

Vermont Special Oversight Committee on Workforce Expansion and Development (SOCWED)

In-Person Session

June 5, 2023 | Montpelier, VT

AGENDA

1. Overview

2. Goals for Today

3. PCG Approach in Light of Vermont Context

4. Presentation of Workforce Model Components

- *Model Component 1: Workforce Skills Cabinet*
- *Model Component 2: Sector Strategies*
- *Model Component 3: Procurement Strategies*

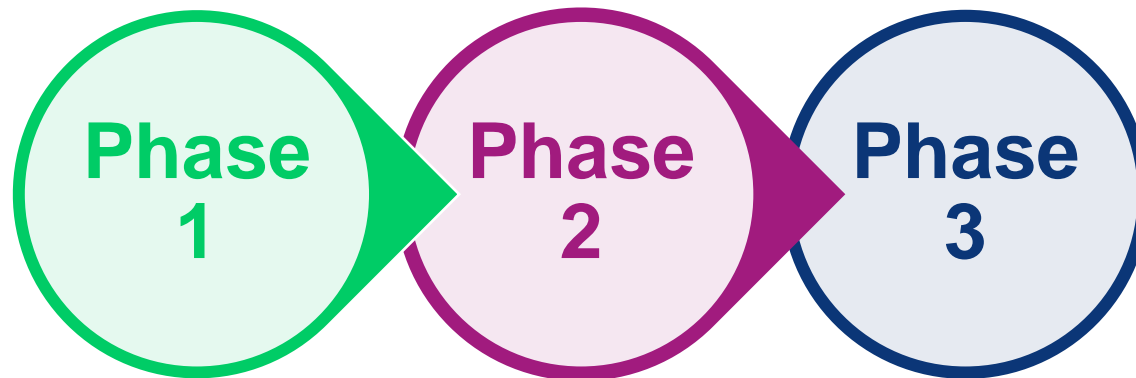
5. Discussion

- *Analysis of Enablers & Barriers*
- *Action Steps toward Successful Completion of the Work*

Project Overview

Project Phases

September 2023



- Document review
- Stakeholder interviews
- Draft 1 feedback

- Further refinement of Phase 1 elements
- Comparative state/region review
- Implementation considerations
- Draft and refine final recommendations

- SOCWED + others deliberate on recommendations
- Integrate with other efforts on CTE + Adult Education





Goals for Today

1) Introduce three workforce model components to address Vermont system needs:

- Workforce Skills Cabinet
- Sector Strategies
- Outsourced Functions

2) Observations and discussion based on other state/regional implementations

- Key features
- Kinds of changes needed to implement or act on features

3) Identify implementation viability of the models in Vermont

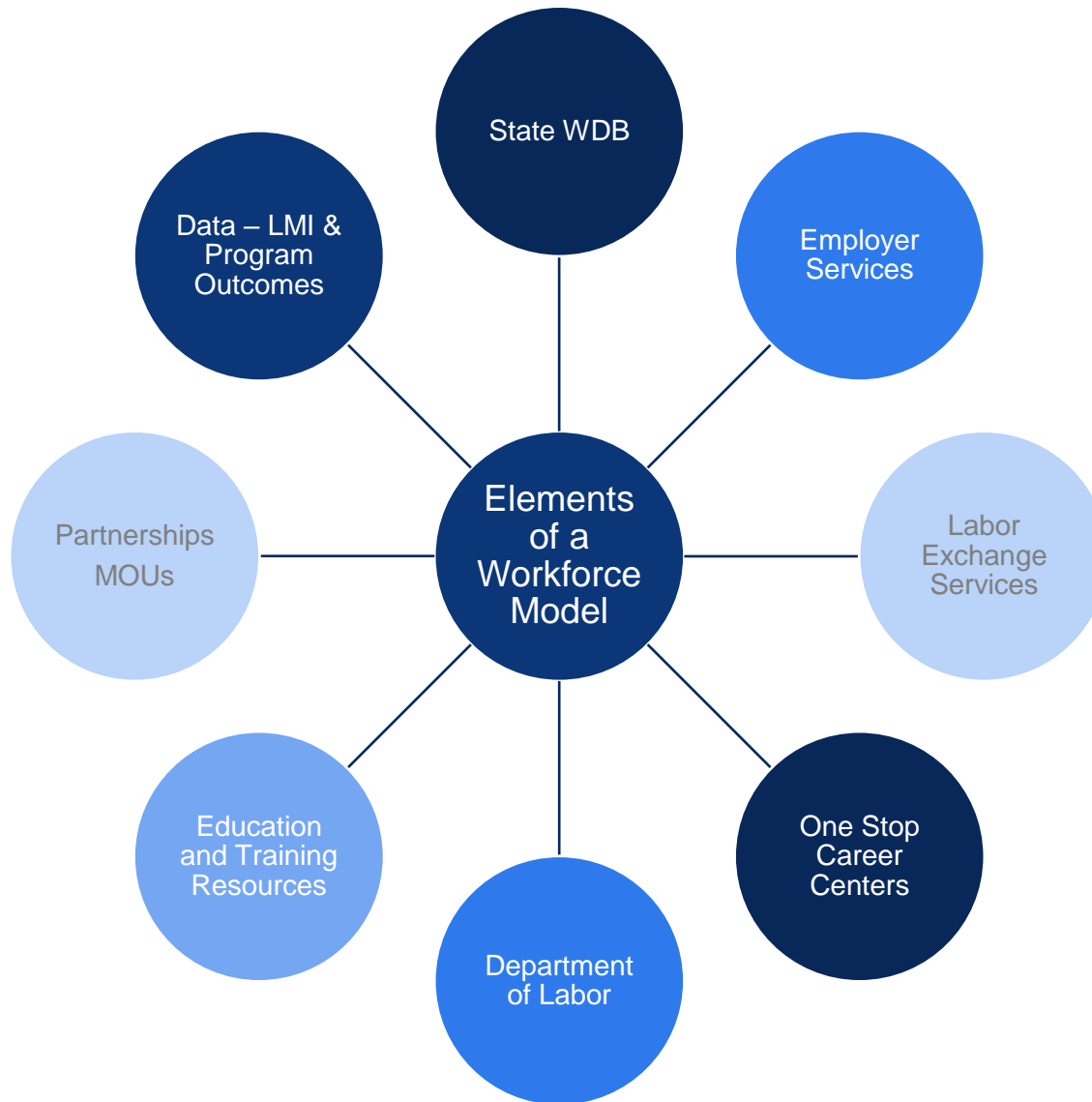
- What does the SOCWED think of these options?
- What are the structural elements in Vermont that will enable implementation?

