Vermont Workforce System Analysis

Phase 2 Report

December 2023

PUBLIC CONSULTING GROUP

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INTRODUCTION

PROJECT BACKGROUND

The Vermont Legislature passed Act 183 of 2022, establishing the Special Oversight Committee on Workforce Expansion and Development (SOCWED). This committee – comprised of a representative appointed by the governor, the chair of the state workforce development board, the state director of workforce development, a member of the House Committee on Commerce and Economic Development, and a member of the Senate Committee on Economic Development, Housing, and General Affairs – was established and charged with examining systems that govern and administer workforce programs in Vermont.

The Committee procured the services of Public Consulting Group (PCG) to assist in analyzing the current workforce system in Vermont and develop options for a new governance model. In July 2023, PCG delivered the **Phase 1 Report**, which outlined the state's current workforce system and described strengths, weaknesses, and opportunities associated with the current workforce system. This **Phase 2 Report** considers workforce delivery and governance systems in other jurisdictions and three models that could help Vermont meet its vision for "a statewide workforce development, training, and education system in which all Vermonters who want to work, and all employers who want workers, can connect."

PHASE 2 REPORT EXECUTIVE SUMMARY

While the SOCWED is contemplating changes to delivery and governance of the workforce system, redesign of other related and core programs is being explored in parallel. Given that the SOCWED is ultimately tasked with reconciling recommendations from each of these efforts, the models put forward in this report focus primarily on pivots in **governance structure** that would:

- Make more explicit accountability and oversight authority in the system,
- Structurally support comprehensive data alignment,
- Promote greater resource integration to meet individual resident and business needs, and
- Honor state-wide priorities, while allowing for regional differentiation.

Elements of the proposed three models are not mutually exclusive. As the SOCWED considers the balance between the urgency for more integrated talent development structures and casting an ambitious, long-term vision for the state, it also must be **realistic about institutional capacity and appetite for change** among stakeholder groups and the resources – financial, human, and time – to implement these changes.

Each model is a viable option; however, the SOCWED members may opt to look at these models as a **progression of governance models** that could evolve over time. Model 1 emphasizes modest immediate changes that would yield desired improvements to reimagine the current system. Model 2 is slightly more involved in that it calls for a substantial rebranding of "the system", repositioning and elevating accountability within state government, and creates a structure for operational coordination. Model 3 is the most ambitious in terms of realizing a comprehensive, integrated, governance structure by starting with a **data science strategy** to drive policy, program, and investment. A data governance strategy will truly **enable "one view"** into the effectiveness of the individual components of the overall system, the return on investments, and a longitudinal view to evaluate and inform strategy across the community, regardless of investment source.

WORKFORCE GOVERNANCE AND DELIVERY SYSTEMS

APPROACH

During Phase 1 of the project, PCG conducted preliminary research on state workforce systems. After reviewing many options and conferring with the SOCWED, PCG selected three states for its final analysis: Maine, North Dakota, and Utah. These states were selected because they shared common traits with Vermont and because each had something to offer in the design of a new model. The table below provides a quick snapshot of the selected states and how they compare to Vermont on criteria that inform model development.

	Vermont	Maine	North Dakota	Utah
PY23 WIOA allocations[1]	$2,317,747	$2,821,164	$2,317,747	$3,512,938
Formal Workforce Configuration	Single State Workforce Area	State + 3 Local Areas	Single State Workforce Area	Single State Workforce Area
Population size[2]	647,064	1,385,340	779,261	3,380,800
Median Population Age[3]	43	44.8	35.8	31.9
Rural Population[4]	64.9%	61.4%	39%	10%
New Americans / Diversity[5]	28,000 (4%)	49,300 (3.5%)	34,000 (4%)	273,400 (8%)

MAINE

System Description

- Maine's State **Workforce Development Board** has 36 members plus a 5-member advisory committee consisting of members of adjacent state agencies that are also recipients of and contributors to the workforce system. These adjacent state agencies include Corrections, Community College Systems, Transportation, the University System, and Health, and Human Services.
- For the purposes of implementing the **WIOA workforce system**, the state is organized into three (3) designated sub-state areas for local administration, oversight, and coordination of federal WIOA funds and other workforce development priorities specific to the area.
- The **Maine Department of Labor** (MDOL) is the administrative entity for WIOA Title I programs, as well as the Wagner-Peyser Act program. The MDOL also coordinates with other state agencies that administer the WIOA Title II program, the WIOA Title IV program and other related programs. MDOL also operates over a dozen career centers and access points.
- The **Maine Governor's Office of Policy Innovation and the Future (GOPIF)** is a state agency that was created by the Governor in 2019 to address critical long-term issues facing Maine, such

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[1] https://www.federalregister.gov/documents/2023/04/21/2023-08313/program-year-py-2023-workforce-innovation-and-opportunity-act-wioa-allotments-py-2023-wagner-peyser
[2] US Census Data Vintage 2022 https://www.census.gov/data/tables/time-series/demo/popest/2020s-state-total.html#v2022
[3] US Census Data Vintage 2022 (Released June 22, 2023)
[4] US Census Data Vintage 2020 https://www.census.gov/programs-surveys/geography/guidance/geo-areas/urban-rural.html
[5] Review of Migration Policy Institute website 9/26/23 https://www.migrationpolicy.org/programs/data-hub/charts/us-immigrant-population-state-and-county

as climate change, workforce development, housing, and public health. GOPIF works collaboratively with other state agencies, stakeholders, and the public to recommend and implement innovative policy solutions that are based on research, data, and best practices. The GOPIF also leads and coordinates several initiatives and councils that focus on specific areas of interest, such as the Maine Climate Council, the Community Resilience Partnership, the Maine Jobs & Recovery Plan, the Cabinet on Aging, the Children's Cabinet, and the Opioid Response.

