Cuyahoga County Workforce Funders Group
Sector Partnerships and Intermediaries Task Force

Developing Sector Partnerships in Cuyahoga County: Findings and Recommendations
For presentation to the Cuyahoga County Workforce Funders Group
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Executive Summary

The Cuyahoga County Workforce Funders Group includes the top leadership from Cuyahoga County, the City of Cleveland, Ohio Means Jobs, Team NEO, Greater Cleveland Partnership, Cleveland Foundation, Gund Foundation, Deaconess Foundation, United Way, and the Fund for Our Economic Future. Together, these leaders created an Action Plan to develop a coordinated, well-functioning workforce system for the County. The plan included a Sector Partnerships and Intermediaries Task Force that was charged with developing recommendations for establishing new or strengthening existing sector partnerships and intermediaries in specific growth industry sectors and occupations. The Task Force selected independent consultants Loh-Sze Leung of Leung Consulting LLC and Alan Brickman of Brickman Nonprofit Solutions to facilitate the process, including gathering and synthesizing substantial input from selected employers, business associations, and industry services providers, that led to this document.

Industry-specific sector partnerships are fundamental building blocks of effective regional workforce systems, and have been demonstrated nationally as effective vehicles for creating reliable talent pipelines that address the workforce needs of employers and reduce barriers to employment and career advancement for workers and job seekers.

Developing sector partnerships in Cuyahoga County will create the infrastructure for workforce development activities that will support the alignment of effort and investment; maximize the impact of the available public and private resources; provide clear and accessible avenues for the involvement of all partners and stakeholders; and ensure that workforce initiatives address industry needs in a targeted and strategic manner.

*A **sector partnership** is a dynamic collaboration of a regional group of employers, typically from a particular industry sector or sub-sector, who convene regularly with relevant providers of education, training, and other support services, and with the support of an intermediary, focus on strategies for responding to their common workforce issues and needs.*

*A **sector partnership intermediary** is an organization that performs backbone functions to manage, support, and facilitate a sector partnership. Those functions include:*

- *Engaging and convening employers and other partners and stakeholders;*
- *Developing and sharing data and expertise;*
- *Coordinating resource development and alignment;*
- *Coordinating communication both internally and externally about the partnership;*
- *Linking the partnership's activities to initiatives and resources of the broader workforce system, including the public system;*
- *Managing projects, staff/contractors, and budgets related to the partnership's activities.*

Identifying and supporting sector partnership intermediaries who have appropriate capacity and utilize the approaches detailed in this report will ensure the effectiveness and impact of the sector partnerships they support. These intermediaries will be able to coordinate employer and partner engagement; manage collaborative relationships; collect, analyze, and share data in ways that drive sound and strategic decision making; and maintain programmatic approaches that reflect national best practices in workforce development.

Cuyahoga County has the financial resources and other assets necessary for the effective development of sector partnerships that can plan and implement strategically targeted and sustained responses to the labor market and skills gap needs of local employers while also addressing barriers to accessing employment and career advancement for the region's unemployed and under-employed residents. When put in a national context, Cuyahoga County is well positioned to create and sustain sector partnerships. The region has committed and engaged funders who are prepared to bring resources to bear; engagement and partnership with the public workforce system and public sector leaders; active efforts already underway to replicate nationally recognized model workforce programs; and a number of local organizations positioned to become sector intermediaries given their knowledge of key industry sectors and relationships with major employers.

What is now required for effective implementation is to create a shared understanding of the key elements of nationally-recognized best practices related to sector partnerships and intermediaries; to establish clear and transparent roles, processes, and systems through which to allocate funding for sector partnership development and management in a manner that embodies rigorous and data-driven accountability for results; to specify the financial commitment of the participating funders in light of realistic budget projections for the sector partnerships; and identifying the intermediaries and employer champions in each target industry sector who will lead the work.

The three industry sectors in Cuyahoga County that are fundamental to the region's economic development strategy, a major source of projected job growth in the region, and essential for the region's competitiveness in the global economy are: manufacturing, healthcare, and information technology. These three sectors also have multiple potential sector partnership intermediaries as well as existing industry-specific workforce initiatives that represent assets on which sector partnerships can build. These sectors will be the intentional and proactive focus of the Funders Group with respect to sector partnership development and partner recruitment.

The core recommendations to the Funders Group in this report are to:
- Start by supporting the development of employer-led sector partnerships in the target industries of manufacturing, healthcare, and information technology, and fund strategically identified intermediaries who together with employer champions in the respective industries will lead and manage those partnerships;
- Provide resources for training, coaching, and technical assistance that will build the capacity of community-based organization, educators, training providers, industry associations, and other partners and stakeholders so they can play the appropriate roles in sector partnership development and sustainability;
- Work with the sector partnerships to support employers in accessing the resources available through the broader workforce system, including state and federal dollars that may flow through multiple agencies and funding streams, and require that sector partnership activities explicitly link with the resources of the regional workforce system's strategic plans and funding streams;
- Align and coordinate public, private, and philanthropic resources in order to maximize the collective impact of the available dollars for the programmatic and organizational activities of the sector partnerships.
- Invest in data management and accountability systems that ensure a rigorous approach to data collection, reporting, analysis, and evaluation.
- Continue to support a funder collaborative and/or other county-wide/initiative-wide body that can coordinate, support, and help drive the development, effectiveness, and sustainability of sector partnerships.