4) Identify action steps to ensure successful delivery of final product

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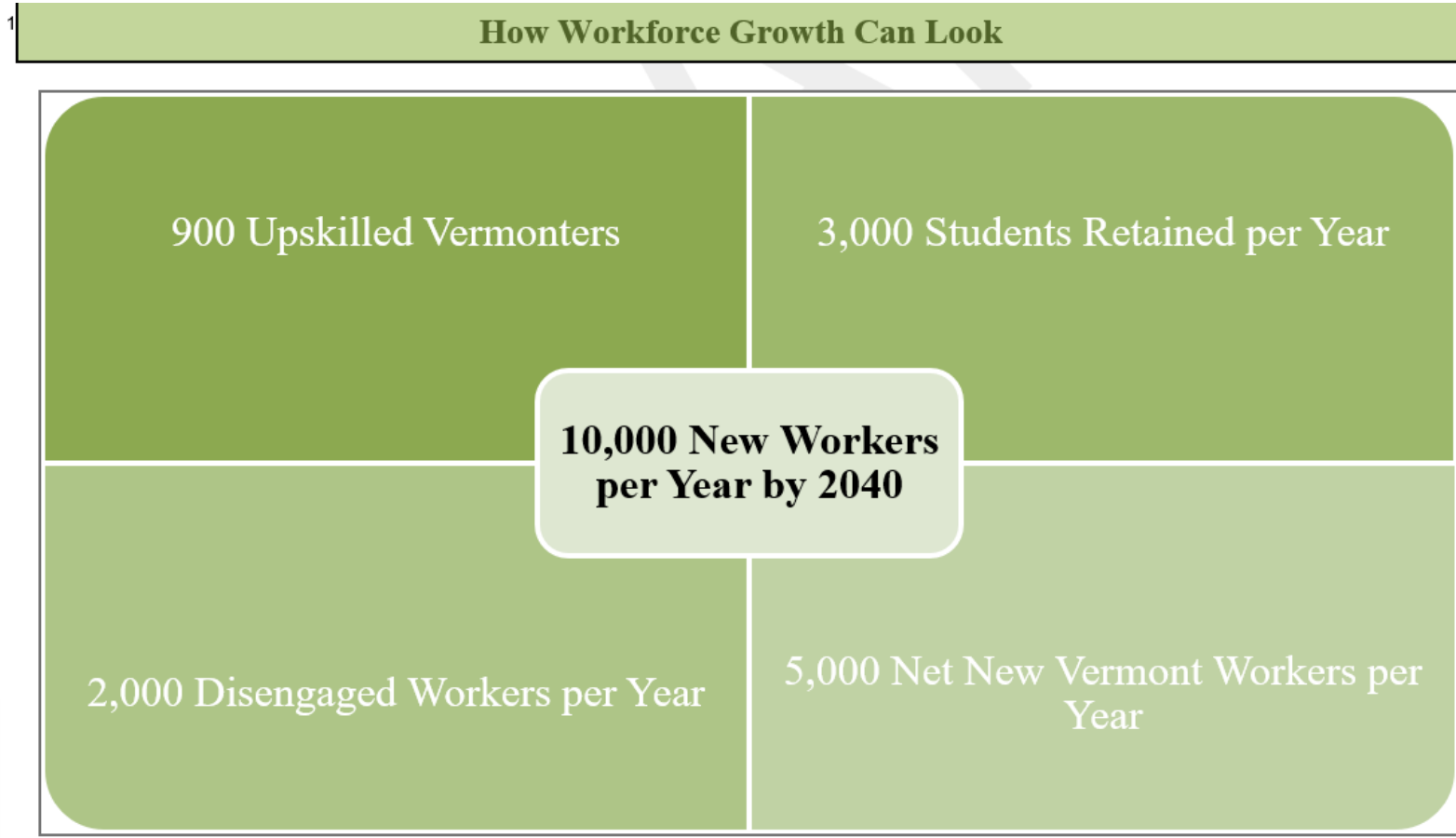
Vermont Context

Elements of a “Workforce Model”



