaningful engagement can occur. This could include having individual conversations, small group discussion, facilitated focus groups or alignment with existing groups that are also working on these efforts.

Finally, to ensure a firm foundation upon which this work can be accomplished, development opportunities for staff and board members will be incorporated to raise awareness and understanding of implicit bias, micro aggressions, and cultural awareness. It is important to increase understanding of and appreciation for the varying experiences and perspectives that will contribute to the planning process so true change and positive employment outcomes for all can be achieved.

4. Describe how performance negotiations will be managed among the local workforce development areas within the region.

Any proposed method for negotiating performance measures among local workforce development areas within the region is currently on hold awaiting further clarification and guidance. It is important that performance measures consider those most in need of support, as existing measures make it difficult to do some of the things we're being asked to do. We are hopeful efforts will be made to propose modifications to the performance measures in order to deliver what we are being asked to deliver. We will continue to work with MWCA and DEED to develop a plan once final regulations have been released.

5. Describe any additional goals being set by the regional leadership or individual local area boards.

For the 2-year term of this regional plan, both boards have agreed to maintain primary focus on collective goals associated with developing sound career pathways approaches and addressing disparities. Any additional goals, developed locally or regionally, would likely be aligned with and support the collective goals and are yet to be determined.

6. Describe how the local area boards will direct system alignment within the region through shared policies and practices.

System alignment within the region will involve both internal and external partners.

Internal: Since the inception of the One-Stop system under WIA, Northeast and Duluth Workforce Center partner management has met monthly to discuss Center operations, determine and clarify policy, address staffing or programmatic issues, identify opportunities for collaboration, ensure appropriate access to Center programs and services, and provide updates on what is happening within each represented agency. These meetings already include local WIOA providers from both WSA 3 and 4 (the Northeast Minnesota Office of Job Training and Duluth Workforce Development), DEED Job Service, Vocational Rehabilitation and State Services for the Blind management, and Arrowhead Economic and Opportunity Agency (AEOA), the largest Community Action program provider in the region and long-time partner in the Workforce Center system. Having this existing partnership between the two local areas has already helped streamline the regional planning process and is an effective means of aligning shared policies and practices among all system partners.

In addition to regular partner management meetings, Workforce Center Operations committees also meet monthly to promote and support internal alignment and include representatives from the front-line staff of each partner agency. These staff meet to ensure day-to-day operations run smoothly, including the development of agreed-upon resource room staffing models, the availability of adequate resource materials, development of safety plans and other shared practices. Many shared policies and practices are already in place, including a common intake form for drop-in clients making inquiries. Others will be developed as needs and opportunities are identified, including the current effort to develop a unified training and procedure manual for customer service/reception staff.

External: In addition to having representatives from ABE, local MnSCU colleges, community based organizations and other external partners actively engaged on both local boards, additional points of alignment also exist, including participation in the Grand Rapids Chamber of Commerce workforce committee, engagement in the Employment Table in Duluth, membership on the Iron Range Economic Alliance and Arrowhead Growth Alliance.

To facilitate further alignment between the Workforce Center and external partners, including higher education, Chambers of Commerce, community-based organizations, K-12 education, and others, the new Rural Workforce Coordinator (referred to as the Rural Career Counseling Coordinator in legislation) will direct an environmental scan and asset mapping initiative to establish a baseline from which work can begin. This process will identify all workforce development partners, their

programs/resources, barriers, funding and opportunities – all of which will provide a foundation upon which increased alignment with public workforce development systems can be built. This information will be combined with existing data and/or the results of efforts already underway, such as the current College of St. Scholastica mapping project for individuals leaving incarceration.

To develop more consistent, streamlined and client-centered methods of referral and service delivery, efforts to promote development and utilization of common intake forms and other processes will continue.

7. Describe any cooperative service arrangements being planned for the region and how they will promote consistency within the regional workforce development area and with state policy.

Relationships and respect have developed over time and provide a firm foundation upon which Northeast Minnesota partners work to ensure consistency within the regional workforce development area and alignment with state policy.

To further support regional planning efforts, cooperative service arrangements in the following areas will be developed:

1) Coordinated professional development for staff and boards.

As is the case in other parts of Minnesota, the diversity of the NE region is changing. Efforts to ensure those engaged in this work have the foundational skills and understanding they need to work effectively with people from various cultural, ethnic, economic and religious backgrounds is foundational to any action aimed at addressing employment disparities and meeting the workforce needs of employers. Our commitment to establishing that foundational awareness and understanding will be supported by this cooperative service agreement.

2) Coordinated marketing and communication of WFC programs, events and initiatives.

To address the general lack of awareness or understanding of services available at Workforce Centers in the NE region, a cooperative service agreement outlining a commitment to collaborate on marketing and other efforts will be developed. This approach will enable us to maximize resources, align messaging, and more broadly promote the work being done.

3) Coordinated Career Pathways Efforts

Strong, employer led sector partnerships are critical to meeting the needs of job seekers and employers across the entire NE region, specifically in the areas of Healthcare and Skilled Trades/Construction. To maximize the time and effort employers are willing and able to invest, joint working groups have been established to work on pathway development in each of the two areas. A cooperative service arrangement documenting these ongoing efforts will be formalized.

In addition to the above stated plans, existing informal agreements between Workforce Center partners in the northeast region that continue to work effectively will also remain in place. For example, determination of which WIOA provider at the Duluth Workforce Center serves Duluth residents vs. non-Duluth residents is clear and referrals occur seamlessly: Duluth Workforce Development staff work with City of Duluth residents and NEMOJT staff work with non-Duluth residents. If situations arise that necessitate adjustments to the established process, partners simply maintain open lines of communication and adjust accordingly to ensure the needs of program participants are met.

Partners in the northeast region also work collaboratively on special projects and frequently facilitate cross-referrals and co-enrollments between agencies. For example, individuals served through WIOA programs may also co-enroll with Vocational Rehabilitation Services (VRS). Job counselors may promote program eligible participants to training opportunities available through another partner's special project (i.e. AEOA's non-traditional training for women).