- The **Maine Recovery and Jobs Plan** is the Governor's proposal to invest nearly $1 billion in federal American Rescue Plan funds to invest in small business and heritage industries; job training and skill-building; and the overall health of communities from childcare to broadband to housing. The plan was approved by the Legislature in July 2021 and took effect in October 2021. Year One milestones include impacting 1,000 small businesses with direct economic relief, creating workforce opportunities for 22,000 people, and over 100 infrastructure projects underway to support infrastructure improvements.

- The **10-year economic development strategy** is a state-wide plan that was released in 2019 to harness Maine's natural strengths and address its future challenges. The strategy was developed through a collaborative process involving various stakeholders, such as business leaders, educators, policymakers, and citizens. The strategy outlines a vision of growing talent and innovation in Maine and identifies four goals and eight strategies to achieve it. The goals are: 1) create and attract higher-paying jobs; 2) foster innovation and entrepreneurship; 3) invest in infrastructure for the future; and 4) enhance quality of place.

Key Takeaways for Vermont

- **Regionalization** – Much like Vermont, Maine's population is aging and spread across a large rural geography with natural demarcations that make each area distinct. While Maine is not designated by WIOA as a single state, there is value in breaking up the state into a few regional areas. Each workforce board is aligned with the WIOA plan submitted to MDOL. By focusing on their own distinctive economy and labor market, each board takes ownership of working with all the assets in their region, including employers, job seekers, higher education, community, secondary and CTE schools. This approach reinforced by the state-level vision for economic and talent development, has created an environment of collaboration and coordination. This ongoing process has increased regional buy-in, while at the same time promoting a combination of sense of place, equity, and innovation in each of the three regions. The leadership of the workforce boards helps drive a laser-like focus on developing a talent pipeline for each of their unique economies.

- **Formal Coordination** – A coordinating body, such as the Governor's Office of Policy Innovation and the Future (GOPIF), is an important lever in a context of lean human and financial resources. Complicated issues with many interdependencies like workforce or public health, require dedicated capacity to coordinate across multiple domains such as economic development, labor, and education, as well as partners external to government. Before established systems can pivot, it's important to make space for innovation and collaboration to test, fail, and try again.

- **Long-term Vision** – Progress in areas as complicated and pervasive as workforce or public health or the environment will take time. By developing expectations around a shared 10-year economic development plan, Maine has a touchpoint to ground all stakeholders as administrations and organizations go through their own inevitable changes. The workforce system that Vermont seeks to overhaul was developed decades ago for a different labor market. Vermont must build a durable foundation for a shared vision that will be able to pivot in response to climate change impacts, remote work, or the proliferation of AI. While individuals, stakeholders, and systems will evolve at their own pace., all need to remain focused on Vermont's collective long-term vision and goals to inform collaboration.

NORTH DAKOTA

System Description

In North Dakota the **Division of Workforce Development**, which is part of the **Commerce Department**, is responsible for the following activities:

- Monitoring local, regional, and national private and public workforce development initiatives
- Developing a statewide intelligence coordination strategy
- Ensuring employers have access to a skilled talent pool
- Growing opportunities for youth in careers and civic engagement
- Expanding volunteerism

The Division is comprised of five units, including the **Workforce Development Council**. The Workforce Development Council serves as the SWDB and is comprised of 33 appointed members. The Council provides a broad perspective and makes recommendations bi-annually by publishing a *Report of Recommendations* of its priorities and endorsements for the government. Recommendations include things like:

- establishing new task forces
- identifying new needed positions in the workforce system
- federal funding advocacy requests of Noth Dakota's Congressional delegation
- specific financial investments from the state to support regional projects
- suggestions around specific programs such as Career and Technical Education

North Dakota's **state longitudinal data system** (SLDS) work is an effort to collect, integrate, and analyze data from various sources of education and workforce training programs in the state. The SLDS leverages the collaboration of partners from **education, training, and employment programs**, including: the Department of Public Instruction (DPI); the Department of Career and Technical Education (CTE); the North Dakota University System (NDUS); Job Service North Dakota (JSND), and the Department of Commerce (DOC).

These partners share data with the SLDS through secure and standardized methods and access data from the SLDS through various reports and tools. The SLDS is administered by the Information Technology Department (ITD) and is governed by the **SLDS Governance Board**, which consists of representatives from various state agencies and stakeholders. The SLDS supports **sector partnerships** and **career pathways initiatives** that seek to align education and training programs with the specific skill needs and requirements of employers in within targeted industry sectors.