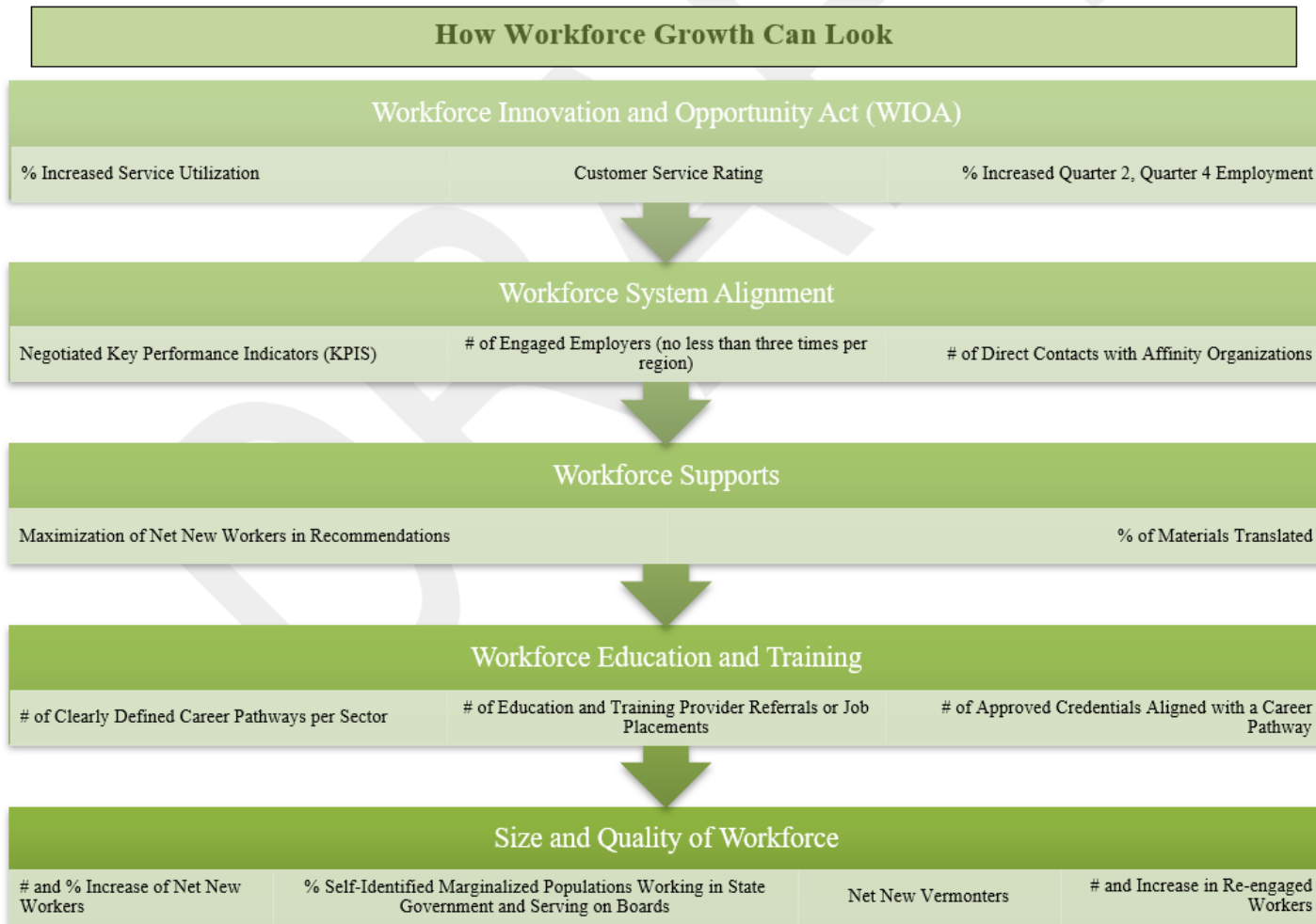
SWDB 2023 Strategic Plan

Vision



SWDB 2023 Strategic Plan

Strategies



Model Components

Overview of Approach

Model Component	Governance	Alignment / Coordination	Service Delivery	Accountability / Performance	Infrastructure
Outsourced Services	Low	Medium	High	High	High
Sector Strategies	Medium	High	High	High	Medium
Workforce Skills Cabinets	High	High	Medium	High	Low



Peer State Examples

During our research, we looked at 15 other potential peer states for model comparisons.

- Are they **single state workforce board** systems?
- How similar are they based on **demographic data**, including percent of population over 65, and refugee resettlement?

We found evidence of some elements of the proposed models in their existing workforce systems.

	Idaho	Maine	Montana	New Hampshire	North Dakota	Wyoming
Workforce Skills Cabinets						
Sector Strategies	✓	✓		✓	✓	✓
Outsourced Services		✓		✓		



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Workforce Model Components

Workforce Model Component #1

Outsourced Services

Model Component #1: Outsourced Services

	Impact	Why
Governance	Medium	SWDB is the entity responsible for defining strategy and as a single state region must also act as a local workforce board to define operational efficiency. The SWDB may also consider being responsible for convening statewide employer/business services.
Alignment/ Coordination	Medium	Provides a one-stop operator who is responsible for convening other providers, introducing greater collaboration for increased performance outcomes.
Service Delivery	High	Outsourcing would affect the ways that providers are contracted and how services are provided to jobseeker and employer customers.
Accountability/ Performance	High	VDOL would increase its financial and programmatic oversight of providers, while also reducing a perception of conflict of interest for acting in multiple roles within the system.
Infrastructure	High	Contracted providers would be responsible for providing services within the physical and virtual activities of the American Job Centers.



Features

- 1** Most single state workforce regions rely on state agencies to operate Title IB (WIOA Adult, Dislocated Worker, and Youth) programs. Wyoming, Idaho, Utah, North Dakota, South Dakota and Montana provide all services through a state agency.
- 2** State agencies also provide Wagner-Peyser, Trade Act, Unemployment Insurance/RESEA, and Veterans services within the workforce system.
- 3** **Several single state regions have procured private providers** to provide some service elements.
 - **Delaware has outsourced** their system's one-stop operator.
 - **New Hampshire outsources** some WIOA Adult and WIOA Youth services to private providers.
- 4** In states that have local workforce development areas, there are **multiple models that are used to provide services to employer and jobseeker customers**. Many of these local areas serve more customers than Vermont. Areas studied including:
 - Philadelphia Works and Houston Galveston which outsources to multiple providers for Adult/Dislocated Worker by AJC, different providers for Youth services by AJC and barriers to employment.
 - **Houston-Galveston** which outsources to multiple private providers for Employer/Business services based on industry, geographic location, and level of concierge services provided.
 - The 3 regions in Maine have a provider of Adult/Dislocated Worker and Youth services and a different one-stop operator.
 - Leavenworth, Kansas has one provider for all Title IB services.
- 5** **Outsourcing increases compliance with 20 CFR 678.315 and 20 CFR 679.430** to ensure that firewalls are in place to demonstrate internal controls and prevent a perception of conflict of interest for entities serving in multiple roles within the system (such as fiscal agent, provider of services, and one-stop operator).
- 6** Workforce service providers are organizations that often operate nation-, state-, or region-wide and perform various functions, including serving as contracted American Job Centers to carry out the duties of the public workforce system. **Services provided may include everything from job search assistance to short-term training programs.**
- 7** Outsourcing elements of service **increases accountability** through targeted contracting opportunities and **increased oversight by the state agency**. **Reduces potential or perceived conflicts of interest** and increases internal controls.