1) Background and Methodology

In January 2016, Cuyahoga County Executive Armond Budish and Chief of Staff Sharon Sobol Jordan convened a group of community leaders to begin a discussion on how to transform Cuyahoga County's workforce system. This group was dubbed the Cuyahoga County Workforce Funders Group and is comprised of top leadership from Cuyahoga County, City of Cleveland, Ohio Means Jobs, Team NEO, Greater Cleveland Partnership, Cleveland Foundation, Gund Foundation, Deaconess Foundation, United Way, and the Fund for Our Economic Future. The shared goal of the Funders Group is to design a coordinated, well-functioning workforce system that:

- Supports business growth and profitability through a workforce pipeline that delivers a *sufficient and steady supply of qualified candidates at all skill levels* to keep jobs filled;
- Helps *residents with employment barriers* that keep them outside the pipeline become skilled workers pursuing career and wage pathways from inside the pipeline;
- Builds *alignment among public, private, and philanthropic funders* to invest our separate workforce dollars in ways that move forward shared goals and priorities and measure success by shared outcomes and impact.

Cuyahoga County has been moving toward a more coordinated systems approach for many years. This move started with the Intergovernmental Agreement between the City of Cleveland and Cuyahoga County creating one unified Workforce Development Board, and has continued with a number of local and regional efforts. All of these efforts have contributed to a movement toward sector partnerships, career pathways, and other opportunities for closer alignment between workforce, economic development, education, and human services strategies.

The Funders Group created a detailed Action Plan that included the formation of a Sector Partnerships and Intermediaries Task Force that was charged with developing recommendations for establishing new or strengthening existing sector partnerships and intermediaries in specific growing industry sectors and occupations. The Task Force includes the following individuals:

- David Feinerman, Head of Workforce Innovation, Cuyahoga County (co-chair)
- Shilpa Kedar, Program Director, Economic & Workforce Devel., Cleveland Foundation (co-chair)
- Deborah Vesy, President, Deaconess Foundation (co-chair)
- Brad Whitehead, President, Fund For Our Economic Future (co-chair)
- William Koehler, CEO, Team NEO (co-chair)
- Sharon Sobol Jordan, Chief of Staff, Cuyahoga County
- Ted Carter, Chief Economic Development & Business Officer Cuyahoga County
- Grace Kilbane, Executive Director, Ohio Means Jobs
- Aaron Grossman, CEO, Talent Launch
- Ethan Karp, CEO, Magnet
- Rebecca Kusner, CEO, R4Workforce
- Courtney DeOreo, Director, RITE Board
- Jill Rizika, Executive Director, Towards Employment
- Dierdre Gannon, Vice President, BioEnterprise
- Amanda Petrak, Cleveland Market Coordinator, KeyBank
- Shana Marbury, Vice President, Strategic Initiatives & Research, Greater Cleveland Partnership
- August Napoli, President and Chief Executive Officer, United Way of Greater Cleveland
- Lissy Rand, Vice President, Grantmaking & Strategy for Deaconess Foundation

The Task Force issued an RFP for a consultant to conduct a "local capacity assessment." The original charge to the consultant(s), as specified in the RFP, was as follows:

"1. Conduct research and produce a document containing (a) definitions, (b) essential components services, behaviors, and other best practices of high functioning national and global sector partnerships and intermediaries, (c) a checklist that can be used for environmental scanning as described herewith. This document will be used to conduct an environmental scan to identify, attract and/or create these entities who will lead efforts to close the talent supply/demand gap – especially for in-demand and/or high growth industries and occupations in Northeast Ohio. This research should incorporate local research, practices and initiatives already in place or being planned (Funders Group to provide a list).

2. Facilitate a discussion among the Task Force to review the document produced by the consultant and engage in discussion about what exists or needs to be created to achieve the targets detailed on page 2 of this RFP.

3. Assist the Task Force with preparing and presenting a recommendation to the Group regarding Sector Partnerships and Intermediaries. Specifically, the target is to have strong new & existing sector partnerships in place and clear intermediaries for each sector partnership are designated. The task force must also determine how many sector partnerships and intermediaries are required to accomplish these goals."