Key Takeaways for Vermont

- **Regional Collaboration and Coordination** – As of August 2023, the ND Workforce Division forecasted that it would be seeking responses from regions for its **Regional Workforce Impact Program**. To ensure equity, the state has already established award ceilings for each of the eight (8) community development regions. Building on a successful ARPA program, the legislature allocated dedicated funds for region-specific and region-determined workforce issues. For Vermont, even though it is a single-state WIOA system, there needs to be mechanisms in place to create some kind of **formalized feedback loop between the state plan and the organizing and coordination in the regions**. Without this dedicated capacity there is not the same energy to identify workforce priorities collectively and coordinate local responses.
- **Data Systems** – Data is currency and North Dakota is effectively organized through the SLDS foundational work to take advantage of that. **Shared governance across many disparate departments** enables greater accountability and potential for collaboration across funding areas. For example, by doing the arduous work of aligning pathways – competency by competency,

credential by credential – North Dakota is converting that knowledge into digital credentials for youth and adult learners to be understood and "consumed" by companies seeking specific talent. Already recognized by the National Governor's Association for this pioneering work, North Dakota is applying lessons learned from cybersecurity occupational pathways to address educator talent shortages and creating multiple entry points into the field beyond traditional bachelor's degrees. As Vermont implements reforms to credentialing bodies and cultivates new avenues to careers, such as expansion of Registered Apprenticeship, aligning and documenting competencies and pathways effectively and seamlessly is important to more efficiently skill, upskill, and integrate Vermont's talent. While Vermont is adding access to pathways, it is also simultaneously undergoing major consolidation efforts such as with the State University System. As more reorganization and consolidation efforts potentially get underway to "right-size" public service infrastructure, **Vermont needs real time intelligence to make informed decisions** about choices that have regional, organizational, and individual impacts.

UTAH

System Description

With 23 programs delivered through six (6) agencies, the state of Utah made bold moves in 1997 to simplify state systems that support residents' economic well-being by **consolidating several state agencies** such as Department of Employment Security, the Department of Human Services, and the Department of Community and Economic Development, into a cabinet level Department of Workforce Services (DWS).

With a WIOA single-state designation, the **State Workforce Development Board** (SWDB) advises and assists the DWS in developing and implementing the state's workforce development system, including the state plan, the performance accountability system, and the regional planning process. There are 33 members appointed to the SWDB.

The **Department of Workforce Services** is divided into the following divisions:

- **Workforce Development Division** (WDD) which is responsible for administering and coordinating WIOA Title I program, as well as other related programs, such as the Wagner-Peyser Act program (Employment Service), the Trade Adjustment Assistance program (TAA), the Veterans' Employment and Training Service program (VETS), and others.
- The **Eligibility Services Division** (ESD), which administers and coordinates the WIOA Title II program (Adult Education and Family Literacy Act), as well as other programs, such as Medicaid, Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), Childcare Assistance Program (CCAP), and others.
- The **Housing and Community Development Division** (HCDD), which administers and coordinates various programs that support affordable housing, community development, homelessness prevention, energy assistance, weatherization, and others.

Additional offices include Homelessness, Childcare, Refugee Services, and Unemployment Insurance and Research and Analysis.

The DWS uses a **unique cost-allocation mechanism and braids federal funds** that allows it to pool federal and state funds from different programs and allocate them based on actual service delivery costs. This reduces administrative overhead and increases flexibility and responsiveness to changing customer needs and economic conditions. The braiding of funds also helps to break down staff silos since they must become familiar enough with other programs to stitch together a package of resources for customers based on their eligibility. The DWS also has a reporting and accountability relationship with the federal government that simplifies compliance and reporting requirements. Through negotiations with the federal government, Utah was able to preserve its innovations and serve its customers seamlessly. Job seekers are better

served by not having to navigate multiple systems to get their needs met and the state's workforce is more efficient and able to flex available capacity to respond to current needs of its residents.

Key Takeaways for Vermont

- **Service Delivery Integration** – Utah has created a unified "front door" for job seeking customers who would benefit from multiple public supports. For low-income individuals, having one department determine eligibility for a range of services just makes sense – from cash to food to childcare.
- **Innovation and Compliance** – Federal rules are not written for every possible configuration. Vermont can harness the power of its small population with a dedication to community, political visibility, and organized nonprofits to make the case to the federal government, specifically Department of Labor, when/if there are barriers to common sense operations that align best with the state government's direction.

OVERARCHING THEMES

While researching governance models used by states with a modern or improved workforce system, several key themes emerged. Modern workforce systems:

- Put customers at the center of design and implementation considerations. Doing so creates an opportunity for intentional braiding of funds, which would positively impact Vermont residents with more comprehensive service packages to address their individual/family needs. Focusing on the customers rather than the federal programs requires greater staff flexibility and collaboration across government.
- Adopt data architecture that allows for a more holistic view on program impact, shared outcome definitions, data sharing agreements, and technologies that enable greater coordination.
- Focus on longitudinal strategies that incorporate experiences that build over time.
- Brand the overall system to foster awareness and simplify access for services.
- Foster a locally driven system that is responsive to specific labor market needs but aligns with the overall vision for the state communicated by the State Workforce Development Board in partnership with the Governor and partners.