A cooperative service agreement between the Office of Job Training and AEOA is currently in place that identifies a process to serve dislocated workers by either agency. Other cooperative service agreements will be developed with other system partners over the development of career pathways initiatives.

REGIONAL STRATEGIC PLANNING

The strategic planning component of the Regional Plan addresses three elements: strategic analytics, strategic approach and strategic operations. The overarching theme is to engage regional stakeholders in the process of establishing the strategic plan and to ensure that decisions are data driven and that the data can be used to measure gains and identify needs for improvement.

Strategic Analytics: *The assessment of the regional workforce development area focuses on key conditions. These conditions are detailed in the following response needs.*

8. Describe the condition of the regional economy and cite the sources of data and analysis.

The following comes from the Regional Profile for the Northeast Region assembled by DEED Labor Market Analyst Erik White:

INDUSTRY EMPLOYMENT

The Northeast region has seen several employment ups and downs over the past decade, but ended 2014 with 2,920 more jobs than it had in 2004. The region peaked in employment with 142,425 jobs in 2007, before suffering severe declines in 2009 and 2010. Since then, Northeast Minnesota has recovered more slowly than the state, which gained jobs at a 6.5 percent clip from 2010 to 2014, compared to a 3.0 percent increase in the region.

According to DEED's Quarterly Census of Employment & Wages (QCEW) program, Northeast Minnesota was home to 8,638 business establishments providing 141,554 covered jobs through 2014, with a total payroll of just over \$5.7 billion. That was about 5.2 percent of total employment in the state of Minnesota. Average annual wages were \$40,508 in the region, which was about \$11,000 lower than the state's average annual wage.

St. Louis County is the largest employment center in the region with 96,302 jobs at 5,243 firms; followed by Itasca County and Carlton County with 15,980 and 13,669 jobs, respectively. Five of the 7 counties in the region added jobs since 2010, led by St. Louis, which gained 2,895 jobs and Carlton County, which added 971 jobs. In contrast, Aitkin and Koochiching County saw job declines since 2010. The city of Duluth has 59,647 jobs at 2,654 firms and has experienced a 2.4% increase of jobs in the past 5 years and a net gain of 666 jobs in the past year.

The Northeast region gained over 1,200 net new jobs in the past year, a 0.9 percent increase, which was slightly slower than the state overall. Six of the 7 counties added jobs from 2013 to 2014, again led by St. Louis County, and followed by Itasca and Carlton County.

With 32,805 jobs at 874 firms, healthcare and social assistance is the largest employing industry in the Northeast region, accounting for 23.2 percent of total jobs in the region. That is over 7 percent higher than the state's concentration of employment in the healthcare industry. The amount of jobs in this industry held stable recently, with only 150 jobs added since 2010 and about 30 jobs in the previous year. At \$43,680 in 2014, average annual wages were about \$3,000 higher in healthcare than all industries.

The next largest industries were retail trade and accommodation and food services. After seeing job gains in the past 5 years, these two industries made up nearly 23 percent of all the jobs in the region. However, the average annual wages were low in these industries, with retail trade at \$23,348 and accommodation and food services at \$13,884, which were both considerably less than the average annual wage of \$40,508 for all industries in the region.

The construction and mining industries saw strong gains from 2010 to 2014 as they both grew by nearly 20 percent, and combined to add 1,800 jobs in the region. Wages are high in these industries, with annual average wages of \$57,392 and \$90,012 respectively. However, recent events have affected employment in the mining sector in Northeast Minnesota, as many mining workers have been idled.

Other important industries in Northeast Minnesota include educational services, public administration, manufacturing, finance and insurance, other services, professional and technical services, and administrative support and waste management services. Seventeen of the 20 main industries in the region added jobs since 2010, with huge gains in construction, mining, professional and technical services, other services, retail trade, and transportation and warehousing. In contrast, the region saw job declines in management of companies and arts, entertainment, and recreation.

INDUSTRY PROJECTIONS

As noted above, Northeast Minnesota's economy is projected to grow 3.8 percent from 2012 to 2022, a gain of 5,963 new jobs. The largest and fastest growing industry is expected to be healthcare and social assistance, which may account for over 80 percent of total projected growth in the region from 2012 to 2022. Other industries that are expected to grow in Northeast Minnesota include retail trade, accommodation and food services, construction, mining, professional and technical services, and administrative support and waste management services, which includes temporary staffing agencies. In contrast, the region is expected to see declines in information, manufacturing, transportation and warehousing, utilities, wholesale trade, and other services.

DISTINGUISHING INDUSTRIES

Northeast Minnesota stands out in the state for its higher concentrations of employment in mining and natural resources, and as measured by location quotient, its distinguishing industries reflect these particular industries. The region has more than 70 percent of the state's jobs in water transportation and mining. With trees as a natural resource in the region, forestry and logging and paper manufacturing are also distinguishing industries with location quotients above 4.0.

EMPLOYMENT PROJECTIONS

The Northeast Minnesota planning region is projected to grow 3.8 percent from 2012 to 2022, a gain of 5,963 new jobs. In addition, the region is also expected to need 45,000 replacement hires to fill jobs left vacant by retirements and other career changes. In fact, the number of replacement openings is expected to dwarf the number of new jobs created in every occupation group except Healthcare Practitioners, Healthcare Support, and Personal Care and Service, which are all

projected to grow more than an additional 1,000 jobs each. Each of those occupational groups will have replacement needs as well, indicating the strong demand for these occupations in the region. The largest need for workers will be in food prep and serving, sales, and office and administrative support.

EMPLOYERS BY SIZE CLASS

The vast majority of businesses in Northeast Minnesota are small businesses, with 51.0 percent of businesses reporting 1 to 4 employees in 2013, according to County Business Patterns from the U.S. Census Bureau. Another 35.6 percent had between 5 and 19 employees; and 11.2 percent had between 20 and 99 employees. Only 1.9 percent had 100 to 499 employees, though that was in line with the state. Just 15 businesses in the region had more than 500 employees, which is the Small Business Administration's official cut off for a "small business". Obviously then, small businesses are vital to the region's economy.