Independent consultants Loh-Sze Leung of Leung Consulting LLC and Alan Brickman of Brickman Nonprofit Solutions were selected for this process. They reviewed local workforce-related data and regional plans, assembled information about best practice models from around the country, and conducted a series of interviews with local stakeholders, including selected employers, business associations, and industry services providers. (A summary of themes from these interviews is included as Appendix G.) This data they gathered was reviewed and discussed at an extended meeting of the Task Force on October 26, 2017, augmented by numerous additional discussions, and this document, including the recommendations, is the product of that process. The recommendations are offered by the consultants to the Funders Group, informed by discussions with the Task Force.

This document is intended to serve several purposes. It is a practical reference that includes basic definitions, criteria, and frameworks that can inform the planning, implementation, and evaluation of sector partnerships and the workforce development initiatives implemented under their auspices. Several of these frameworks and criteria are included as appendices.

The report also presents information about three of the region's major industry sectors – healthcare, manufacturing and information technology – intended to help the Funders Group shape the planning and implementation of sector partnerships. For each sector, the report includes: an overview of the current labor market realities, the key challenges to be addressed by the sector partnerships, an analysis of industry readiness for sector partnership development, a preliminary set of potential programmatic interventions to address those challenges, and an inventory of organizations that may be positioned to serve as sector partnership intermediaries.

Finally, the report provides recommendations to the Funders Group related to identifying and funding intermediaries to manage and facilitate sector partnerships in Cuyahoga County, as well as other activities that can support the sustainability of the partnerships, and facilitate the alignment of effort and investment. The recommendations are also intended to provide guidance and direction to all local stakeholders regarding the future of sector partnerships in the County and the vehicles and processes by which they can get involved, align their activities, and maximize their positive impact on the community.

2) Planning Frameworks and Criteria

Readiness, Effectiveness, and Capacity

A **sector partnership** is a dynamic collaboration of a regional group of employers, typically from a particular industry sector or sub-sector, who convene regularly with relevant providers of education, training, and other support services, and with the support of an intermediary, focus on strategies for responding to their common workforce issues and needs.

A **sector partnership intermediary** is an organization that performs backbone functions to manage, support, and facilitate a sector partnership. Those functions include:
   a) Engaging and convening employers and other partners and stakeholders;
   b) Developing and sharing data and expertise;
   c) Coordinating resource development and alignment;
   d) Coordinating communication both internally and externally about the partnership;
   e) Linking the partnership's activities to initiatives and resources of the broader workforce system, including the public system;
   f) Managing projects, staff/contractors, and budgets related to the partnership's activities.

Other essential basic definitions are presented in Appendix A.

The chart on the following page presents planning frameworks and criteria related to sector partnership development in three categories:
- **Industry Readiness for Sector Partnership Development**: These characteristics of an industry sector or sub-sector position employers in the region to come together to form a high functioning sector partnership. Funders and policy makers can use these criteria to inform decision-making about investing in partnership development activities.
- **Elements of Effectiveness for Sector Partnerships**: These core elements of effective sector partnerships position them to respond to the industry's identified workforce challenges. Funders, policy makers, and the partnerships themselves can use these to assess effectiveness and impact as well as to plan any necessary organizational development or capacity building. Additional information on structuring sector partnerships is presented in Appendix B.
- **Elements of Capacity for Sector Partnership Intermediaries**: These capacities position a potential intermediary to most effectively manage, expand, and sustain a sector partnership. Funders and policy makers can use these criteria to identify and fund organizations for this role, monitor their performance, and plan any necessary capacity building that would strengthen their ability to undertake selected aspects of the intermediary function.

These frameworks are intended to serve as the basis of the Funders Group efforts to strategize its approach to workforce development in the region, identify grantees for specific activities and initiatives, and increase transparency and accountability in the local workforce system. Additional information on workforce development best practices is presented in Appendix C.

Note: The frameworks and criteria in the following chart may sometimes appear to be redundant (e.g., the concept of employer leadership is repeated). Each set of criteria addresses a different aspect of the overall system, i.e., the readiness of an industry, the effectiveness of a sector partnership, and the capacity of an intermediary. The overlap is intentional and helps create alignment and consistency in sector partnership development efforts.

