**Workforce 3One**

**Transcript of Webinar**

**ETA 2016 SECTOR STRATEGIES VIRTUAL INSTITUTE**

**SUSTAINING SECTOR APPROACHES (201):**

**HOW SECTOR STRATEGIES BECOME HOW WE DO BUSINESS**

**Tuesday, May 17, 2016**

*Transcript by*

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OPERATOR: Good afternoon, my name is Benita and I will be your conference operator today. At this time, I would like to welcome everyone to "Sustaining Sector Approaches: How Sector Strategies Become How We Do Business" workshop.

I would now like to turn it over to your host, Brian Keating with Maher & Maher.

BRIAN KEATING: All right. Thanks very much, Benita. Yes, thanks – welcome to this WorkforceGPS workshop, part of a series, part of our virtual institute this week. If you've been attending, you know what great sessions they've been so far, so we're going to keep it going. I'm going to get myself right out of the way so we have enough time to hear from everybody and go into a collaborative breakout session.

Before I do, though, I want to encourage you to introduce yourself in the welcome chat there and we'll have a chat window where you can ask questions on the screen and also invite you to collaborate with us when we get to the breakout session, more on that in a little bit. But we're going to go ahead and kick things off.

Again, welcome, everyone to the "Sustaining Sector Approaches: How Sector Strategies Become How We Do Business" workshop. And again, just let us know who you are in that chat window, we'll be bringing that up as well so you can ask questions if you need us.

And to kick things off, I'm going to turn things over to my colleague, Christina Herzog, the senior policy analyst with Maher & Maher. Christina, take it away.

CHRISTINA HERZOG: Thank you, Brian and welcome, everyone. This is the third in our series of 10 interactive virtual institute sessions. Many of you may have attended yesterday's opening plenary with our panel of practitioner experts led by Eric Seleznow, but for those of you who have not, this virtual institute has been supported by the U.S. Department of Labor Employment and Training Administration Sector Strategies project.

Yesterday we discussed visualizing data and today we are talking about sustaining sector's partnerships. Tomorrow we will be discussing industry engagement and career pathways, Thursday will be work-based learning and apprenticeships and state-level strategies and Friday we will discuss how sector strategies play out at the service delivery level, developing industry champions and we'll end Friday with a closing plenary with our special guest speaker Manuel Pastor.

If you have not yet registered for the closing session, I strongly encourage you to do so at your next opportunity. Our discussions throughout this week are focused on implementing promising practice models, how-tos and innovation and we have some fantastic speakers to talk to you about the innovations in their areas. Today we're going to dive into how we move beyond just sustaining approach, project or program to how we make sectors a part of how we do business, how we institutionalize the changes required by WIOA.

Today we've selected speakers from the same state, Kentucky, to discuss how their approach to implementing sector's change plays out at both the state as well as the local level. So our agenda for today, we're going to have some opening presentations, Melissa Aguilar from Kentucky Workforce Innovation Board and Cindy Read from Kentuckiana Works.

We'll give you their presentations, then we're going to move to facilitated breakout rooms for about 25 minutes. You will be automatically divided into two rooms and one of our speakers will be with you as well as a facilitator for that session. And truly, this is your opportunity to ask questions of our presenters, to talk about your own challenges and perhaps a best practice from your state or local area that you can share with our audience.

This is intended to be completely interactive and you will have an opportunity to speak or to enter questions online, whichever format you prefer. So our objective today are to learn how some workforce development boards have implemented sector strategies to consider the structural changes that need to be addressed and to identify potential obstacles and get some ideas for overcoming those and I know our speakers have some suggestions for you today.

So to ground us in our conversation, this picture that you're looking at right now is the ETA Sector Strategies Framework. For those of you that aren't familiar, this slide outlines the framework for successful sector strategies as identified by ETA. This is available on the WorkforceGPS website, the ETA Business Engagement Collaborative site, which is live right now and we will have new resources posted throughout this month and the month of June, which will include briefs written by many of the facilitators that we have this week.

As I said previously, our session now focuses on the sustainability and continuous improvement focus of sector strategies. And our two presenters today, as I said, are Melissa Aguilar, executive director of the Kentucky Workforce Innovation Board out of Frankfort, Kentucky. She has provided policy guidance and direction for the Governor of Kentucky, worked throughout several states in a consultant role in economic and workforce development in education and she has originated from private industry as an industry trainer and entrepreneur.