HOUSEHOLD INCOMES

Household incomes were significantly lower in Northeast Minnesota than the state. Median household incomes in the region ranged from \$41,617 in Aitkin County to \$53,016 in Carlton County, with St. Louis County residing in the middle with a \$46,517 median household income and the city of Duluth with a median household income of \$43,064. More than half (52.8%) of the households in the region had incomes below \$50,000 in 2013, compared to 42.4 percent statewide. About one-third of households earned between \$50,000 and \$100,000 in the region. In contrast, only 15.0 percent of households earned over \$100,000 per year, compared to nearly 25 percent of households statewide.

PER CAPITA INCOMES

Per capita incomes were also lower in the Northeast region than the state, with a more than \$5,000 difference. The region's per capita income was \$25,651, compared to \$30,913 in the state. Per capita incomes ranged from a low of \$24,079 in Itasca County to a high of \$32,868 in Cook County with the city of Duluth having a per capita income of \$24,926.

WAGES AND OCCUPATIONS

According to DEED's Occupational Employment Statistics program, the median hourly wage for all occupations in Region 3 was \$16.58 in the first quarter of 2015, which was in the middle of the six planning regions in the state. Northeast's median wage was about \$2.00 below the state's median hourly wage, and nearly \$4.00 below the median hourly wage in the 7-County Twin Cities metro area, which would amount to over \$8,000 per year for a full-time worker (see Table 8).

Lower paying jobs tend to have lower educational and training requirements such as food preparation, sales, personal care and service, and building and grounds cleaning and maintenance jobs. For the most part, the gap in pay between the region and the state is much lower for these type of jobs. For those occupations that have higher wages, the gap in pay is more pronounced. Computer and mathematical occupations make on average about \$8.00 less in Northeast than they do statewide. In contrast, construction and extraction occupations make on average slightly more in the Northeast region than they do statewide.

The highest paying jobs in the region are found in management, legal, architecture and engineering, computer, business and financial operations, healthcare practitioners, and life, physical, and social science occupations, which all need higher levels of education and experience, including many that require postsecondary training. The pay gaps between the region and state are much bigger in these jobs.

JOB VACANCY SURVEY

Employers in Northeast Minnesota reported 6,213 job vacancies in the second quarter of 2015, which was the third highest number ever recorded, and a 16 percent increase compared to 2014. Overall, 40 percent of the openings were part-time, and about one-third required postsecondary education or 1 or more years of experience. The median hourly wage offer was \$11.53.

OCCUPATIONS IN DEMAND

According to DEED's Occupations in Demand tool, about 250 occupations are showing relatively high demand in Northeast Minnesota, with training and education requirements ranging from short-term on-the-job training to postsecondary education to advanced degrees.

The in-demand occupations are spread across different sectors but are also concentrated in the region's major industries, especially in healthcare. Home Health Aides, Registered Nurses, Medical Assistants, Surgical Technologists, Physicians, and Pharmacists are occupations that are needed in the healthcare field and span education requirements. Construction, retail trade, and accommodation and food services are also industries that are creating significant demand for workers in the region.

A Note about Mining:

The mining industry in Northeast Minnesota is going through a downturn with more than 2,000 layoffs to those directly employed by the mines and thousands more in related support industries such as manufacturing, construction, and transportation. The impacts of these layoffs are great and far reaching and should not be diminished. For many towns in the region, mining supports the local economy, due to the high wages it offers, and has effects on the regional economy because of the other industries that rely on a steady production of this natural resource. Recent events, however, show a glimmer of optimism with rising ore prices, stricter enforcement of steel dumping, and announcements of idled mines to shortly re-open. Despite this particular sector of the regional economy's struggle, it should be noted that the overall regional economy of Northeast Minnesota has continued to grow and transformed since the recession, as evidenced by the record high employment in the region, wage growth experienced, and the tightening of the labor market.

9. Describe the condition of the regional workforce and cite the sources of data and analysis.

The following comes from the Regional Profile for the Northeast Region assembled by DEED Labor Market Analyst Erik White:

REGIONAL DEMOGRAPHICS

POPULATION CHANGE, 2000-2014

Northeast Minnesota, also known as the Arrowhead region or Economic

Development Region 3, includes a total of 7 counties. According to population data from the U.S. Census Bureau, Northeast was home to 326,649 people in 2014, accounting for 6.0 percent of the state's total population. From 2000 to 2014, Northeast increased its population by 4,576 residents. This 1.4 percent increase was considerably less than the 10.9 percent increase experienced across the state of Minnesota during this time frame.

With 200,949 people, St. Louis County is the largest county in the area, accounting for 61.5 percent of the region's population. Carlton County grew the most and the fastest in the region, with an increase of 12.3 percent, or 3,900 people. Itasca County also saw steady growth. On the other hand, Koochiching County lost 1,499 residents and Lake County lost 378 people, both losing population since 2000. The city of Duluth has 86,234 people and has experienced a decrease of 684 people since 2000.

POPULATION BY AGE GROUP, 2000-2013

Northeast Minnesota has a considerably older population than the state. Over one-third of the population in the region is 55 years of age or older, compared to just one-fourth of the state's population. In contrast, the percentage of population that is under 15 years of age is 3.3 percent lower in the region than it is for the state. Northeast also had a much lower percentage of people in the 25 to 54 year old age group, which is typically considered the "prime working years", at 35.6 percent compared to 40.2 percent statewide. Since 2000, the number of people aged 55 years and older – including the Baby Boom generation, people who were born between 1946 and 1964 – has increased by 25,440 people, and now consists of 111,245 people. It should be noted that the demographic composition for the city of Duluth is different than the region as a whole because of the large college aged population that is supported by area colleges and universities. 23.4% of the population in Duluth is 15-24 years old, compared to 13.3% for the state of Minnesota and 13.9% for the overall Northeast region.