These themes informed the proposed models discussed in this report and should be considered by the state as this process continues.

WORKFORCE GOVERNANCE AND DELIVERY MODELS

DESIGN PRINCIPLES

While deliberating alternative workforce governance and delivery models for Vermont, the SOCWED identified minimum criteria for any new model. These "design principles" included:

- The model should be *simple* with minimal bureaucracy.
- The model should be *efficient* given resource constraints.
- The model should be *nimble*, able to respond in times of crisis.
- The model should not assign responsibilities without providing commensurate authority to *carry out* those responsibilities.
- Form should follow function.

Prior to landing on the following three (3) models, the SOCWED reviewed and discussed additional alternatives presented by PCG. These alternatives are documented in SOCWED meeting materials, presentations, and notes.[6]

MODEL 1: A REIMAGINED STATE WORKFORCE DEVELOPMENT BOARD

Model 1 makes explicit the strengths of Vermont's current structure, while addressing two structural challenges that have impeded accelerated impact. In 2023 the SWDB approved a strategic plan that was informed by a year-long planning process with multiple stakeholders. It is focused on an overarching goal – to increase the number of workers in Vermont by 10,000 by 2040. Creating an "Office of Workforce Development" embedded with VDOL with an executive director directly reporting to the Governor clarifies decision-making and policy influence. Additionally, this model calls for a reconfigured state board whose membership numbers are more in line with other states. Finally, this model makes explicit how the work of the board will be coordinated on the ground through funded backbone organizations in regions.

This model would strengthen the workforce development system for jobseekers and employers by:

- Aligning services for multi-sector, multi-agency initiatives at the state and local levels.
- Providing some capacity to conduct regional planning, coordination, and implementation that involves a wide range of stakeholders.
- Creating a stronger platform for sharing needs and providing real-time feedback on the entire talent pipeline continuum.

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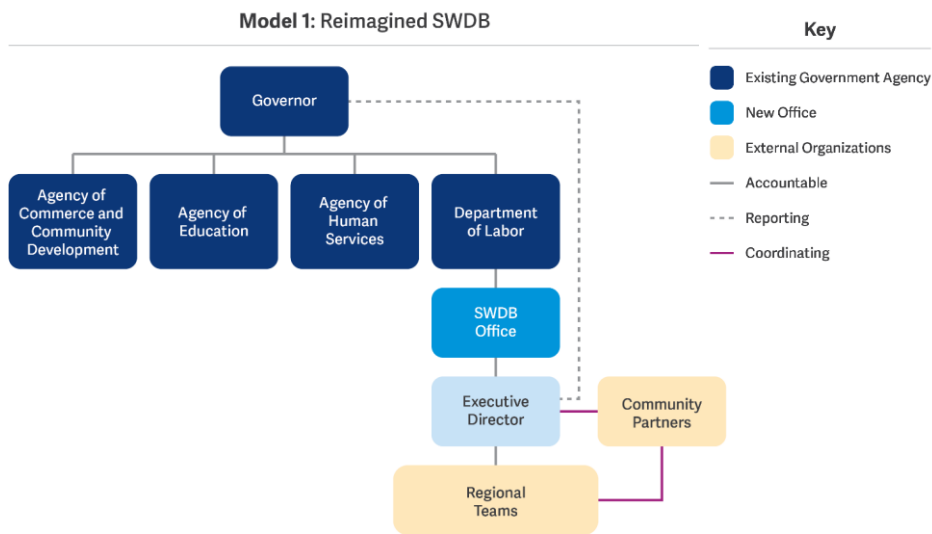
[6] Note that in each of the visual depiction of the models that follow, the agencies and departments listed do not represent the entire state executive office organization. Those that are listed, are in no particular order. The abbreviated org charts are intended to only show those agencies and departments most involved in the workforce expansion and development system.

Key Features

- The **SWDB** remains embedded within the Department of Labor, close to foundational workforce investments.
- The SWDB is led by an **executive director** and supported by dedicated staff appropriate to the scope of work in the strategic plan.
- The primary responsibility of the executive director is the management of the board and the implementation of the **SWDB strategic plan** through committees and regional teams and community partners.
- The executive director reports to the Commissioner of Labor and is a member of the Governor's Cabinet.
- The SWDB is charged with **soliciting and integrating feedback** from board members representing other parts of state government, the education sector, and public and private labor, and industry.
- **Reconfigured board membership** reflects WIOA requirements but removes some of the additional members added previously by the Vermont legislature. Work of the SWDB would be conducted through committee and brought to the SWDB for approval.
- Creates a limited number of **regional teams** that reflect the range of programs, providers, and business interests in the regions. The regional teams do not have to follow a prescribed structure but should instead invest in places where there is demonstrated capacity to build upon, stabilize, and expand as needed. These regional teams would represent locations best positioned to accelerate and support implementation of SWDB priorities, which could be sector or population based.
- By competitively selecting 2-3 **backbone organizations** (coordinating bodies that bring together stakeholders to synchronize efforts) for the regional teams, the SWDB has the flexibility to align these teams with the 5-year strategic priorities. Sometimes the need might be for regional teams where a priority might be more acute – integrating New Americans in the workforce – at other times, a sector-first approach might make more sense.
- As new resources or priorities are identified, **new regional teams** can be added. By putting this convening and connecting function out to bid, the SWDB is not locked into a structure and realizes the flexibility advantage of being a single state service area. Regions are also accountable to the SWDB to report back on successes and challenges around organizing in regions/by sectors. Note that these regional teams are not meant to be a return to local workforce development boards. In the spring of 2023, the Economic Development Agency released updates to its Comprehensive Economic Development Strategy (CEDS) Content Guidelines, which included the addition of workforce development as a separate section. For a state the size of Vermont, this is an opportunity to document a plan for coordinated resources from different federal agencies to support the same desired outcome – aligned, talent development strategies that are informed at the community level by stakeholders.