Industry Readiness for Sector Partnership Development	Elements of Effectiveness for Sector Partnerships	Elements of Capacity for Sector Partnership Intermediaries
a) <u>Influential and credible employer leaders</u> that support sector strategies; b) <u>Consensus on the industry's workforce challenges and skills gap</u>, and a commitment to address them collaboratively; c) <u>Well-defined career pathways</u> and career maps in the industry; d) <u>Meaningful job-related proficiencies and credentials</u> (up to and including postsecondary degrees), effective systems for assessing and verifying qualifications for use in hiring and/or promotion, and the commitment of employers to consistently engage with these systems as part of hiring and promotion; e) <u>Education and training providers</u>: Adequate and accessible sources of high quality employment-related education and industry-specific job skills training; f) <u>Track record of collaboration</u> among employers on workforce and/or other issues of mutual concern.	a) <u>Active employer leadership</u> with regard to the partnership's vision, strategic direction, program design, and financial sustainability; b) <u>Return on investment</u>: Clear articulation of the value-added to employers and return on investment (ROI) that drives employer engagement and support; c) <u>Dual customer approach</u> (i.e., for the benefit of employers and workers/job seekers) with the long-range goal of regional prosperity; d) <u>Family-sustaining careers and pathways</u>: Commitment to creating and sustaining accessible career pathways, and a related commitment to address issues of job quality; e) <u>Data management capacity</u>: Commitment and capacity to collect, compile, and synthesize labor market data for use in program planning and evaluation, partner recruitment, and advocacy; f) <u>Productive links to the broader workforce system</u> to enhance services and leverage resources as well as links to other systems including but not limited to career and technical education; K-12 education; 2-year and 4-year colleges; community-based training providers; labor-management partnerships; human services providers and funders; and other relevant partners; g) <u>Diverse revenues</u> to sustain partnership programs and operations; h) <u>System change</u>: An understanding of the systemic issues that impact the industry, and the commitment and capacity to promote systems change, both public policy and stakeholder practice; i) <u>Diverse and aligned partners</u> engaged in the full range of funding, programming, advocacy, and outreach, and a committed to aligning effort and investment.	a) <u>Employer relationships</u>: Strong relationships with key employer leaders in the sector; b) <u>Industry knowledge</u>: Familiarity with the target industry's operational and labor market realities, challenges, and barriers; c) <u>Understanding workers' barriers</u>: Familiarity with the challenges faced by job seekers and incumbent workers, many of whom are disadvantaged, to accessing employment and career advancement, and the proven responses to these challenges; d) <u>Knowledge of the public workforce and human service systems</u>, including federal, state, and local policies, requirements, administrative entities, and funding streams supporting workforce development and support services, and the processes and relationships necessary to access those resources; e) <u>Strong relationships with</u> a diverse range of workforce training providers and other potential partners; f) <u>Track record of partnership management and capacity, including</u> convening and managing sector partnerships or other collaboratives, and aligning investment and effort within such partnerships; g) <u>Management excellence</u>: Capacity and track record of effective and entrepreneurial project and organizational management, communications, budgeting, and revenue development.

Metrics and Accountability: Documenting Implementation and Impact

Rigorous data-driven planning, implementation, and accountability for results are essential to the effective development of sector partnerships that can generate tangible benefits for both employers and workers.

> **Note**: As part of the original Action Plan, the Funders Group created a second task force to focus on shared metrics for the workforce system as a whole. As part of the process that generated this report, the consultants created a set of tools that are intended to assist the Funders Group to develop metrics, and the related processes and systems, for documenting implementation and impact of the sector partnership development efforts. Ultimately, this work will be incorporated into the tools and systems developed by the Shared Metrics Task Force.

With regard to metrics and accountability related to the sector partnerships, there are two relevant appendices included with this report. They are:

- Appendix D is a sample logic model for sector partnerships, which was adapted from planning work completed by the Workforce Investment Board of Southwest Missouri in 2014. This sample logic model is intended as a starting point to help the Funders Group clarify its thinking about the labor market and workforce challenges to be addressed through a sector partnership approach; the activities they will engage in and support; the inputs that are needed; the anticipated outputs or level of service; and both the short- and longer-term outcomes resulting from this work.

- Appendix E provides a more comprehensive set of indicators for outputs, (i.e., levels of activity), and outcomes, (i.e., the impact of those outputs), related to efforts to create and sustain sector partnerships and intermediaries in Cuyahoga County. The indicators have been grouped into four categories: system building, outputs/level of service, employer outcomes, and worker outcomes. The list is intended as a starting point for tracking implementation and impact, for reporting to funders and to the community, and for modifying the approach over time for increased effectiveness. Further, these indicators will serve as the basis for eventually establishing specific annual targets after a period of documented implementation and benchmarking. Some of these indicators are quantifiable, while others simply state whether or not a particular policy or structure was put in place.

3) Target Industries for Sector Partnership Development

There are a number of ways to define the jurisdiction of a sector partnership. A sector partnership can be industry-specific and industry-wide, such as manufacturing or health care. Alternatively, it can focus on a sub-sector of a particular industry. For example, in the case of health care, sector partnerships may be developed that focus on healthcare information technology or long-term care facilities. A sector partnership may be place-based, e.g., involving employers that are all part of economic development efforts around a regional airport, or occupation-specific, e.g., focusing on an occupation such as coding, customer service, or machine operator positions that may cut across industries.

The core concept is that the employers involved in a sector partnership must have enough commonality in terms of their workforce challenges and their respective requirements for employment and career advancement that developing collaborative initiatives provides economies of scale and a meaningful return on investment. In that context, Cuyahoga County will use the following framework to plan, fund, and implement sector partnerships in the region.