POPULATION PROJECTIONS BY AGE GROUP, 2015-2035

Northeast Minnesotans projected to have relative population stability in the next 20 years. According to population projections from the Minnesota State Demographic Center, Northeast is expected to gain close to 5,000 people in the next 10 years, then lose about 5,000 people over the following 10 years. In comparison, the state of Minnesota is projected 10.8 percent growth from 2015 to 2035.

While the overall population is not expected to grow, older age cohorts in the region are projected to expand considerably. Northeast Minnesota is expected to add more than 36,500 people aged 65 years and older, a 53 percent increase by 2035. The results of the current Baby Boom generation moving through the population pyramid will cause the age cohorts of 45 to 64 to experience the greatest declines in population. The amount of children under 5 years old is expected to be unchanged, but school-aged children and young adults are expected to decline by about 8,500 people.

POPULATION BY RACE, 2013

Northeast Minnesota's population is considerably less diverse than the state of Minnesota, but has increased in diversity over time. In 2013, about 93 percent of the

region's residents reported White alone as their race, compared to 85.6 percent of residents statewide. The region has a greater percentage of American Indian and Alaska Natives than the state, but considerably smaller percentages of people reporting Black or African American, Asian, or Hispanic or Latino origin.

Cook County had the most diverse populace in the region, with just 88 percent of residents reporting White alone as their race, while 7 percent of residents reported being American Indian or Alaska Native. In contrast, Aitkin and Koochiching Counties had more than 95 percent of their population reporting their race as White alone.

Duluth's population is less diverse than the state of Minnesota, but has increased in diversity over time. In 2013, about 90 percent of the city's residents reported White alone as their race, compared to 85.6 percent of residents statewide. The city of Duluth has a greater percentage of American Indian and Alaska Natives and people of Two or More Races than the state, but smaller percentages of people reporting Black or African American, Asian, or Hispanic or Latino origin. However, these groups have seen considerable increases in population in the last decade, while whites and American Indians saw a decrease.

In Duluth, the Black or African American population increased by 840 people since 2000, while the population reporting Two or More Races rose by 931 people. Together, those two race groups saw the fastest increases in the city over the past 14 years.

REGIONAL LABOR FORCE

LABOR FORCE CHANGE, 2000-2014

According to data from DEED's Local Area Unemployment Statistics program, Northeast had just over 163,000 workers in 2014. In the depths of the recession in 2009, the region's labor force reached its peak with nearly 170,000 workers, but has steadily declined as the recovery from the recession has taken hold. Even though the region's population has experienced a modest increase over the last decade, the labor force lost 2,747 workers since 2004. Northeast suffered the biggest loss in labor force for the planning regions in the state, with only the Southwest planning region also experiencing a loss since 2004.

LABOR FORCE PROJECTIONS, 2015-2025

Applying current labor force participation rates to future population projections creates labor force projections for the region. If the region's population grows at the projected rate, the region's labor force is expected to decrease significantly. Northeast Minnesota's workforce is expected to drop by nearly 10,000 workers by 2025, a 6.1 percent decrease.

The movement of Baby Boomers will result in an increase nearly of 3,000 workers who are 65 years and older in 2025. There is also expected to be an increase of about 1,450 workers who are 20 to 24 years old in the next 10 years. The largest loss of workers will occur in the 45 to 64 year old age cohort, as these Baby Boomers reach the retirement age and start exhibiting much lower labor force participation rates. This will likely lead to a tight labor market in the future as well, with employers needing to respond to the changing labor force availability in the region.

EMPLOYMENT CHARACTERISTICS, 2013

With just 61.2 percent of the population aged 16 years and over in the labor force, Northeast had considerably lower labor force participation rates than the state's 70.3 percent rate. Labor force participation rates were lower for all age cohorts in the region than the state.

The region also had lower participation rates for every race; and also had larger unemployment rate disparities for most minority groups when compared to Whites. The unemployment rate for Black or African Americans in the region was 26 percent, 18.5 percent for American Indians, and 23.7 percent for people of Two or More Races. Meanwhile, the unemployment rate for Whites was just 7.8 percent. In sum, unemployment rates were highest for young people, minorities, workers with disabilities, and people with lower educational attainment.

UNEMPLOYMENT RATE, 2005-2015

Northeast has consistently reported higher unemployment rates than Minnesota, typically hovering at least 1.0 percent above the state rate. According to Local Area Unemployment Statistics, the region's unemployment rate reached its peak in 2009 at 9.3 percent, then steadily declined to an annual rate of 5.4 percent in 2014. The region contains some of the highest county unemployment rates in the state, with Koochiching County and Itasca County reporting annual unemployment rates of 8.4 percent and 6.4 percent in 2014, respectively.

COMMUTE SHED AND LABOR SHED, 2013

According to commuting data from the U.S. Census Bureau, the vast majority – about 80 percent – of workers who live in the region also work within the region. However, Northeast is a net importer of labor, having slightly more jobs than available workers; drawing in workers from surrounding counties but also having residents drive outside the region to find work. In sum, 119,372 workers both lived and worked in the 7-county region, while another 29,939 workers drove into the region for work, compared to 28,830 who live in the region but drove to surrounding counties for work.

St. Louis County is the largest employment center in the region and was the biggest draw for workers, followed by Itasca, Carlton, Koochiching, Lake, and Cook counties. Employers in the region draw workers from Douglas County in Wisconsin as well as Pine County to the south of the region. In contrast, the region sends workers to the Twin Cities, represented by Hennepin and Ramsey County, as well as to Douglas County.

AN AGING WORKFORCE

Another factor that is significant to the condition of the regional workforce alluded to in the labor force projections above is our aging population. According to an article entitled, "*Older Employees in the Workforce - The Times They Have A-Changed*," written by Labor Market Analyst Erik White (August 2015), workers to replace impending retirements is a significant concern. The article examines Quarterly Workforce Indicators and focuses just on the variable of Full Quarter Employment which measures the number of jobs that are held on both the first and last day of the quarter with the same employer. Using this methodology, we can determine the age of jobholders in the region. Since 2005, there has been an increase of about 13,000

jobs held by workers aged 55 years or older in Northeast Minnesota. This age cohort held about 16.5% of the total jobs in 2005, but now holds 24.3% of all jobs.