Model #1 – Single Outsourced Provider

A single service provider is procured to provide the following services:

- One-Stop Operator
- WIOA Adult and Dislocated Worker Career Services
- WIOA Youth Services

In the Workforce Partnership, **Leavenworth, Kansas** region, one private organization was procured to provide all services listed except for Business Services which are provided by staff employed by the workforce board.

This model would require an agreement between the SWDB and Chief Elected Official to define internal controls and conflict of interest policies.



Model #2 – Multiple Outsourced Providers

Multiple providers are procured to provide the following services:

- 1 entity as One-Stop Operator
 - A different entity providing WIOA Adult, Dislocated Worker and Youth
-
- In the **Coastal Counties Workforce Region in Maine** and in **Pinal County, Arizona** one provider was procured as the one-stop operator and a separate provider was procured as the Adult/Dislocated Worker and Youth provider of services.
 - Pinal County was the winner of the WIOA Trailblazer Award for its continual assessment, alignment, and advancement of core workforce development services, which has maximized the community impact of the WDB's work, producing entirely new training, recruiting, and career opportunities for workers and employers in Pinal County

Model #3 – Multiple Outsourced Providers Distributed Geographically

Multiple providers are procured to provide the following services:

- 1 entity as One-Stop Operator
- 2 or more entities providing WIOA Adult, Dislocated Worker
- 2 or more entities providing WIOA Youth services.

Philadelphia Works, Inc. and Houston-Galveston Area Council of Government procure multiple providers who are assigned **a geographic area** or **specific one-stop career center** to provide contracted services.

Philadelphia Works is the winner of the Laurie Moran Partnership Award for its work with the Chamber of Commerce of Greater Philadelphia on projects like the Life Sciences Talent Collaborative, which has trained and placed new talent with dozens of employers in Philadelphia's thriving life sciences industry



Business Services Outsourcing

Business services may be provided through effective business intermediaries working in conjunction with the Local WDB, or through the use of economic development, philanthropic, and other public and private resources.

Business services provided by **workforce board staff**

- Philadelphia Works Inc.
- Pinal County, Arizona
- Workforce Partnership, Kansas.

Business services provided **by multiple private providers**

- Houston-Galveston Workforce



Outsourced Services

Vermont Possibilities

How Might Vermont Outsource Services?

1

Vermont may consider the best use of its limited WIOA funding, its performance to expected federal performance standards and its current staffing levels when determining if, or what, to outsource.

2

One-stop Operator procurement is already in process. This would reduce the number of roles that VDOL plays within the workforce system.

3

Vermont could consider each program separately when determining if, or what, to outsource. Options for outsourcing can be carefully considered and assessed prior to completely moving services to an outside entity, for consideration:

- If Vermont were to outsource, or move primary service delivery responsibilities from VDOL, it could start with business/employer services which could be moved or contracted to the:
 - SWDB as many successful models do; or
 - Move business services to the Department of Commerce or contract with the RDCs; or
 - work with/procure a private contractor (such as an industry association or chamber of commerce) to provide some or all of the business services listed in the WIOA, in alignment with a new sector strategy model.

4

Outsourcing WIOA youth could also be a low-risk method of providing services to out-of-school youth within Vermont with a focus on providing increased services to more youth, resulting in higher outcomes. In 2021, Vermont provided services to 158 youth in total.



Pros and Cons with Outsourced Services

Value Add	Risks	Considerations
<p>Increased accountability can be built into the provider contracts</p>		<p>Priority performance and outcomes may become the basis for contract deliverables.</p>
<p>Increased financial and programmatic oversight by the State</p>		<p>State agency will be able to focus on oversight as their primary role, increasing compliance and reducing audit risks.</p>
<p>Potential for increased innovation by bringing in best practices from other regions</p>		<p>Providers who operate in other areas have access to different models of service delivery.</p>
<p>No need for a written agreement if providers are not responsible for more than one role in the workforce system.</p>	<p>May require a higher level of collaboration and agreements between service providers.</p>	<p>A single entity acting in multiple roles must have a signed agreement with the SWDB and Chief Elected Official to clarify how the organization will carry out its responsibilities while demonstrating compliance</p>
<p>Budgets can be negotiated to maintain costs at level consistent with program funding availability</p>	<p>Distribution of available funding to multiple organizations may not be cost-effective</p>	<p>Costs of organizational leadership may be spread across multiple funding streams and projects.</p>



Workforce Model Component #2

Sector Strategies

Model Component #2: Sector Strategies

	Impact	Why
Governance	Medium	Utilizing existing state leadership to convene state and sub-state partners to address specific outcomes for aggregated workforce needs; not necessary to establish additional governance structure
Alignment/ Coordination	High	Provides opportunity for employer driven state and sub-state collaboration across all workforce partners.
Service Delivery	High	Creates great efficiency close to the specific occupations and skills necessary.
Accountability/ Performance	High	Employer driven and agreed upon outcomes are easily identified and interpreted to the various collaborative funding sources.
Infrastructure	Medium	Building upon current proven structures to align information, resources and outcomes.



Features

- 1 Sector Strategies **align the skills** of the **workforce** with the needs of **employers**.
- 2 Target a **particular industry** or **cluster of occupations** with high demand for employers or projected growth.
- 3 **Aligns key stakeholders under a unified vision**, bringing together workforce and economic development agencies, education and training providers, employers, employer associations, and unions.
- 4 Typically lead by **an intermediary agency** (such as the State Workforce Development Board) that facilitates communication between the groups.
- 5 The partners **design and execute customized, employer-driven solutions** to these challenges and ensure that the workforce has the specialized skills necessary to meet identified business needs.
- 6 **Regional Sector Strategies** allow the sub-state areas to emphasize priority sector and occupations critical to their local economies but aligned with state priorities.
- 7 Incorporates pipeline and incumbent worker training and education efforts, with an eye toward **attracting and preparing new talent**, while retaining and advancing people already working in the sector.
- 8 Often **sustained** over many years through a variety of **public and philanthropic grant** efforts and **direct investment from industry**.