Core Large and/or Growing Industry Sectors: Three industry sectors in Cuyahoga County are fundamental to the region's economic development strategy, a major source of projected job growth in the region, and essential for the region's competitiveness in the global economy. These are:
- Manufacturing
- Health Care
- Information Technology

Each of these sectors has been identified in three major studies, i.e., the Regional Economic Competitiveness Strategy; the Northeast Ohio Regional Business Plan; and Globalizing Cleveland: A Path Forward, as being among the region's key economic "clusters of opportunity." (Source: Building Opportunities for Cleveland Residents: Aligning Demand and Supply of Professional and Technical Education, 2014.)

More detailed information about the relevant dynamics that impact sector partnership development efforts in these three industries will be summarized in subsequent sections of this report.

Potential Sub-Sector Partnerships: There are a number of potential opportunities for the development of sector partnerships that target employers in sub-sectors. Decisions about whether to develop workforce partnerships industry-wide or in sub-sectors will ultimately be driven by the relevant employers' needs, level of engagement, and commitment to collaborative effort. Examples of sub-sector partnerships that might be developed in Cuyahoga County include the following:
- Health information technology;
- Aerospace manufacturing;
- Health care employers other than major hospitals, e.g., long-term care, home health, behavioral health, or rehabilitation services.

Potential Partnerships in Other Industries: There are additional opportunities for sector partnership development in other industry sectors in the region that are economic drivers, that have some promise in terms of future job growth, and that display some of the aspects of readiness that position them for sector partnership development. Examples include:
- Tourism and Hospitality;
- Transportation and Logistics;

- Construction;
- Financial Services;
- Public Safety.

Note: The process and criteria for considering the development of sector partnerships in the above sub-sectors and/or the other industries is described in the "Conclusions and Recommendations" section of this report, under "Grantmaking and Implementation."

The following sections provide additional detail and analysis of relevant dynamics, resources, and challenges in the three major industry sectors: manufacturing, healthcare, and information technology, and are intended to inform the Funders Group's efforts to fund, support, and sustain sector partnerships and intermediaries in these industries. These findings were developed on the basis of the consultants' research (both national models and the input and perspective of local stakeholders interviewed for the process), and a series of in-depth discussions with the Task Force and the Task Force Co-Chairs. Selected existing workforce initiatives in Cuyahoga County targeting these three industries are summarized in Appendix H.

Industry Sector: Manufacturing

Manufacturing is a key industry in the region due to its contributions to the area's GDP and its large number of jobs: approximately 275,000 in Northeast Ohio in 2015 (Team NEO report, "Aligning Opportunities in Northeast Ohio") and 114,500 in Cleveland MSA projected in 2022. Even though the total number of jobs is not projected to grow significantly, job vacancies from turnover will continue to provide good-paying jobs for skilled labor in this sector. In addition, the manufacturing sector employs 35% of the following mid-to-high skill occupations, which is more than any other industry: management; business and finance; computer and math; and engineers and scientists. (Source: Cuyahoga County Workforce Board Strategic Plan, 2017.)

Of the top 18 professional and technical occupations that show substantial employer demand, offer family sustaining wages, and hold promise for future employment for local residents, at least two are primarily employed by the manufacturing sector, i.e., metal and plastics workers; and skilled production workers. An additional four occupations have significant employment within the manufacturing sector, i.e., installation, maintenance and repair; engineers; technicians; and frontline supervisors of skilled workers. (Source: Building Opportunities for Cleveland Residents: Aligning Demand and Supply of Professional and Technical Education, 2014.)

According to the Team NEO 2016 report, "Aligning Opportunities in Northeast Ohio," there is significant demand-supply misalignment with regard to a number of key occupations in the manufacturing sector. The 2015 demand for metal and plastic workers was 2,938, while the total number of credentials awarded in 2014 was 1,016. (Total credentials include those awarded by career and technical education programs at the secondary school level all the way through to graduate degrees.) For skilled production workers, the 2015 demand was 5,538, and the 2014 credentials awarded was 3,112. For engineers, 2015 demand: 5,257, and 2014 credentials: 2,283.

Sector partnership development can build on and learn from existing workforce interventions and initiatives targeting the manufacturing sector. These current initiatives are listed in Appendix H.

Local Workforce Issues and Challenges
The central workforce challenges in the manufacturing sector include:

- The manufacturing industry's core workforce is aging and retiring, creating many open positions.
- Job losses in the sector, together with a number of other factors, over the past two decades have resulted in atrophied training and apprenticeship systems that prepare and attract workers to the sector.
- Insufficient career counseling and loss of vocational training programs that have meant that students are not exposed to the advantages of manufacturing jobs.
- The lack of fully developed career pathways into the sector.
- The lack of fully developed career pathways that provide attractive advancement opportunities for workers in the sector.
- Persistent concerns about job quality in the sector, including both compensation/family sustaining wages and working conditions (safety, schedules, etc.).
- Lack of awareness among individuals about the nature and stability of manufacturing jobs, and the current working environment, wages, and available career advancement opportunities in the industry.
- The ongoing automation of jobs in the sector, which creates opportunities for higher-skilled individuals even as it places some downward pressure on job growth and job security in the sector.