Implementation Considerations

The implementation of this model would require the following:

- Passing **legislation** to change the statute that currently defines Vermont SWDB membership, which is currently 63 representatives and extends beyond WIOA mandated membership. Vermont might consider adding clarifying language to its by-laws as New Mexico did. WIOA rules state: *Where the lead official represents more than one core program, that official must ensure adequate representation of the needs of all core programs under his or her jurisdiction.* New Mexico's by-laws state: *A State Board member may not represent more than one category of membership at a time. However, where a single government agency is responsible for multiple required programs, the head of the agency may represent each of the required programs.*

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- Expanding the WIOA State Plan to be inclusive of additional partners/resources such as Career and Technical Education.
- Hiring a permanent **executive director** of the SWDB.
- Identifying and **reallocating the 15% Governor's Discretionary WIOA funds** currently retained in program budgets. Since Vermont has not historically utilized these WIOA funds for coordinating the system, these funds should provide a foundation for this position and a budget for regional planning efforts.
- Determining the **priority areas for regular regional collaboration**. Elevating sector strategies that are shared across multiple areas is one approach to prioritizing which regions receive initial regional investments. This would be an early demonstration of aligning talent supply activity with economic development awards made by the US Economic Development Administration in the fall of 2023.
- **Procuring services** (e.g., backbone organizations) to provide capacity for regional planning efforts.

Pros

- Maintaining the existing governance model allows for some level of continuity while improving and/or formalizing connections within the system.
- Makes staff leadership of SWDB explicit (Executive Director) and structured outside of the Governor's Office but with a dotted reporting line to the Governor.
- Reduces the size of the SWDB, encouraging greater engagement, influence, and responsibility on the part of board members. However, the SWDB would remain reflective of stakeholder groups and be WIOA compliant.
- Provides the legislature with a single point of contact (the Executive Director) on all topics pertaining to the workforce.
- Provides capacity to plan, coordinate, and implement regionally with accountability to the SWDB through a grant-funded program.
- Minimally disruptive compared to other proposed models.

Cons

- Least transformational of the three models.
- The model depends upon the credibility and political acumen of the executive director.
- Requires financial investment and/or realignment of existing resources to shore up the structure.
- Some current SWDB representatives would be removed.
- Doesn't necessarily make progress on aligning measures across agencies.
- Not clear whether it will impact customer experience.

MODEL 2: VERMONT WORKS FOR THE FUTURE

Model 2 aims to create a highly visible, state-wide initiative – "Vermont Works for the Future" - that meets WIOA requirements for a state workforce development board, but also benefits from a visible and well-positioned SWDB Executive Committee that is supported by staff housed in a new Office of Workforce Expansion and Development. This model emphasizes coordination and collaboration among public sector and private sector organizations with the common purpose of attracting, retaining, and developing the Vermont workforce.

This model would strengthen the workforce development system for jobseekers and employers by:

- Communicating a high visibility and accountability structure for overall state and federal investments in workforce.
- Unifying the perspectives by which the "system of systems" is governed under one umbrella framework.