And second today we'll be hearing from Cindy Read who is the deputy director of Kentuckiana Works, the workforce development board for Louisville, Kentucky and six surrounding counties. She's led Kentuckiana Works development of sector-focused career centers guided by industry partnerships since 2011. For the agencies' work in sector partnerships, Kentuckiana Works has been recognized for system change by the National Fund for Workforce Solutions and named breakthrough gurus by Metro Louisville Government.

So with that said, I'd like to go ahead and turn the session over to Melissa. Please feel free to jump in, Melissa.

MELISSA AGUILAR: Thank you, Christina and certainly, thank you for the opportunity to highlight Kentucky and all the awesome things we have going on here. Just to give you a little bit of history and information about the Kentucky Workforce Innovation Board, currently, we have 42 members and certainly, that is that honors the composition the intent of WIOA as 51 percent business and industry, 20 percent, etc., etc. for workforce representation.

Our board is relatively new. We have a new governor, Governor Bevin who is new in 2016. So he is actually getting ready to reconstitute the board and I think we'll probably add even a couple more members. And so we have really been dialing into a lot of work as it relates to sector strategies previous to Governor Bevin. Under the last administration, we had dove in pretty deep to sector strategies already.

We had developed a sector strategy toolkit and certainly moving that forward to the next version, which I'll talk about here in just a few minutes. But currently, our board is really designed right now from the capacity of looking at best practices, of course, in Kentucky, but also outside of Kentucky. We're really focused right now also on data performance and accountability and making sure that our system has data to back up our decisions that's made by the state boards and certainly any policy that's implemented.

Thirdly, from a committee standpoint, we're focusing on policy and process review, even looking at the last couple of policies that we put in place when we knew that WIOA was coming to the forefront. We want to make sure that those policies and processes play out and certainly, we're embedding sector strategy work in even those policies.

And then last but not least and probably the most important item we're focusing on right now is business and education alignment and that's truly where the sector strategy effect has really come to the forefront with our business and industry individuals.

So again, I mentioned earlier that certainly, we have a past history of adopting a sector strategy approach. We looked back in 2010 when we actually did our strategic plan, which is the WorkSmart Kentucky Plan, you can find that on our KWIB website, we specifically focused on workforce development and the industry sectors from the partnership between economic development, workforce development and education.

At that point and time, certainly, the state office as well as the local levels – I mean, of course, you'll hear from Cindy in one of those local levels here in a little bit. But it was a joint partnership and certainly, it has to be a joint partnership moving forward.

We're getting ready to update our sector strategies toolkit, which of course, again, is online on our KWIB website. But the emphasis of our work right now surrounding a sector strategy approach is three- or four-fold, quite frankly. The career tech education system came to our board late last year and said that they wanted to begin to overhaul their entire education system K-12 in career tech education to begin looking at all of the credentials as well as the career pathways.

And so they wanted to do this from an approach of working with all the industry sectors throughout Kentucky, working with the local workforce boards in Kentucky and then certainly, now that we have regional areas in Kentucky, that's incorporated into that structure as well. And so we received a JPMorgan Chase grant through our education department and that grant has really – it's going to start taking off all of this work.

The other side or the other piece of this work to come is to look at supply and demand as related to a sector strategy approach. So for example, we work with economic development, they give us the demand side of what industry is getting ready to hire for, both from replacement growth standpoint and an organic growth standpoint.

All of that is broken down by sector. We're then going to take that information down to the regional and local levels to allow them and have them help us validate that information and then begin to form data teams around those sector strategy approaches.

So it's pretty comprehensive. You know, in the upcoming stages of planning that we have, we're certainly going to also incorporate community college and all post-secondary and proprietary education to make sure, again, that our data systems are aligned and that the data is really true and valid from a business and industry standpoint.

And then if you aren't aware, Kentucky has a longitudinal data system that actually is one of the premier – if not the premier – system in the U.S. and it truly hones in on all of the supply data. So for example, if I'm in K-12 and I go into a manufacturing career pathway, it can track me through college, through employment, etc., etc. to really view where our students are going and of course, our adults as well that's in post-second education.

So having said that, the next schematic really just looks at what it takes to align the sector strategy focus. Certainly, starting on the left of the paradigm working to the right, everything that we are doing currently is based on real-time data. You know, we have decided now that we are no longer going to wait several years in looking at data from a supply/demand basis, this is going to be a yearly project for us and it's also going to be a yearly project of working with the local directors in making sure that there's a regional consensus about the data and what it's telling us from a sector strategy standpoint, it's got to be employer driven.