Local Gaps in Industry Readiness

Despite a great deal of commonality among manufacturing employers in terms of labor demand and the requirements of employment and career advancement, there are several factors that serve as barriers or gaps in the manufacturing industry's readiness for sector partnership development. These are:
- The large number of employers in the sector, and their diversity in terms of size and type (e.g., sub-sectors such as aerospace or chemical manufacturing);
- A pervasive culture in the industry characterized by the lack of desire for convening, planning, or other activities that do not feel concrete or that do not lead to immediate outcomes.

Potential Areas of Programmatic Focus for a Sector Partnership

Below is a preliminary list of potential activities and initiatives through which a sector partnership might address the labor market and skills gap issues in the manufacturing sector. These were developed on the basis of a strategy session with the Task Force, and were intended to serve as the starting point for a discussion of specific interventions to be developed and implemented through the sector partnership. These would be revisited and modified and/or refined once a sector partnership is established and functioning.
- Identify the existing spectrum of training and apprenticeship opportunities, channel individuals with the required skill levels into training and apprenticeship programs, and create training and apprenticeship programs to fill any identified gaps;
- Conduct targeted outreach to and recruitment for entry-level workers to fill job vacancies in the sector, especially among disadvantaged populations;
- Promote and create visibility for current successful small-scale career pathway and sector workforce efforts in order to recruit more companies to participate in and thereby scale collaborative initiatives;
- Promote job quality in the sector by increasing employers' awareness of job quality metrics and creating or disseminating a self-assessment tool that companies can use to assess their own workforce practices.

Potential Intermediaries

In preliminary discussions about the organizations that may be well positioned to serve as an intermediary for a manufacturing sector partnership, a number of different organizations surfaced. These

organizations represent a range of missions, structures, and areas of expertise. The potential for an approach to sector partnership management might involve distributing the intermediary functions to more than one entity. Potential manufacturing sector partnership intermediaries, with brief descriptions from their websites and other sources, are presented below. Note that this is not intended as a comprehensive list.

- **MAGNET**: Founded in 1984, MAGNET: The Manufacturing Advocacy and Growth Network is an organization dedicated to helping manufacturers grow and compete in Northeast Ohio. As part of the Ohio Manufacturing Extension Partnership (MEP), we also support, educate, and champion Northeast Ohio manufacturing. MEP is a public-private partnership in all 50 states.

- **Team NEO**: Team NEO is an economic development organization focused on creating jobs for Northeast Ohio's residents. It leads the region's business attraction efforts and supports business retention and expansion work as Northeast Ohio's JobsOhio network partner. The Team NEO Board serves as the "Regional Table" for Business and Philanthropy around which challenges regarding economic competitiveness are identified, prioritized, and advanced. Team NEO's business development efforts are aligned around industry-specific strategies, including in the Advanced Manufacturing and Metals field, that involve site preparation, innovation, workforce assistance, and business development project support.

- **National Tooling and Machine Association (NTMA)**: NTMA's mission is to help members of the U.S. precision custom manufacturing industry achieve profitable growth and business success in a global economy through advocacy, advice, education, networking, information, programs and services. Member companies serve industries from aerospace to electronics to nuclear power. NTMA is organized into nearly 50 local chapters throughout the country, including a Cleveland chapter.

- **Talent Development Network**: The Ohio Talent Development Network is a statewide workforce development system facilitated through Ohio's public Two-Year Colleges and Ohio Technical Centers. OTDN members are located at 56 schools across the state, and offer products and services through a variety of nationally and internationally recognized human capital development firms. By combining these products and services with customized consulting services, OTDN enables members to deliver a complete solution of superior talent development services to employers and individuals at an affordable price.

- **Alliance for Working Together Foundation (Mentor, OH)**: The AWT Foundation's mission is to promote the development of rewarding careers in manufacturing for the long-term success and growth of our manufacturing community. AWT works to create awareness and interest in manufacturing careers, to increase enrollment in training programs, to make sure curriculum for those programs is what manufacturers need, and to make sure those in the industry have the support they need. The AWT consortium includes over 100 manufacturing companies, all engaged to work toward the sustainability of manufacturing in our community.

- **WIRE-Net**: WIRE-Net is a nonprofit economic development organization dedicated to improving the community through nurturing manufacturing and the jobs and prosperity that come with it. WIRE-Net works as a consultant, collaborator, referral source, and hands-on provider in workforce development, growth and operational improvement initiatives, peer-to-peer and expert knowledge sharing, supply chain development, governmental assistance programs and urban redevelopment. WIRE-Net strengthens manufacturing to create healthy communities and fuel economic growth.

WIRE-Net provides expertise that is responsive to manufacturing-related businesses and their employees and connects leaders to each other and engages them in their communities.