Using the same dataset and variable, we can identify the industries that have the greatest amount of and reliance on older workers in Northeast Minnesota. Education and Health Services – including schools, hospitals, nursing homes, clinics, and social assistance – have about 10,000 jobs that are held by older workers. Local government, mining, and professional and technical services are other industries that have large numbers and high percentages of jobs that are held by older workers. Further evidence that the regional Boards have selected appropriate sectors on which to base our first forays into systematic career pathways programming (healthcare and skilled construction trades, including mining).

Due to the age of the workforce in these industries, there will be a need to replace these workers as they reach the age of retirement, which could cause stress or limit the region's potential growth. While attraction and retention of younger workers will be an important strategy, industries shouldn't forget about continuing to work with those who are older.

Older workers are often seen as valuable to the workplace because they bring values of loyalty, reliability, productivity, as well as a wealth of experience and belief in a job well-done. Not to mention that you typically don't need to tell them to put away their phones or that their appearance needs to be more professional. But there are other challenges that can affect the contributions of older workers.

In addition to the natural aging of the workforce, perhaps the most prominent change since the turn of the century is the advancement of technology and its role in the workplace. Job duties have changed and new types of jobs have been created to incorporate the technology upgrades.

The advancement and prominence of technology in the workplace can be a barrier for older workers seeking employment even as older adults have increasingly embraced technology in their everyday life. For older workers, even finding out what jobs are available can be a burden as newspaper classifieds are no longer the main source for employment opportunities. Instead, most job banks are online and many applications are now done on a computer; and it might take much longer to hear back from the employer during the hiring process than in the past. Technological skills will need to be gained, especially for those who haven't worked for a while, but training can be hard to find.

RACIAL DISPARITIES

In another article by Labor Market Analyst Erik White (November 2015), illustrates the racial disparities evident in the regional economy. According to this article, U.S. Census Bureau data released last fall indicates widening racial disparities in Minnesota as a whole. The median household income for Black or African American Minnesotans fell more than \$4,500 to an estimate of \$27,000 in 2014, the only racial group to see their household income estimate drop during the past year. In comparison, household income for Whites increased more than \$2,000 from 2013 to 2014, to a median of \$64,000.

In contrast, according to DEED's Alternative Measures of Unemployment in Minnesota, the unemployment rate for Black or African Americans in Minnesota increased from 10.2 percent in September 2014 to 16.0 percent in September 2015. Meanwhile, the unemployment rate for Whites dropped to 2.8 percent, and the overall state unemployment rate fell to 3.8 percent.

Similar racial disparities can also be seen in Northeast Minnesota. Using the 2011-2013 American Community Survey 3-Year Estimates, data show that the Duluth-Superior Metropolitan Statistical Area –which includes St. Louis and Carlton counties in Minnesota and Douglas County in Wisconsin – had considerable differences in income and unemployment rates between the races.

Household incomes are lower in the Duluth MSA for all race categories than they are in Minnesota, but the income gap between whites and non-whites is substantial in the region. Whites had a median household income estimate of \$48,045, significantly higher than the average income of \$18,321 for Blacks in the Duluth MSA. The unemployment rate for Black or African American was more than three times that of the rate for Whites, 23.7 percent compared to 7.2 percent. Workers of Two or More Races had an unemployment rate 22.9 percent, and American Indians had a rate of 17.1 percent, indicating barriers to employment for the largest minority groups in the region. This speaks loud and clear to the need to always include themes of addressing racial disparities in all sector initiatives and programming in the Northeast region.

INITIATIVES RELATED TO EXAMINING CONDITION OF WORKFORCE

There are two important efforts occurring in the Northeast region that may shed further light on the condition of the current workforce. Firstly, the Blandin Foundation is currently implementing a study of unemployment in Itasca county, a county that has historically had a much higher unemployment rate than others in the region. The study seeks to understand the factors at play for individuals who are underemployed, unemployed (short- and long-term), and individuals who are on public assistance.

One-on-one surveys will be conducted with people in varying stages of employment to identify several things, including:

- What 2 or 3 things are most important in a job
- Impressions of what jobs/fields seem like better places to work than others
- The top barriers to getting a job or getting a better job
- Whether they have accessed employment programs to assist their search
- Whether they made enough income over the preceding month to cover all expenses
- Opinions of what jobs in Itasca County pay a living wage in an effort to discern knowledge about the actual job market
- Whether respondents had or are participating in public assistance and whether this may be a barrier or a support to seeking work in effort to determine whether public benefits may actually prohibit participants from seeking work

The interview stage of this initiative is just getting underway with assistance from Workforce Center partners and other community groups. Workforce Center partner

staff are helping to identify participants in a variety of employment situations along with working with Itasca County Health and Human Services to identify and encourage individuals on public assistance to participate. It has so far proven tricky to engage this particular population as they face significant issues regarding telephone access and transportation to participate face-to-face. However, we are confident this study will help shed some light on the impressions of the local labor force that could provide insight region-wide.

The other initiative involves APEX, the Arrowhead Partnership for Economic Expansion, a private economic development entity based in Duluth. APEX wishes to study the skill sets of the unemployed to better attract business development to the region. This has long been a desire of a number of regional economic development entities, including the IRRRB and the Arrowhead Growth Alliance, in order to understand the depth and breadth of talent available in the region. This information could be used in a number of ways in addition to business recruitment – there are significant training implications as well as providing existing employers with information on the workforce pipeline. Paula Reed, Duluth Local Workforce Development director, and Michelle Ufford, Northeast Local Workforce Development Area director, have both been involved in the development of this concept, which is currently in the beginning stages.

10. Describe the condition of the regional workforce development system and cite the sources of data and analysis (SWOT analysis).

The Northeast Region will be embarking on a regional asset mapping initiative in the coming months to be led by the regional leadership team, consisting of members from both boards. This initiative will seek to assess the condition of the regional workforce development system in order to more fully understand the address this particular question. This will be a contracted service using regional planning funds in concert with the new legislatively-funded Rural Career Counseling Coordinator.