And then we want to make sure that the partners at the table, like vocational rehabilitation or K-12 system, community college, unemployment and employment offices, veterans programs. We want to share all of that information with them as well, again, trying to get us on the same page. And all of that is going to bring us to the point of hopefully education and training alignment and of course, business services alignment.

And then through the local business services teams, and I'm sure Cindy will mention that in a few minutes, that's really where the rubber meets the road and we want to make sure that we're supporting them to be very well equipped to go out and talk about the sector strategy approach. We've also got in the pipe some industry partnership grants.

Recently, our legislature just passed at a $100 million bond fund whereas that is going to go to go toward alignment of education and industry needs and one of the criteria to apply for those dollars is specifically making sure that it's sector strategy based and then certainly, secondary, post-secondary and industry is well aligned within those regions.

And then of course, the outcome is hopefully having a very high quality system. The next step to our sector strategy approach, of course, is from an economic development standpoint in looking at where are we weak as related to sectors that we have in Kentucky, especially as related to the workforce that supports those sectors. So that gives you a little bit of an idea about where Kentucky's come from and certainly, I know we have time for questions later on.

But at this point, it's better to hear about the local flavor, because that's one of the most important pieces. So Cindy, I'll turn it over to you.

CINDY READ: Great. Thank you, Melissa. And it's good to be with everyone today. Let me tell you a little bit about what we've done here in our local area. I'm just going to give some real specific examples and then I know we'll have time for questions later.

A bit about us. We are a seven-county workforce development board, but in recent years, we've been very aggressive about seeking outside funding besides WIOA or previously WIA just to give us more opportunities and to round out the services that we're able to offer through WIOA. We are operating six career centers right now of which two are specifically what we would call a sector-focused center, one in manufacturing and one in healthcare and those have a mixture of – the sector-focused centers are supported by WIOA with additional grant dollars.

We got into this work really through a grant that we were very fortunate to get in 2011 from the National Fund for Workforce Solutions and they challenged us to look at a new model to put together industry partnerships in high demand areas of the economy and we felt like we had good relationships with employers. But it really challenged us to let these projects be a little more employer-led than perhaps we were used to doing and we ended up starting with manufacturing, which some people questioned, because we were in the recession and they were feeling like those jobs were going away.

But we knew that locally we had two Ford plants and Ford had reinvested in them. And so we knew that there would be a lot of interest and activity in that area. We worked a lot with the National Association of Manufacturers. They had a system, which some of you may have seen, of stackable credentials. We looked around and we saw that that wasn't being offered locally, at least the entry level credentials.

So we came up with the notion of a center that would offer those credentials funded by the grant funds, but then include the kind of career services that we normally offer. We've had some pretty good results. As of today, we've placed, as you can see, 750 into employment, we've earned a lot of NCRCs; we have certified a lot of people with the MSSC, which is the Manufacturing Skills Standard Council certified production technician credential.

We started with 12 employers that were really helpful in shaping what we did and it's grown to about 60 employers. We were having so much fun with the manufacturing center that some of our healthcare employers started asking could we do something like that in healthcare and to be honest, I've been a little leery of healthcare, because they are very sophisticated and I was really questioning what can we offer them that they don't already know?

They've got great recruiting functions. If they've got a workforce problem, they solve it; they work with the colleges. But we did work with them, we have a great group of all the major hospitals, long-term care companies and we opened a career center for healthcare in November.

Now, one thing I would say about different kind of partnerships is you will get different interests depending on the industry sector and they are much more – the healthcare is much more interested in career pathways, existing employees that may need to move from CNA to LPN to RN whereas in manufacturing, they are just looking for people, period. And I think in both cases, what the sector career center allows us to do is raise the profile of that sector and I think that's something that the employers have very much appreciated as we've now been doing this since 2011 and with operating programs and centers for about three years.

So the question we're asking ourselves and actually have made some strides in, how do we move, basically from it just being what I call a boutique? You know, we're going to be – you know, we got grants so that we could stray a little bit from WIOA in terms of just taking some risks and so on, but then as we had experienced in the area, we realized – we need to make sure we're sharing what we've learned with the rest of our system.

And just a quick example would be we had so much more success and more of a focus on job placement with these centers and part of it was how we talked about the metrics and with our other centers, we were focused on common measures, which tend to be percentages and it's not very motivating to go let's get 90 percent over a time period. It just doesn't motivate the field.