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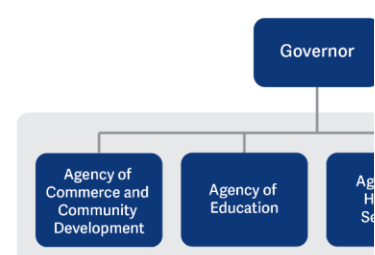
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- Providing the platform for high level identification of duplication and gaps.
- Organizing the leadership with the authority to make significant policy or program implementation changes to address duplication, gaps, and expedite decision-making for new opportunities.
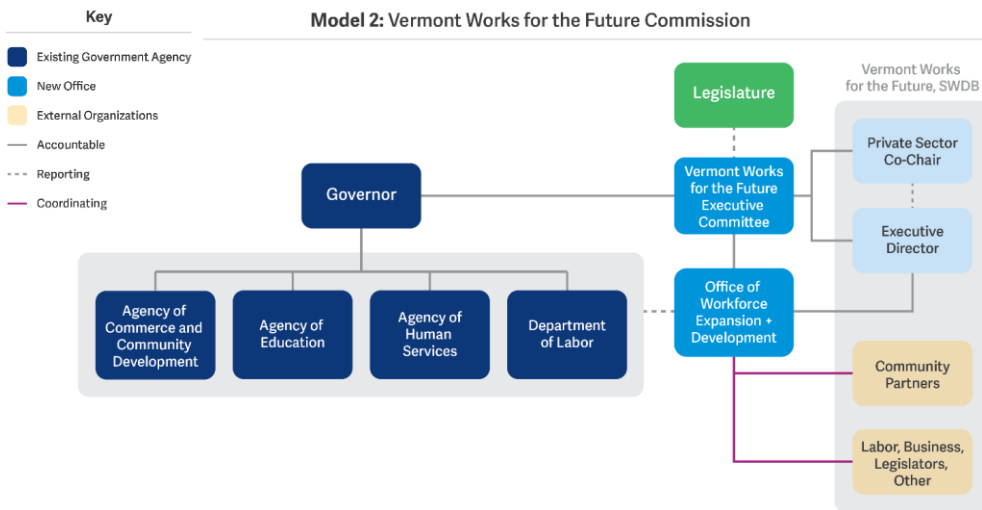
Model 2: Vermont Works for the Future Commission

Key Features

- The legislature dissolves the SWDB as currently constructed and establishes the Vermont Works for the Future Initiative, an Executive Committee of the SWDB, and the Office of Workforce Expansion and Development, which is led by the Executive Director of the overall initiative. As part of that process, the legislature will establish the relationship between the SWDB Executive Committee, the Executive Director, and the Office whereby the Office supports the interdepartmental/agency coordination and oversight of pooled resources that agencies contribute to execute on collaborative activities. A change in name communicates the broader objective of the structure change beyond WIOA compliance.
- While the Vermont Works for the Future Initiative has a broad mandate to communicate a unifying vision for workforce expansion and development in the state that align public and private resources, it also serves as *the required WIOA State Workforce Board*. All the required workforce board members are part of "the initiative" and perform required WIOA functions to guide and oversee federal Department of Labor investments.
- The SWDB Executive Committee with input from the Initiative identifies **priority reporting metrics and proposes** recommendations and plans to remove administrative or technical barriers to reporting on these metrics. There may be some that require a legislative solution, such as the use of wage records outside of the unemployment system. The executive director would be tasked with the work of ensuring that these changes are made on behalf of the Executive Committee and the overall Initiative.
- The executive committee is charged with spearheading, developing, and maintaining a **statewide vision, roadmap, and brand** that focuses all stakeholders on research and data-based strategies to expand and strengthen the state's workforce. As critical stakeholders the Vermont Works for the Future Initiative contributes to the vision and roadmap and is responsible for execution outside of

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state government, the executive committee would be responsible for ensuring success through state-sponsored levers.

- Executive committee members are appointed by the Governor and **chaired by a private sector leader** with statewide operational presence, as required by WIOA. As a legislative initiative, the executive committee will be sustained through administration changes. Vermont will follow WIOA rules for state workforce board membership but should strictly impose limits so that the number of members remains in the range of 30-35 total members. Additional senior leaders who previously might have been included, could now serve on an Advisory Council for those topics that are most germane on an ad hoc basis.

- The executive committee includes an expanded mandate to act as a **clearinghouse for all cross-cutting initiatives** that would impact key indicators of Vermont's overall economic and workforce health. Cross-cutting initiatives report into the executive committee, to create one lens for data collection and analysis, funding or policy recommendations. This would provide a **clear accountability structure** for when state agencies and departments pool funding to sponsor cross-agency pilots or special initiatives to address gaps in service delivery or capacity to act on new cross-cutting opportunities.

- A new Office of Workforce Expansion and Development provides the staff support to the executive committee and overall initiative with responsibility for coordinating the workforce expansion and development agenda with internal **and** external stakeholders such as industry, organized labor, and community organizations. Rather than create new or different infrastructure, leveraging the existing regional development corporations and other partners already embedded in communities could help facilitate this if they are resourced for the additional work.

- The executive committee is staffed by an **executive director, who also** leads the Office of Workforce Expansion and Development and is a member of the Governor's Cabinet. The executive director also has dual reporting responsibilities to the private sector chair.

- The executive director proactively helps connect private sector and community-based organizations to state government systems through **sector strategies** and **regional convenings**.

- The executive director chairs an **interagency working group**, comprised of operational government leaders and/or executive committee members' designees. This is the innovation group that brings a coordinated vision to each agency's or department's operation.

Implementation Considerations

The implementation of this model would require the following:

- Filing **new legislation** that (1) creates the Initiative with fewer members than the current SWDB but still in compliance with the WIOA requirements of 51% private sector representation. (2) establishes the Office of Workforce Expansion and Development as the implementation arm of the Vermont Works for the Future Initiative. (3) funds the Office of Workforce Expansion and Development with requisite resources to allow for minimum staff capacity of an executive director and ideally two FTEs as well. (4) This legislation should also articulate the process by which the executive director will be hired to make explicit that this individual is a joint hire shared by the governor and private sector chair of the Initiative.