According to this legislation (Minnesota Statute 116L.667), the charge of this individual is to make an accounting of workforce development and career counseling programs and services offered in the assigned workforce service area, and any recommendations for changes to workforce development efforts in the workforce service area. This responsibility dovetails wonderfully with the notion of performing regional asset mapping.

Information acquired through the mapping process would directly support key components of this strategic plan:

- Broader business sector engagement – information that informs decisions and supports workforce development initiatives
- Increased community awareness of existing opportunities and services
- Coordination of resources and partnerships – development of a more seamless workforce development system that benefits businesses and job seekers
- Potential leveraging of financial resources to provide the region with workforce development services that meet the needs of employers and job

seekers

By linking this effort to the regional strategic plan, efforts would be assessed annually and progress noted based on actions outlined in the plan.

Additionally, information gathered as part of the mapping would benefit far beyond the Workforce Boards. This effort would also:

- Increase general awareness of available programs and services for job seekers, service providers and employers in the community;
- Increase opportunities for collaboration between service providers
- Increase opportunities for collaboration between employers and the workforce system
- Ensure most efficient and effective use of financial resources
- Identify redundancies and open conversation about increased collaboration

Proposed next steps include:

- Articulate project purpose and timeline
- Engage stakeholders to establish buy-in
- Utilize the joint Board leadership committee to oversee the process
- Define project scope and mapping process
- Secure funding, including that made available for regional planning through the incentive award and NEG funding
- Develop RFQ
- Identify consultants and release RFP
- Review proposals
- Recommend selection to Workforce Development Boards and implement the process

Through this process, we will be able to more clearly assess the condition of the workforce development system and take action to address gaps and better coordinate efforts towards a career-pathways-oriented system.

11. Describe the regional workforce development area's vision for a skilled workforce.

For Region 2, the Workforce Boards of Duluth and the Northeast have adopted and built on the GWDB vision:

"An engaged and diverse workforce, where all Northeast Minnesotans, regardless of background, have or are on a path to meaningful employment and a family sustaining wage, and all employers are able to fill jobs in demand".

Both boards acknowledge the importance of striving to achieve employment equity and will consistently address variances between populations in every regional and local workforce development effort. We seek to grow a diverse workforce with the right skills, knowledge and abilities to obtain and keep a job with family-supporting wages.

Strategic Approach: *The core areas of the strategic design focus on priorities of the Governor and the system of service delivery.*

Area 1 – Business Engagement

12. Describe how the region will use the labor market information and conduct outreach to business and industry to select the targeted sectors for developing career pathways for occupations in demand that provide family sustaining wages. If sectors and occupations have been already selected, describe them within this response. Complete **Attachment G – Local Workforce Development Area Key Industries in Regional Economy.**

Based upon real time and LMI data, Region 2 has selected healthcare and skilled construction trades as the first two sectors around which to build career pathway partnerships and initiatives. It is our intent to develop a model for building career pathways that can be honed through experience and applied to any sector. This includes identifying the career pathways, ladders and lattices within each sector and engaging service providers, training institutions, and employers within each sector in deliberate and meaningful ways. Employer engagement will focus on validating pathways and training opportunities, assisting in the development of training curriculum, engaging in experiential learning opportunities and work experience, and sharing their industry expertise.

Regional in-demand occupations are spread across different sectors but are also concentrated in the region's major industries, especially in healthcare. Home Health Aides, Registered Nurses, Medical Assistants, Surgical Technologists, Physicians, and Pharmacists are occupations that are needed in the healthcare field and span education requirements. Construction, retail trade, and accommodation and food services are also industries that are creating significant demand for workers in the region. Of these industries, healthcare and construction/trades top the list of those that offer jobs that are in demand, clear career pathways, and family-sustaining wages.

With 32,805 jobs at 874 firms, healthcare and social assistance is the largest employing industry in the Northeast region, accounting for 23.2 percent of total jobs in the region. This is over 7 percent higher than the state's concentration of employment in the healthcare industry. The amount of jobs in this industry held stable recently, with only 150 jobs added since 2010 and about 30 jobs in the previous year. At \$43,680 in 2014, average annual wages were about \$3,000 higher in healthcare than all industries.

The construction and mining industries saw strong gains from 2010 to 2014 as they both grew by nearly 20 percent, and combined to add 1,800 jobs in the region. Wages are high in these industries, with annual average wages of \$57,392 and \$90,012 respectively. Though recent events have affected employment specifically in the mining sector in Northeast Minnesota as many mining workers have been idled, the industry is expected to make a full recovery. Skill requirements between the mining, supply chain, and construction industries often intersect, including the needs for skilled trade workers. Accounting for 4.5% of the region's total employment, wages in the construction and extraction occupations make slightly more in the Northeast region than statewide, where the per capita income is nearly \$5,000 less

than statewide. The median hourly wage of occupations in this sector are \$25.65 compared to the region's average wage among all industries of \$16.58.

Outreach will be conducted using a combination of DEED BSS staff, LWDB members, WFC staff and service area Directors, as well as the new Rural Career Counseling Coordinator. Outreach will begin by identifying key employers within the healthcare and skilled construction trades sectors and convincing them of the benefits of participating in a career pathways system. This message will be clear and concise and help targeted employers understand:

- How participating will help the workforce system better meet their workforce needs;
- How they may gain access to a wider pool of qualified applicants;
- How they will be helping to make the northeast region a more economically competitive place;

Part of this process will be to clarify the roles of participating key employers, which may include:

- Determining which occupations within targeted industries and sectors should be included within the career pathways system;
- Vetting the set of foundational academic, work readiness, and technical skills, abilities, and knowledge that are chosen as required for key occupations;
- Vetting the certificates and credentials that are required for key occupations
- Collaborating with training institutions to design education and training programs;
- Participating as instructors or training sites in the skill training programs;
- Providing training funds for individuals through tuition reimbursement or class-size training projects;
- Participating in the skill certification/credentialing process;
- Serving as mentors;
- Serving as a job shadowing site;
- Providing paid or unpaid internship positions for students; and/or
- Hiring individuals who have obtained the required certificates and credentials.