State Example: Maine

1. Scale:

- State-wide vision pandemic recovery, regional implementation
- Heritage Industries – fishing, farming, forestry
- Goal is to grow the workforce by 75,000 in 10 years
- grow the average annual wage by 10 percent,
- increase the value of products sold per worker by 10 percent

2. Connection to Governance Structure

- Governor's Office of Policy Innovation and the Future (GOPIF) - sets the vision, coordinates across agencies
- SWDB (32 members) – develops and implements WIOA plan, policy and coordinate with the local WDBs (3) - aligns with the GOPIF
- Both are focused on **Maine Recovery and Jobs Plan** and **10-year economic development plan**.
- Staff capacity funded through – WIOA and GOPIF

3. Intermediaries

- 3 LWDBs
- Industry Associations – Maine Manufacturing, Focus Maine (food + agriculture), Hospitality Maine

4. Industries/Occupations

Healthcare (statewide):

- Health Care Training for Me – career navigation campaign
- Caring for Me – direct care workforce strategy
- Tuition remission / free community college certification (ending with this year's 2023 HS students) legislature has not renewed at this point – tabled to next session



State Example: Mississippi

1. Scale

- "Ecosystem approach" to unique regional needs (8 regions)

"... practices delivered at local "micro" levels, while addressing "macro" concerns"

2. Connections to Governance Structures

Accelerate MS was legislated in 2021 to create a state Office of Workforce Development

Services Include: \$1.2M budget

- Strategy for new + expanding businesses
- Sell Capabilities of Workforce Training System to New/Expanding Companies
- Regional Workforce Initiatives
- Coordination of Post-Secondary Resources
- Strategy for K-12 Initiatives
- Coordination with Higher Education
- Measurement & Reporting of State & Federal Workforce Funds
- Development & Continuous Improvement of State Workforce System

3. Intermediaries /Staff

- The Executive Director of the Office of Workforce Development reports to the State Workforce Investment Board Executive Committee.
- Aligns and Coordinates workforce development efforts with the Governor's office, multiple state agencies and system stakeholders.
- Accelerate MS staff person in each ecosystem to coordinate

4. Industries/Occupations

- Advanced manufacturing; Aerospace and Defense; Agriculture; Food & Beverage; Automotive; Distribution and Logistics; Forestry, Energy and Chemicals

5. Sources of Investment for Regional Sector Strategies

- **Workforce Enhancement Training (WET) funds** (state line item from 1994 to pay for training through the public community college system for incumbent and new hires)
- WIOA , ARPA, general funds.



Other Peer State Examples

Idaho: Sector Strategies

- The state's [Workforce Development Training Fund](#) has supported **sector strategies** by providing state-funded grants to partnerships of industry and education groups to develop or promote training in high-demand occupations. Over the past few years, the Idaho Workforce Development Council has **shifted its investment strategy** by investing over two million dollars during PY21 to **emphasize sector grants** as well as direct training to individuals through **Idaho Launch, a state-funded training initiative**, which offers training funds for Idahoans who intend to work in Idaho, **covering roughly 75-100% of training costs**.
- The Idaho Workforce Development Council, in partnership with the Idaho Association of Commerce & Industry, launched the US Chamber of Commerce Foundation's [Talent Pipeline Management Initiative \(TPM\)](#). **State workforce development training funds** were awarded to train an initial cohort of 30 individuals in the methodology. These individuals, along with the eight dedicated TPM Project Managers, work with **local industry cohorts and education providers** (K-career) to **align the talent pipeline**.

Wyoming: Sector Strategies

- [The Workforce Development Training Fund \(WDTF\)](#) is a program that aims to connect employers with professional development opportunities to **increase employee skill attainment**. The fund is also an important tool used by economic development entities to entice new businesses to relocate, build, and grow in Wyoming. The WDTF grant options include: Business Training Grants, Pre-Hire Economic Development Grants, Pre-Obligation Grants, Apprenticeship Grants, and Internship Grants.
- The WDTF program is **funded through interest earned from the Unemployment Insurance State Trust Fund** and through an **appropriation of State General Funds**.



Sector Strategies

Vermont Possibilities

How might Vermont adopt Sector Strategies?

1

The Governor and State Workforce Development Board are the leaders, conveners, and facilitators to the Regional Development Corporation meetings.

2

Sector Strategies at the sub-state level will be a comparison of the statewide priorities to the relative importance and significance to the sub-state area.

3

Vermont's 12 Regional Development Corporations currently convene employers and will have good insight into which target industries will be most in demand in each region.

4

The results and ongoing discussions will then provide opportunities for the State Workforce Development Board to provide strategic advising and leadership, align workforce policies, and incentivize the use of specific funds to leverage and align Vermont's workforce system.

Pros and Cons with Sector Strategies

Value Add	Risks	Considerations
<p>Gets buy-in from employers in target industries</p>	<p>Sustainability of funding</p>	<p>Connecting statewide efforts (healthcare) better at the local level.</p>
<p>Builds off local/regional industry strengths</p>	<p>Maintaining and confirming key partners around the table, who are already in other advisory roles</p>	<p>How to build off of existing efforts and more effectively partner?</p>
<p>Sector Strategies can maintain a statewide vision while allowing sub-state areas to emphasize prioritize certain sectors more specific to their geography.</p>		



Workforce Model Component #3

Workforce Skills Cabinet (WSC)

Model Component #3: Workforce Skills Cabinet (WSC)