- Identifying new funds and/or reallocating the **15% Governor's Discretionary WIOA funds** currently retained in program budgets. Since Vermont has not historically utilized these WIOA funds, which are used for coordinating the system, these dollars should provide a foundation for this office.

- Dedicating **additional state investments** to grow as needed with the Office, but at a minimum enough investment to competitively fund an executive director position and one to two staff.

Pros

- Elevates workforce and economic growth priorities in a structure that can persist across administrations.
- Establishes one voice for advocating to the legislature on workforce issues that unites internal and external priorities. Additionally, under this structure, Vermont is better positioned to pursue additional federal, private, and philanthropic funds on behalf of the system.
- Creates a platform for unified metrics, aligned to shared priorities.
- Distinctly identifies and assigns capacity for working across agencies and with regional partners – public and private.
- Creates a one-stop access point for businesses seeking to engage on workforce issues.
- Elevates a single state leader for workforce expansion and development, who is accountable internally and externally on progress toward shared goals.
- Improves messaging and branding for all workforce investments– inclusive of Health and Human Services, Commerce and Community Development, Education, Labor, and grant-funded or philanthropically funded community-based programs. This would be particularly helpful for residents seeking assistance who would not have to discern through multiple program names but rather seek information at the source. Over time, this model would provide a beneficial structure to support staff cross-training that would enable "no wrong service door" and provide easier resource navigation for residents.
- This model incorporates aspects of the Vermont Cannabis Control Board in that it would be established through legislation and is an initiative that builds a platform for a topic that touches upon multiple administrative agencies. The SOCWED could look to the Control Board for lessons learned on legislatively establishing the Board, creating a nominating committee to hire leadership, and more.

Cons

- Success of the model, especially in early stages, is highly dependent upon identifying a politically astute individual/team to be the ambassadors, influencers, and servant leaders internally and externally to build trust and foster systemic change without direct authority over budgets and systems.
- A new schema runs the risk of alienating partners that put forward a good faith effort to contribute to the SWDB strategic planning efforts in 2022 and 2023.
- Resources still reside in "home agencies" with separate systems, etc. Unclear how fast and willing agencies are to collaborate with each other when staff/leadership turnover has made execution and maintenance of status quo challenging.
- A hurried implementation process that doesn't take into consideration engagement of state and regional entities in the design and implementation of the Initiative's work could undermine trust and ultimately the success of such an undertaking.

MODEL 3: DATA-FIRST APPROACH – VERMONT DATA TRUST COMMISSION

Model three focuses first and foremost on ***data governance*** as a vehicle for driving systems alignment and program performance that results in impacts for all Vermonters. This model aims to achieve accountability across internal and external stakeholders through a comprehensive Vermont Data Trust Commission but does not call for a major reorganization of the existing workforce development and education resources until Vermont leadership has the data systems in place.

One of the greatest challenges facing Vermont residents, policy makers, and program administrators is accessing a complete picture of the outputs and outcomes generated by the numerous workforce development and educational opportunities supported by the state. While education, labor, commerce, and human services departments provide many programs and services, the State does not have an effective

tool for measuring its *collective impact* and measurable progress that benefits individuals, business, and the overall health of the state.

This model would strengthen the workforce development system for jobseekers and employers by:

- Providing existing and prospective industry and business leaders with more nuanced and comprehensive intelligence about Vermont's current and prospective talent.
- Articulating the most seamless and efficient pathways for youth and adults on the myriad learning and development options provided in Vermont for residents, as well as newcomers looking for avenues to economically integrate and advance.
- Identifying the places in the education and training ecosystem for business to make *strategic* financial contributions to talent attraction, learning, and skill development by filling gaps and augmenting what exists, and making targeted investments when a more accelerated model is needed. Business sector investments are then geared toward situations that are informed by population attributes and knowledge of real system capacity.

Model 3: Data First Approach

Key Features

This model minimally impacts the current WIOA governance structure but increases data collection, analysis, and reporting capacity in the Agency of Digital Services.

- The **State Workforce Development Board** (SWDB) remains within VDOL and is tasked with organizing the *Governor's Strategic Workforce* vision through internal and external partners.
- The SWDB hires a permanent **executive director** whose primary responsibility is to support the board and its committees.
- A **state data trust**, a legal entity, holds or has access to data from multiple sources and makes decisions about how that data can be used or shared for specific purposes. There is no single way to set up a data trust and the legal, technical, and organizational requirements to recommend one path is beyond the scope of this report. However, a trust could be designed with workforce expansion and development as its top priority.
- The **Agency of Digital Services** could be the lead because it already has responsibility for state data-sharing infrastructure and is well-positioned to identify appropriate technical solutions and standards for storing, accessing, and processing the data within the data trust.