- **Greater Cleveland Partnership**: GCP is Cleveland's chamber of commerce, with 8000+ members. The Greater Cleveland Partnership has developed Pathway Partners as an initiative focusing on college and career readiness for Cleveland students. Pathway Partners initiatives connect the business community with education providers and students in developing Cleveland's future workforce.

- **Ohio Aerospace Institute**: The Ohio Aerospace Institute (OAI) is a non-profit organization that enhances the aerospace competitiveness of its corporate, federal agency, non-profit and university members through research and technology development, workforce preparedness and engagement with networks for innovation. OAI is a joint initiative of the NASA Glenn Research Center, the Air Force Research Laboratory at Wright-Patterson Air Force Base, the State of Ohio, ten Ohio public and private universities granting doctoral degrees in aerospace-related engineering disciplines, and numerous companies engaged in aerospace activities.

Industry Sector: Health Care

Healthcare is a key industry in the region, employing over 300,000 individuals in Northeast Ohio. Cleveland Clinic and University Hospital are the two largest employers in Cuyahoga County, and Cleveland Clinic, MetroHealth, and University Hospitals collectively have over 75,000 employees and approximately 6,000 beds across Northeast Ohio. Over the next decade, Northeast Ohio is expected to have nearly 85,000 healthcare job openings.

The 2016 Team NEO "Aligning Opportunities" report identified 18 professional and technical healthcare occupations that show substantial demand, offer family sustaining wages, and hold promise for future employment for Northeast Ohio residents. Almost all require some type of professional and technical training or postsecondary credential. Of these 18 occupation groups, four are specific to healthcare: health diagnosing and treating practitioners; health technologists and technicians; health therapists, aides and support workers; and nursing and home health aides.

Specifically, the Cuyahoga County Workforce Board reports high demand for medical and clinical lab technicians, medical assistants, patient care technicians, medical coders, office administration, medical secretaries and sales representatives. Local healthcare employers report a current shortage of 750 registered nurses (2016-17) and project a shortage of 3,500 RNs by 2020. Hospitals also report that Patient Care Technician (PCT) is a high demand position with a large number of job openings and significant retention challenges. Cleveland Clinic, MetroHealth, and University Hospitals estimate that there will be over 1,000 open PCT positions due to expansion and turnover.

Sector partnership development can build on and learn from existing workforce interventions and initiatives targeting the healthcare sector. These initiatives are listed in Appendix H.

Local Workforce Issues and Challenges
The central workforce challenges in the healthcare sector include:
- As noted above, nurses are in high demand, and the demand is only growing. A number of factors have made addressing this gap difficult:
  - Inadequate capacity in local post-secondary institutions' nursing programs;

- Long education and training pathway for workers who may want to go back to school to get advanced nursing degrees;
- Increasing demand for BSN nurses to meet magnet standards makes training even longer and may exacerbate capacity issues.
- The nursing-related workforce challenges faced by healthcare employers is a longstanding national reality in the field, and is not restricted or unique to Cuyahoga County.

- Nursing is the largest single occupation in healthcare and commands the bulk of the attention of hospitals' staff responsible for human resources, talent acquisition, and organizational learning and development, as well as the attention of the area's industry association, the Center for Health Affairs. As a result, hospitals generally have strong relationships with nursing schools and have worked to build nursing pipelines for their institutions. However, the shortage of nurses overall creates a highly competitive environment among the hospitals. In addition, because the need for other allied health positions, such as technologists and technicians, do not have nursing's scale, they can be overlooked.

- Besides nurses and some technologist positions, some of the highest growth, in-demand jobs in healthcare are low-paying, such as home health aides, personal care aides, and certified nursing assistants/STNAs (state tested nursing assistants). These jobs also come with challenges related to scheduling and other working conditions.

- Employers report that turnover for entry-level healthcare positions is high and that it seems to be driven by external life factors (housing, child care, transportation, family financial stress) and job quality concerns as well as by job performance.

Local Gaps in Industry Readiness
The factors identified for this report that serve as barriers or gaps in the healthcare industry's readiness for sector partnership development are:
- While nursing is both a long-term and acute workforce need, workforce demand for allied health positions seems to change quickly, partly because there are much smaller numbers of each type of occupation within any single employer, which makes it challenging to engage in long-term workforce and education planning.
- There is a great deal of uncertainty in the healthcare policy environment driven by the federal discussions about the Affordable Care Act and Medicaid expansion and reimbursement rules.
- Stakeholders cited the highly competitive healthcare environment in Greater Cleveland, particularly between Cleveland Clinic and University Hospitals. While these institutions do sit on some of the same higher education advisory boards and participate in community initiatives like the Greater University Circle Initiative, the default posture seems to be competition rather than collaboration on issues of talent acquisition and advancement.
- Discussions about the healthcare sector are dominated by the three major hospital systems in Cuyahoga County: Cleveland Clinic, University Hospitals, and MetroHealth System. There is very little discussion of other healthcare employers' workforce needs or assets, including both smaller hospitals as well as employers in other parts of the healthcare sector, such as long-term care, rehabilitation centers, community health centers, and behavioral health.
- A previous sector initiative targeting healthcare, the Northeast Ohio Health, Science, and Innovation Coalition (NOHSIC), dissolved in part due to lack of commitment and buy-in from the highest levels of the healthcare organizations at the table.
- There is no current consensus among the major healthcare employers, funders, and other stakeholders about a widely recognized and credible intermediary with a deep understanding of

workforce development and a track record in healthcare that is well-positioned to bring partners to the table. (This observation is offered even with the list of potential intermediaries to follow.)