	Impact	Why
Governance	High	Established through Executive Order or Legislation, WSC brings together leaders from departments engaged in workforce development to establish priorities, strategies and goals for workforce development policies, programs and spending. This could be a standing committee of the SWDB.
Alignment/Coordination	High	WSC combines top-down leadership with regional flexibility. Creates and supports structures and processes to coordinate implementation at the state and regional level, leveraging all workforce investments toward shared priorities and goals.
Service Delivery	Medium	WSC incentivizes programming and spending that results in workers being connected to and prepared for good jobs that are in demand in the local economy, aligning supply side strategies with employer demand
Accountability/Performance	High	WSC uses data to drive decision-making at the state and regional level. Establishes goals and benchmarks for enrollments, completions, certifications, employment and wages and holds regional teams and service providers accountable for those results
Infrastructure	Low	WSC strategy leverages existing infrastructure, deploying regional training, education and labor exchange capacity and directing funds to those organizations that are responsive to local hiring demand and meet performance benchmarks



Features

- 1** **Formal** creation and mandate for the Workforce Skills Cabinet through Executive Order or Legislation, with accountability to the Governor and transparent reporting to the Legislature
- 2** **Executive-level participation** from Departments that fund and operate workforce development programs and senior-level staffing
- 3** Cabinet sets **priorities** (sectors), strategies, goals and establishes process for tracking and reporting on enrollments, completions, certifications, placements and wages and when possible, **pools and/or coordinates resources** to implement strategies
- 4** Cabinet establishes **a framework for regional planning** that results in a shared set of priorities (sectors), coordinated supply-side strategy for implementation that is aligned with industry demand for talent
- 5** **Regional planning** engages CTE, K-12, Higher Education, Workforce Development entities and local businesses and is convened by a regional organization that can serve as a trusted intermediary among regional partners
- 6** **Flexible funds** to support state and regional strategies are distributed through **competitive procurement** that sets priorities, frameworks, goals and benchmarks and holds **grantees accountable** for reaching those benchmarks



State Example: Massachusetts

1. Formal, Executive, Accountability

- Created through Executive Order building off of pilot in previous administration
- State Workforce Board is a separate entity

2. Executive Level Participation

4 Secretaries

- Education
- Labor and Workforce Development
- Housing and Economic Development
- Health and Human Services
- Assistant Secretaries + Operational staff from Commonwealth Corporation, Federal and state dollars support secretariat staffing
- Sustained through 3 administrations – Republican and Democrat

3. Priorities and coordinated resources

- Sector-based initiatives: Healthcare, Manufacturing, IT, Construction – engages OSCC, LWDB, CTE, Higher Ed
- Example: Behavioral Health Hubs combines Medicaid waiver \$ with Sector Partnership \$ to design, sustain and scale successful workforce strategies

4. Framework for regional planning

- leverages and coordinates **regional infrastructure** and establishes policies, priorities and goals for state and federal funds.
- **Regional Blueprint effort** – state established criteria and provided **data** to establish priority industries, priorities for supply cultivation aligned with industry and talent needs.

5. Regional Intermediaries tasked with implementation

- Local Workforce Development Boards
- Data visualization, targeted marketing campaign promoting manufacturing

6. Flexible fund for competitive procurement:

- State appropriations for Capital Skills Grants
- Career and Technical Initiatives
- Sector partnership grants
- Applications for funds must tie back to regional plans





State Example: Indiana

1. Formal, Executive, Accountability

- Also serves as the WIOA State Workforce Board (with waiver from DOL)
- Separated + elevated it from the Department of Workforce Development
- Restructured membership (was at 53 – 32 now)

2. Executive Level Participation

- 7 state agencies represented
- Management Performance Hub (MPH) data from all of them
- Executive Director and a Chief Business Intelligence Officer

3. Priorities and coordinated resources

Goals:

- at least 60% of job-seekers have a quality credential by 2025
- Increasing the engagement between employers and state and local agencies
- More rigorous ETPL that aligns to sector priorities
- Co-enrollment – public, private programs

4. Framework for regional planning/implementation

- LWDBs *Next Level Jobs Program* umbrella for: Workforce Ready Grant (\$12M) + Employer Training Grant (\$17M)
- Creative options for co-location in regional networks
- Staff cross-training – WIOA, TANF, SNAP, financial aid

6. Flexible fund for competitive procurement:

- Tasked with looking at the whole talent development system, not just WIOA thus able to braid resources.

Metrics:

- Economic Impact (median household income),
- Employment (Placement, Retention, LFPR,
- Median earnings,
- Educational attainment (post-secondary completions) and Student Engagement and Career Preparation (CTE, Work-based learning)

Workforce Skills Cabinet

Vermont Possibilities

How Might Vermont Adopt a Skills Cabinet?

1

Workforce Skills Cabinet is established by Executive Order and is convened by the State Workforce Development Board

2

WSC includes VDOL, AOE, DED, VDH, AHS

3

WSC sets priority sectors, strategies and goals for workforce development programming, using data to drive decision-making

4

WSC establishes a framework for bi-annual regional planning process:

- Regional teams are convened by the RDC
- Teams include CTE, Technical and Community College, Community-Based Providers, HireAbility, DAIL, Local VDOL, Corrections, Agriculture, and DED offices
- Regional plans lay out priority sectors and coordinated strategies to attract and develop talent for those sectors that are aligned with specific data about regional demand for skills and talent

5

WSC identifies formula and discretionary funds that are available to support state and regional workforce development priorities and procures discretionary funds through competitive process that targets funding to regional and state priorities, strategies and goals

6

WSC (or its designee) tracks implementation against goals and benchmarks and reports on outcomes and learning



Workforce Skills Cabinets

Value-Add	Risks	Considerations
<p>Makes a more explicit connection to the SWDB</p>	<p>Could be perceived as duplicative in a small state with other consolidation efforts underway (higher ed).</p>	<p>Should the SWDB stay within Labor (MA) or get elevated/outside(IN)?</p>
<p>Makes visible coordination across senior levels of government</p>	<p>If change is not significant enough, might not be taken as seriously as a value-add to the system.</p>	<p>Depending upon approach (IN, MA, other) will have implications for the number of people in the Cabinet and the SWDB.</p>
<p>Provides vision and leadership to the field</p>		



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Discussion

Reflections on Models

Recommend at least three models for SOCWED consideration and describe how each would impact the delivery of services, governance, coordination, accountability, and performance of federal and state employment, training, and expansion programs. These recommendations should account for and address the following:

- Strengthening the workforce development system for jobseekers.
- Strengthening and expanding the workforce development system for employers.
- Reflect how the new models would change the status of Vermont's workforce system (COVID-19 recovery and revisioning), assuming no changes to federal, and limited changes to state, funding.