And so we've looked at different ways to kind of infuse that into our comprehensive centers. But I'm looking forward, as we move forward with the questions, to share some of the strategies that we've had and I guess, in some, I would say we look at the tools that we have as workforce boards and look at – and use those instead of maybe trying to ignore those, but sometimes those tools, whether it's a contract with an operator, how you construct that contract may be the thing.

So I'm about to wrap up and I think we're going to move into a wrap-up and the breakout session. So I'll turn it back over to Christina.

MS. HERZOG: Thanks so much, Cindy. Great information here, particularly on this last slide with regard to sustainability. We are ready to move to our breakout sessions as we mentioned previously, you will be automatically assigned. You will have an opportunity to jump in with questions that you have and provide some examples as well. I'm going to pass it off to Brian real quick to get us moving.

MR. KEATING: All right. Thanks so much. And we do want to encourage you, again, we're going to – we've got some resources here that we can revisit, but for now, I think we're going to actually move to the breakout sessions in a moment. So we've got these actual discussion questions we're going to use as a launching-off point.

So you'll notice we're asking you how have you worked to communicate to your board and stakeholders, the value and/or importance of making the sectors approach a sustainable way to do business? What have you been able to change or modify in old structures or what have you created to facilitate the institutionalization of the sector's approach? And last but not least, what is currently preventing you from making systems change?

Those are the questions that our facilitators are going to ask, you can start thinking about the answers.

Just a note here, there's nothing you should need to do when we go to the breakout sessions here in a moment. We're going to spend about 25 or 20 minutes or so in the breakout discussion and then we'll come back together again at the end. You are going to be unmuted, so please, everyone, take a moment now and locate your mute button and please go ahead and use that liberally if you are not going to be participating at first over the chat. Obviously, we do encourage you to chime in over the chat.

So I want to encourage you to do that. We are going to go ahead and move to the breakout sessions now here in a moment. We'll have some text and we'll be letting you know what to expect in the breakout session as well. So definitely be on the lookout for that. But to move us forward, I'm going to go ahead and start the breakouts. And Benita, if you could go ahead and start the audio breakouts as well, that would be great.

OPERATOR: OK. And please hold for the transfer.

(breakout session)

MR. KEATING: All right. And I think we're now back in the main session; is that true, Benita?

OPERATOR: And you're back in your main session at this time.

MR. KEATING: All right. Thanks so much. Well, thanks, everybody. I know we had a great conversation in our breakout. And what we're going to do now is go ahead and these last few minutes we're going to give everyone an opportunity to find out what happened in the breakout room, both where you were and where you weren't. So to kick that off, I'm going to turn things back to you, Christina, to give us a short overview of what we talked about in breakout room one. Christina.

MS. HERZOG: Thanks so much, Brian. OK. One of the things that we really talked about were some of the challenges with regard to sector strategies and getting things started. One of the challenges we discussed was a lack of budget dollars. You know, we recognize that not all sector strategies are fully funded and funding streams are variable.

So there are some things that we can do that don't necessarily rely directly on a large influx of funding initially. Lack of marketing, lack of regulations, lack of communication with education, whether K-12 or post-secondary and political uncertainty, for those with institutions and economic insecurity for businesses looking to hire were all challenges that were highlighted by some of our listeners.

So what we talked about, in order to get past some of those things, were really communication and partnerships. We talked about the critical import of developing early on relationships across partners, building the groundwork, alignment of existing efforts and truly needing to have a backbone organization which was capable of acting as a facilitator for systems change.

A lot of good conversation and much more that we could talk about, but I think I'm going to pass it off here to Todd Cohen real quick to talk a little bit about what went on in breakout room two.

TODD COHEN: Yeah. Thanks, Christina. We had a good conversation. I mean, a few things came up, one was this idea of just leveraging funding, it doesn't require giant start-up grants to kick off real sector strategy work, that you could start small leverage funding even just for convening employers can go a long way to really starting something dynamic and larger sector partnerships by industry where you're really pulling talent needs from industry and serving them at a larger scale.

We talked about partners as well; in particular, some of the newer core partner programs that need to be part of the system within the WIOA context and how they might play a role in future sector partnerships. So like SNAP and adult ed and voc rehab and not everyone's got that down pat yet, but it's something that we're working toward.