Region 2 will also take advantage of technical assistance resources from Maher and Maher as available and deemed appropriate for our region by both Boards to advance existing sector strategies work. Region 2 will utilize tools, training and other resources to ensure sector strategies are reflective of best practices and maximize the impact of available resources.

13. Describe how the make-up of the sector partnerships will be determined and the expertise and resources they bring to the partnership.

Led by industry and using real time job data, sector partnerships developed under the purview of the region will include a variety of stakeholders, each with their own expertise and resources. The details of such resources are yet unknown as we are just embarking on this experience, but generally, decision makers from the below entities will be invited to participate in career pathways partnerships with the Boards

in the following ways:

Employers:

- Develop curricula
- Provide trainers/faculty
- Provide training facilities and equipment
- Provide employment/internships

Workforce Agencies:

- Provide labor market information
- Engage employers
- Recruit and make referrals
- Provide support services
- Assess skills
- Provide job search assistance
- Provide job placement services

Educational Institutions, including Adult Basic Education and Higher Education

- Design industry-specific education and training programs
- Develop contextualized curricula
- “Chunk” and “modularize” curricula
- Create links between credit and non-credit based programs
- Promote portability through articulation agreements
- Provide support services
- Assist with financial aid

Economic Development Agencies:

- Provide real-time labor market information
- Engage employers

Human Service Agencies:

- Recruit and make referrals
- Provide support services

Community Based Organizations:

- Recruit and make referrals
- Engage employers
- Provide support services

14. Describe how the partnership(s) will work toward developing and implementing a career pathway sector strategy during the two years of this plan. If sectors and occupations have not been selected, address the process for these decisions within this response.

The two Boards will begin by ensuring we all have a common understanding on the definition of career pathways and work to develop a process/model that can be applied to any industry. A career pathways orientation presentation has been

developed and will be delivered to both boards as well as other stakeholders who join the initiatives within healthcare and construction.

We are fortunate that Duluth has already embarked on the career pathways discussion, including establishment of a Career Pathways Committee in June 2015. Facilitated and led by the LWDB, the charge of the committee is to:

- Convene business and industry sector leaders, educators and community based organizations to identify and create sector-based, career pathway programs for skill development.
- Work to create a bridge between educational institutions, business and industry by identifying skills needs and communicating them to educational partners (career pathways).
- Support initiatives which increase the labor supply for high demand industries, both current and future, in cooperation with state and local economic development partners.
- Provide support to existing or emerging business/industry clusters, and to help generate and implement strategies that expand these types of business in the area.

Since its inception, the committee has established an employer-led working group focused on healthcare pathways and a small working group of employers from the hospitality industry. Key representatives on each include leadership from Lake Superior College, Adult Basic Education, ISD 709 Duluth Public Schools, local community-based organizations and workforce partners.

The Northeast Board will join this effort, learn from this work and apply their successes to leading career pathways discussion around the construction trades sector. Both boards will participate in the development of each of these sector initiatives, which will be overseen by the joint leadership committee which will include members of both boards.

Specifically, both boards will engage in the recommended steps of developing career pathway sector strategies in healthcare and construction trades in the effort to develop a suite of processes that can be applied to other industries in the future. Over the two years of this plan, these steps will include:

Engaging key employers within identified sectors, including:

- Analyze labor market information related to healthcare and construction trades to identify occupations within key subsectors
- Identify key employers within these sectors
- Recruit key employers to engage in the process
- Clarify roles of key employers
- Sustain and expand business partnerships (to target other industries)

Identify and develop training opportunities, including:

- Identify target populations and their “entry” points
- Review or develop competency models related to selected occupations
- Develop career ladders and lattices within subsectors

- Seek employer validation of competencies and pathways
- Work with local training institutions to design educational options that are progressive, modularized, accelerated, contextualized, and provide flexible scheduling
- Ensure programs lead to industry recognized and/or post-secondary stackable credentials
- Provide comprehensive wrap-around support services using community networks of providers who offer resources to address transportation and childcare needs
- Widely promote opportunities to obtain industry recognized credentials

Begin to identify funding resources to support career pathways programming, including:

- Identifying costs associated with system and program development and operations
- Determining the funds to be contributed by key partner agencies, and
- Securing funding from public agencies and private foundations and organizations.

However, the Boards of Region 2 would like to express concern over this last item, funding to support career pathways. A significant amount of work will be undertaken to develop these sector initiatives and appropriate state and federal funding resources must be made available to accomplish this work, complementary to funding that can be cobbled together using local resources. By concertedly engaging employers in this process, the implied promise is that there are resources to accomplish the implementation of this significantly new approach to workforce programming. As a system, we need to ensure that we can come through on this promise and be able to financially support new ways of providing training and education.

Area 2 – Community Engagement

15. Describe the process for identifying the characteristics, size and scope of populations not fully benefiting from the economic recovery, experiencing factors such as high unemployment, lack of credentialed skills and other barriers to employment.

The process for identifying the characteristics, size and scope of populations not fully benefitting from economic recovery will include:

- The February 28th Marnita's Table event will facilitate dialogue between individuals and organizations, including those with the greatest barriers to employment. This dialogue will increase understanding and awareness of the characteristics, size and scope of populations not fully benefitting from economic recovery.
- The Regional Asset Mapping Initiative will increase understanding of populations that lack services geographically or programmatically and increase awareness of programs and providers serving populations experiencing inequities and with whom to connect.
- Review of the Blandin Foundation's study of unemployment in Itasca County which seeks to understand the factors at play for individuals who are underemployed, unemployed (short- and long-term), and individuals who are on public assistance. It will be a great source of insight into the needs of this population.