Action Steps



Answer key Board questions?



Gather more info from other states/sources to strengthen Board members' understanding of options?



Make the final report as value-added to Vermont as possible?



Communicate or connect with other VT stakeholders?



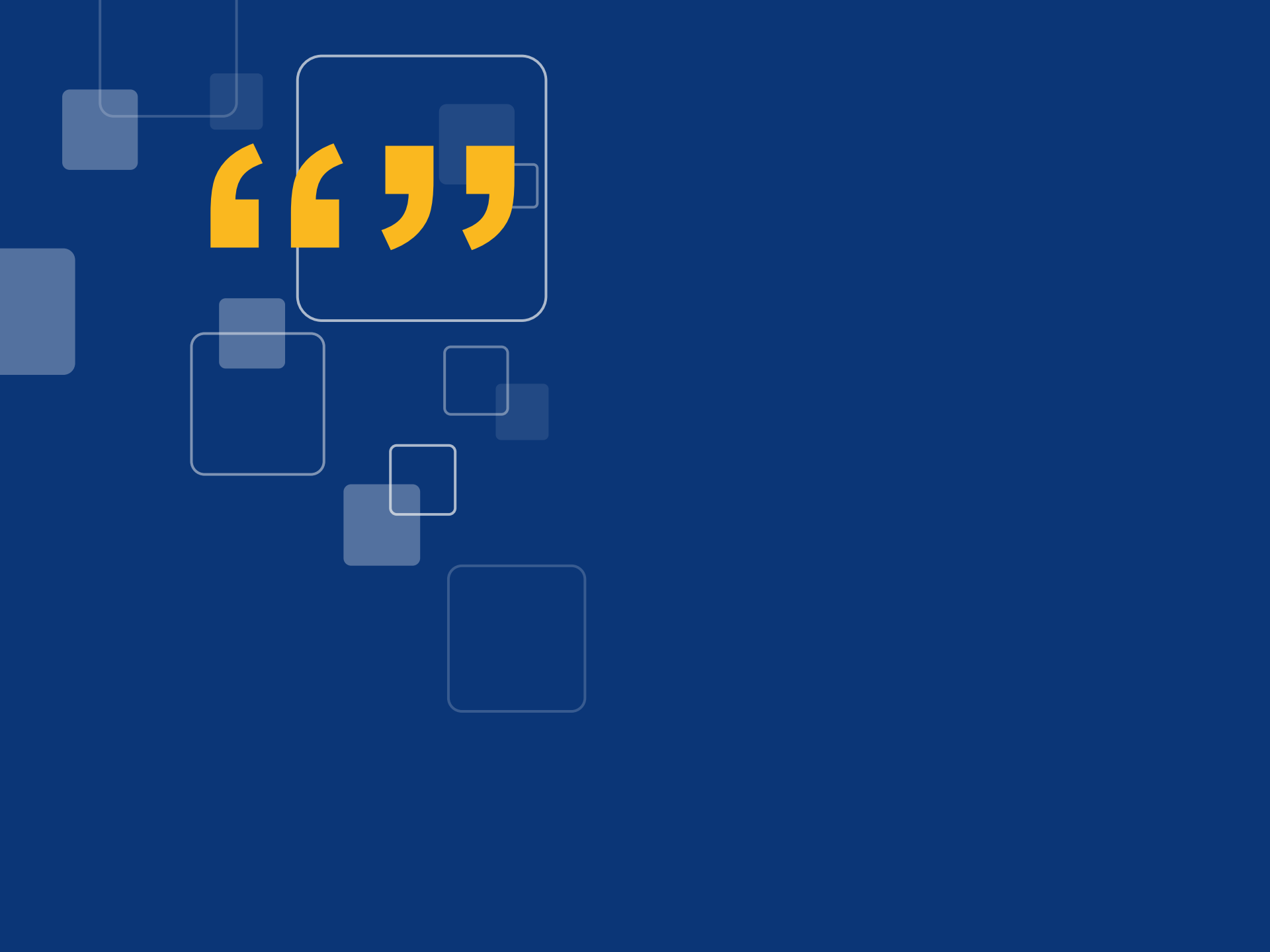
Any other key action steps important to the Board?