We talked a little bit about apprenticeships and how to build that into a sector's approach and then we talked about trying to get employers to fund the partnerships and the training, which is something that there's certainly models out there we can rely on, that it's helpful; obviously for sustainability, it's not always an easy thing to do. And that's it. Those are the big points.

MS. HERZOG: OK. Thank you, Todd. I'm going to ask one last question for both Melissa and Cindy here. You know, we've talked a little bit about some of the challenges and some of the solutions, but my question to you is what is truly the next evolution? What is the biggest barrier that you're facing currently that you're looking for solutions to and what might be some of those solutions?

MS. AGUILAR: Cindy, I'm going to ask you to go first.

MS. READ: OK. I would say probably our biggest challenge right now is as the – with the partnerships, the employee partnerships being new – I mean, again, I – they're different, but in healthcare, I think we're really working on how do we work best with that sector and with the employers? How do we get – how do we know enough?

I think it – I guess that would be the biggest challenge is how do we become more expert in understanding their business so that we can be – provide better services to their current employees as they're trying to move up. And then with the manufacturing, I think it's their – sometimes I think employers are not willing or able to share certain information about their jobs and they're at the mercy of a lot of forces. You know, so they'll give us kind of mixed messages at times about the level of skill they need and do you really need that level of skill.

And then even with the Kentucky FAME program that we talked about, a pre-apprenticeship type of program – well, it's not a pre-apprenticeship program, it is an apprenticeship program. But right now we're having trouble, we have 20 students and we still have about 10 that need to be placed.

And so they were all screaming that they needed this, but I think figuring out what is the obstacle for them is do they really have the jobs, is it just that they are not set up to support something like that? So it's, I guess, in both cases, I would say knowing the industries better is the constant challenge for us so that we can be more relevant.

MS. AGUILAR: So this is Melissa and I would totally agree with Cindy. You know, I think it's always crucial to understand that employers can only give you so much. You know, they've got businesses to run and certainly, we want to make sure we are respectful as possible about that.

And quite frankly, when you go talk with a manufacturing company versus a large healthcare organization, their recruitment and screening efforts are a little bit different or sometimes very different. You know, the projected forecasting for employment on the healthcare side, they do a lot better job at understanding what they're going to need long term whereas you don't know with a manufacturing company or even sometimes with an IT company, because it's very contractual and while you may have a certain dollar number of revenue this year, you may not have that next year.

And so when we're looking at employment growth, whether it be – (technical difficulties).

MR. KEATING: And I think we just lost you there, not hearing you anymore. So if Benita can confirm that.

MS. HERZOG: I think we lost Melissa, perhaps.

OPERATOR: Line disconnected.

MR. KEATING: Oh, got it. Thanks.

MS. HERZOG: OK. Well, an unfortunate and unceremonious end to her fabulous comments. I think we're going to go ahead and wrap up for today. I do want to thank our two speakers for today, Melissa Aguilar of Kentucky Workforce Innovation Board and Cindy Read from Kentuckiana Works.

Just a reminder to you all, tomorrow we're going to be discussing industry engagement at 11:00 a.m. Eastern Time and career pathways at 1:00 p.m. Eastern; Friday from 3:00 to 5:00 p.m. We do have our closing plenary with our guest speaker Manuel Pastor and he will be offering a free download of his book. So I encourage you all to register if you have not done so as yet. I'm going to ask quickly if my co-facilitator Todd Cohen has anything left he would like to share before we close today.

MR. COHEN: No. Just to please – just so you know where to go to register is it's WorkforceGPS.org and I believe right there on the main screen, you'll see a knob to the Sector Strategies Virtual Institute and that's where you can register and you'll see who the speakers are and learn about the other sessions for the remainder of this week. So that's it.

MS. HERZOG: OK. I think that's all we have. Any last things from you, Brian?

MR. KEATING: I just want to encourage folks to stay with us. I know it's the end of the day, but I want to encourage you to go ahead and before you log off today, give us some feedback, which you'll see coming up on your screen now. So go ahead and let us know your thoughts in these polling windows and also, feel free to give us your open-ended feedback and we are going to leave it there, I believe.

So thanks so much for participating, everybody. Feel free to go ahead and stay on as long as you need to to give us this feedback and we look forward to – I hope you can participate in other sessions this week in the rest of the virtual institute, which is tomorrow through Friday and hope to see you on those events. Have a great day, everybody.

OPERATOR: And this concludes today's workshop. You may now disconnect. Presenters, please hold the line.

(END)