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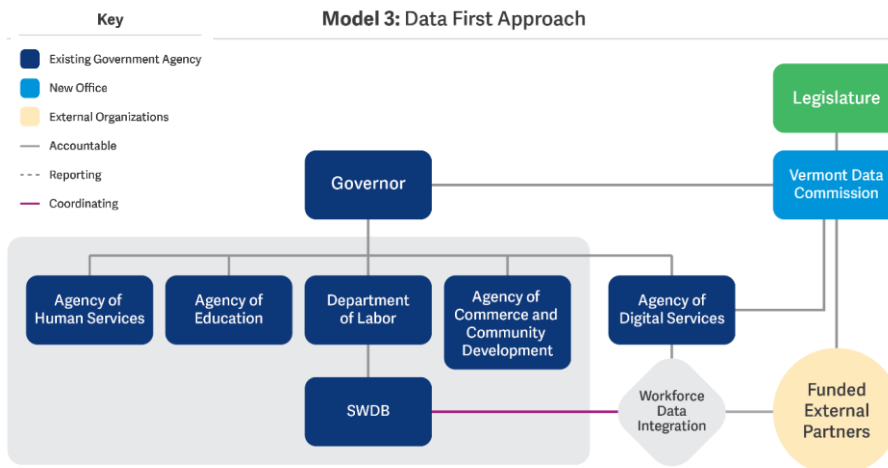**Deleted:** Vermonters

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- The Agency of Digital Services would help to ensure that the infrastructure meets the requirements of data security, privacy, quality, and interoperability.
- A **Data Governance Committee** comprised of the leadership from Vermont agencies and departments whose data will be included in the trust as stipulated by legislation as well as other key contributors that opt into the trust overtime.
- The benefit of a data trust is that all parties opt into contributing to the trust, have a say in how the data are used. To provide greater transparency across public and private investments, internal and external stakeholders will have shared responsibility for using the data.

Implementation Considerations

The implementation of this model would require the following:

- Establish the **data trust agreement** which defines its purpose, scope, objectives, and terms of operation. It also specifies the rights and obligations of the data providers, the data users, and the data trustee(s). A data trust agreement is signed by all the parties involved in the data trust. The legislature should stipulate upfront the initial data sources to be part of the trust.
- Confirm or designate an entity to serve as the **data trustee(s)**, which will be the steward(s) of the data trust and make decisions about how the data can be used or shared in accordance with the data trust agreement. The data trustee(s) can be a single entity or a group of entities, such as a government agency, a non-profit organization, a private company, or a consortium.
- **Identify the data providers** to contribute data to the data trust and/or grant access to their data sources. The data providers can be public or private entities, such as government agencies, businesses, non-profits, researchers, or citizens. The data providers retain ownership and control over their data and can specify the conditions and limitations for its use or sharing through the data trust agreement.
- **Identify the data users** who will have access or use the data from the data trust for a specific purpose that aligns with the data trust agreement. The data users can be public or private entities, such as government agencies, businesses, non-profits, researchers, or citizens. The data users must comply with the terms and conditions of the data trust agreement, as well as with any applicable laws and regulations.
- Formalize a **governance structure** that includes mechanisms for oversight, accountability, transparency, and dispute resolution. This structure would be accountable for collaborating with the administration and Legislature to address barriers to data collection and sharing.

Pros

- Over time having a high-level statewide focus on data and analysis with methods to normalize disparate data, allows programs to focus on the work of programming and addresses a common organizational gap in government and nonprofits, the laborious work of figuring out "point-to-point" data sharing agreements, technological infrastructure, and analysis.
- A data trust is scalable, promotes common rules for data security, privacy, and confidentiality while also reducing technical costs by onboarding into one environment.
- Aggregating all data in one place mitigates some of the privacy challenges at the program level where numbers can be so small that they can't be reported but, in the aggregate, all are part of a comprehensive picture.

Cons

- This kind of response can be a longer-term endeavor. It will likely take years to realize the full value derived from a data strategy. But once operational, it will enable greater clarity, accountability, and coordination to inform decision-making about future investments and design and development of systems.

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- Prioritizing workforce expansion and development could be a challenge. Other areas, such as public health and the environment, could compete for data strategic prioritization.
- This approach would require intensive planning and development efforts and costs.
- This approach relies almost exclusively on better data to improve the system, "putting a lot of eggs in one basket" This model delays having to make inevitable hard choices about consolidation or reorganization of service delivery.

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CONCLUSIONS

During this engagement, the SOCWED has considered several workforce governance and service delivery models, including the three described in this report. While identifying *the best* model for Vermont, the SOCWED should, at minimum, consider the following features:

- **Stakeholder Engagement** – Does the model hardwire meaningful participation from a broad range of stakeholders, including those who are typically underrepresented?
- **Transparency and Resilience** – Does the model provide clear lines of accountability? Are there enough redundancies in the model/system so that it withstands organizational or individual turnover?
- **Data Utilization** – Are statewide goals sufficiently aspirational? Do all stakeholders see their contributions represented in the efforts to move the dial on meaningful measures?
- **Continuity** – Does the model help to ensure continuity across administrations? Are goals and strategies sufficiently documented? Where will the leadership come from to execute and sustain a transformation?
- **Funding Maximization** – Is the model broad enough to unify and integrate *all* of the primary resources that will drive change in Vermont's workforce expansion and development?
- **Vermont Context** – Does the model respond well to statewide trends, culture, and politics? How effectively will this model engender trust to withstand challenges should it have to make hard, but necessary choices?