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Solutions that Matter

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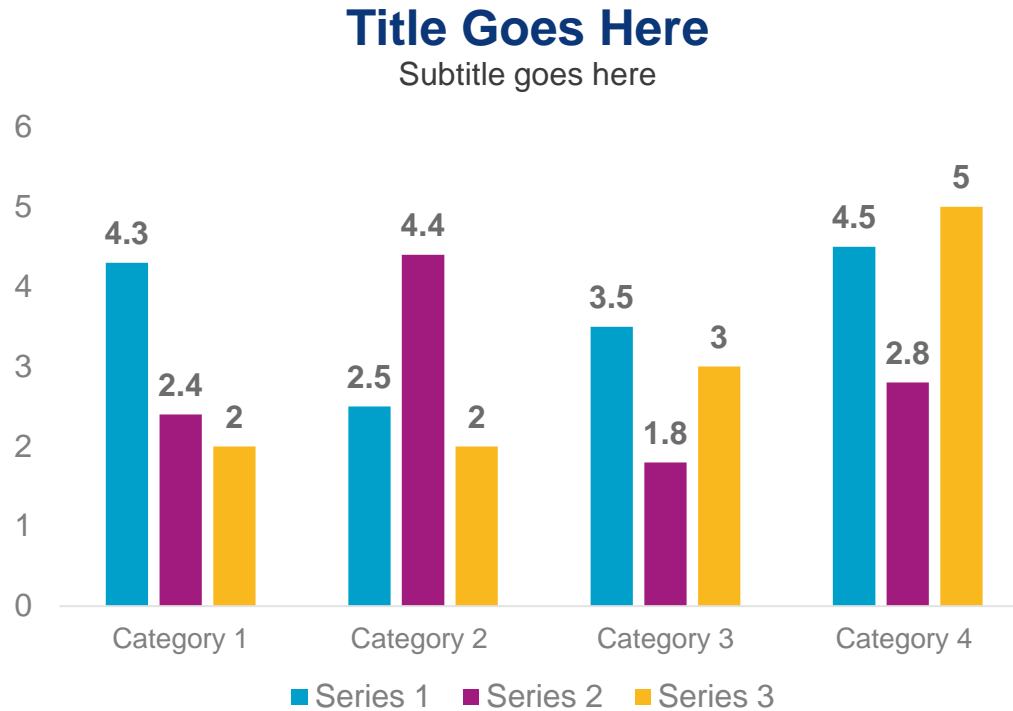
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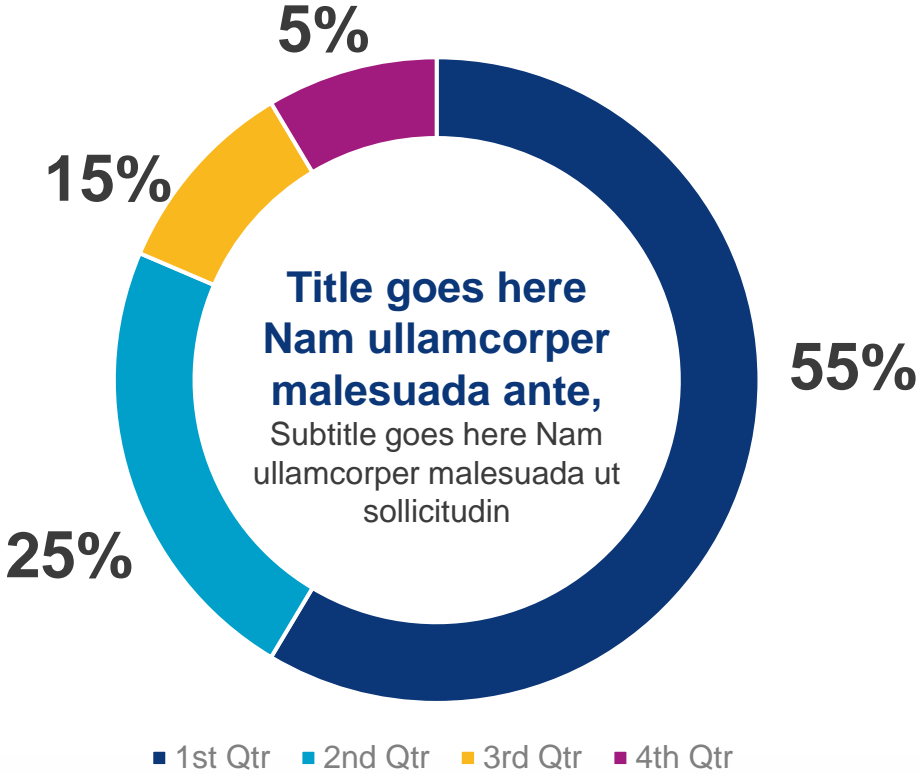
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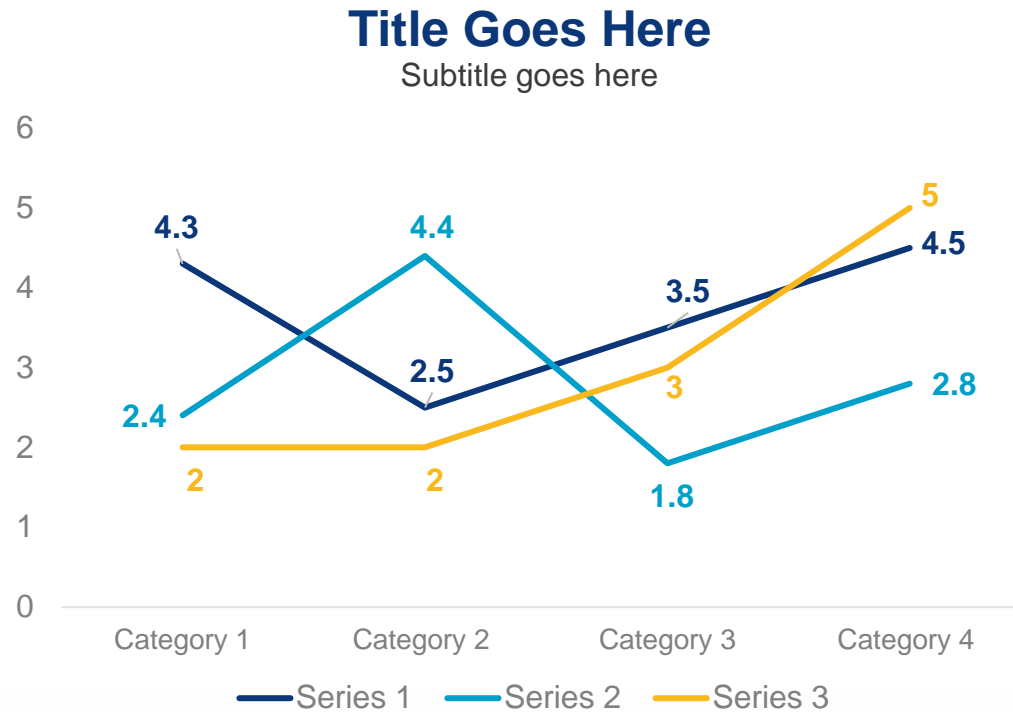
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Pie Chart



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