- Review of results from a survey of Duluth-based job seekers. While not statistically significant, the survey will provide insight into barriers to employment and other challenges from a qualitative perspective.
- Integration of questions as part of the mapping activity that can draw out information from service providers, including those serving opportunity youth, to better understand their client population (i.e. unemployment, educational attainment, participation in public assistance, etc.).
- Work with all counties in the region to identify the number of county residents on public assistance (MFIP, FSET, etc.).
- Connect with the State demographer's office.
- Review of corrections/judicial system demographics.
- Work with Vocational Rehabilitation Service and other partners to collect information on people with disabilities in the northeast region.
- Broad stakeholder engagement/dialogue with individuals not fully benefiting from the economic recovery and groups representing those directly affected.

16. Describe who will be included in the broad stakeholder engagement to address a targeted number of socio-economic issues faced by diverse populations.

Broad stakeholder engagement will include, but not be limited to, the following:

- Existing and potential client populations, including low skill, low wage individuals
- Individuals not currently connected to services
- Disparity Project partners including AEOA and Community Action Duluth
- Chambers of Commerce
- Employers
- Economic development groups
- Education (Pre-K to Higher Ed)
- Government entities (corrections, social services)
- Local Elected Officials
- Unions/labor
- Parents/teachers/guidance counselors
- Community-based organizations
- Tribes

Some of the issues already identified for further discussion include:

- Pay and benefits (lots of low-paying jobs; low average pay compared to other regions)
- Barrier-specific (transportation, drug testing, child care, criminal background)
- Retraining skilled workers
- Matching workers with available jobs;
- Identifying true employer needs (soft and hard skills)
- Lack of workers with certain skill sets
- Opportunities to provide soft skills/professionalism/leadership development

- In-migration/recruitment opportunities
- Adequately promoting the career opportunities in region (including apprenticeships, entry- and advanced-level jobs, future industry needs, etc.)
- Adequately promoting the workforce development resources available in the region

17. Describe how this engagement will impact the development and implementation of the selected sector strategies during the first two years of this plan.

Because this is a new way of doing business in the public workforce development sector, the exact impacts are unknown. However, we hope to achieve the following outcomes:

- More partners will be involved with the public workforce system, engaged with various components of sector strategies, strengthening the system;
- Development of Career Pathways programming representing a more concerted and comprehensive approach to workforce development; and
- Increased engagement leading to the expansion of innovative and creative solutions to workforce development issues.
- Coordinated efforts that produce excellent outcomes for individuals and employers.

Area 3 – Customer Centered Design

18. Based on the regional/local assessment of workforce development system services, describe how strategies will be created to pursue a more responsive alignment of employment and training services, based on career pathway thinking.

The upcoming service/asset mapping exercise (see question 10) will assess the capacity of the employment and training system; the strengths, weaknesses, challenges and gaps within the region's workforce system to meet industry needs; and the wrap-around and support services available. All of this information will feed into the process for creating career-pathway-based programming by identifying potential partners as well as areas where additional resources may need to be developed.

Though the exact details on how this process will specifically help to align employment and training services is unknown, strategies to align system services may include:

- Ensuring that all workforce system partners understand each other's specific goals, resources at their disposal, and their program performance measures and requirements, perhaps resulting in a one-page document on each organization's workforce program and services that can be catalogued and searchable online
- Making sure all partners understand the big picture and necessity of developing career pathways
- Identify better strategies of engaging system customers, including development of culturally adapted curriculum and services
- Clearly communicate expectations of each of the participating partners while also

- acknowledging the value of their contribution to workforce development/career pathways effort
- Among system partners, establish a shared vision and mission aligned with the common goals of the region

This will be the first step in determining ways of better aligning system resources. Participating in the mapping activity will also help to make ancillary organizations aware of the regional plan and opportunities to participate.

19. Describe how the entities responsible for participating in this process will be selected, including their expected roles and responsibilities.

As referenced in question 13, sector partnerships developed under the purview of the region will include a variety of stakeholders, each with their own expertise and resources. The details of such resources are yet unknown as we are just embarking on this experience, but in reality there are limited number of organizations within the region that are engaged in each of these partnership categories.

Using WFC staff and LWDB members to perform outreach, decision-makers from the below entities will be invited/selected to participate in career pathways partnerships with the Boards, with special consideration given to geographic representation:

Employers:

- Develop curricula
- Provide trainers/faculty
- Provide training facilities and equipment
- Provide employment/internships

Workforce Agencies:

- Provide labor market information
- Engage employers
- Recruit and make referrals
- Provide support services
- Assess skills
- Provide job search assistance
- Provide job placement services

Educational Institutions

- Design programs
- Develop curricula
- “Chunk” and “modularize” curricula
- Create links between credit and non-credit
- Promote portability through articulation agreements
- Provide support services
- Assist with financial aid

Economic Development Agencies:

- Provide real-time labor market information

- Engage employers

Human Service Agencies:

- Recruit and make referrals
- Provide support services

Community Based Organizations, including those working with disparate populations and individuals with barriers to employment:

- Recruit and make referrals
- Engage job seekers
- Provide support services

20. Describe how the outcomes will be determined in terms of employment and training services modeling career pathway thinking by the end of the two year plan.

Regional sector initiative leadership, including the Boards, employers and additional stakeholder organizations, will take these steps to measure system change and performance:

- Define desired system and program outcomes, including reducing disparities
- Determine how to measure system and program outcomes
- Decide on collection methods
- Establish how the data will be stored, tracked, and shared
- Analyze data, revisit desired outcomes, and assess progress.

Leaving room for developing related outcomes as these career pathways initiatives progress, initial outcomes and measurement of success at the end of this two year plan will include:

- Increased partnership and collaboration around strategies to address employment disparities.
- Well-developed career ladders and lattices in targeted sectors vetted with private sector;
- Deep understanding of career pathway systems & philosophy shared between workforce system and higher education;
- Comprehensive cataloguing of all regional training programs and providers and the specific credentials their programs award;
- Developed educational options that are culturally appropriate, progressive, modular, accelerated and contextualized, including short-, moderate- and long-term training options, that lead to industry-recognized and/or stackable credentials;
- Identification of entry points into career pathways, including corresponding certifications/credentials that lead to employment; and
- Completed pilots based on the identified sectors of healthcare and construction trades.
- Developed measures to determine whether or not career pathways models have met employer expectations and whether participant expectations were met as well.