Potential Areas of Programmatic Focus for a Sector Partnership
Below is a preliminary list of potential activities and initiatives through which a sector partnership might address the healthcare labor market and skills gap issues in Northeast Ohio. These would be revisited and modified and/or refined if and when a sector partnership is established and functioning.

- A group of healthcare employers might convene to develop internal career pathways and programs that help incumbent workers move into high-demand occupations, such as nursing. This could include a combination of developing individual strategies as well as some peer-to-peer sharing and learning about effective strategies. This approach might bypass competitive issues by focusing on incumbent worker retention and advancement as opposed to talent recruitment. One possible focus of this group might be to develop local healthcare training and apprenticeship programs and models.

- A group of healthcare employers in long-term care, skilled nursing, behavioral health, home care, etc. might convene to address job quality and advancement opportunities for frontline workers in order to attract more candidates to the sector and retain workers in employment.

- A group of healthcare employers might choose to work together to address systemic issues such as collateral sanctions (i.e., policies that prevent people with, for example, criminal histories from working in various licensed fields) and other barriers to licensure. This could help to expand the talent pool and create opportunities for more Cuyahoga County residents to access employment in healthcare.

- A group of employers might work together with workforce system partners and training providers to develop structures, systems, and methods that increase the agility of education and training providers in responding to the healthcare sector's evolving needs. This might include fast-track approval of new education programs, forums for more timely sharing of labor market information, or resources that help residents better navigate healthcare training and careers.

Potential Intermediaries
Potential intermediaries for a sector partnership in healthcare are presented below, along with brief descriptions from their websites and other sources. Note that this is not intended as a comprehensive list.

- **Center for Health Affairs (CHA)** is Northeast Ohio's regional hospital association and advocacy organization. The Center's priorities and activities include weighing in on pending legislation, working to strengthen the region's healthcare workforce and serving as the regional coordinator for hospital emergency preparedness. CHA leads the Northeast Ohio Nursing Initiative (NEONI), which since 2000 has brought together nursing leaders, clinical agencies, educators and organizations together to address and seek solutions for healthcare workforce issues in Northeast Ohio, with a particular focus on nursing. NEONI's membership includes over 200 nurses from 74 organizations and 12 counties, representing hospitals, long-term care facilities, home health organizations, schools of nursing, professional nursing associations as well as other individual healthcare stakeholders. NEONI's programs include the Nursing Forecaster, a tool that projects the future supply of and demand for nurses in the region, and the PERQS Center, (Practice, Education, Research, Quality and Safety), which is an outlet for NEONI members to share knowledge and best practices in nursing research, quality initiatives and models of care.

- The **Greater University Circle Initiative** is an anchor institution-based initiative involving the Cleveland Clinic, University Hospitals, and Case Western Reserve University. More recently, the Initiative has involved MetroHealth System as well. These institutions are working together to deploy their resources to address the poverty and disinvestment in the seven surrounding

neighborhoods around University Circle, comprising about 60,000 residents. The Greater University Circle Initiative seeks to reweave community networks, in part through community engagement, to improve the quality of life in surrounding neighborhoods, and to give residents a greater voice and connection to the resources of the anchor institutions.

Industry Sector: Information Technology

Computer and information technology (IT) workers span sectors and fulfill critical roles in many of the employment and wealth-generating economic sectors, i.e., biosciences and healthcare, advanced manufacturing, information technology, and financial and business services. Key occupations in the field include: Software and Applications Developers, Computer Systems Analysts, Computer User Support Specialists, Web Developers, Network and Computer Systems Administrators, Database Administrators, and Computer Network Architects, as well as a variety of other positions. There are good entry points and mobility for workers once they enter the field.

However, according to the Team NEO 2016 report, "Aligning Opportunities in Northeast Ohio," the biggest misalignment between demand and supply is for computer and IT workers. There appears to be far more employer demand for workers in these occupations than there is supply of relevant credentials. The industry as a whole employed approximately 40,000 workers in 2015. In that year, employers in the industry sought to fill 16,638 open positions with qualified candidates, and job growth is projected to be high over the coming five years. However, educational institutions in the region awarded only 5,995 IT-related credentials in 2014, which includes career and technical education (CTE) credentials awarded at the high school level all the way through graduate degrees.

According to "Understanding the IT Skills Gap in Northeast Ohio," (Shanahan Resources Inc.,2017): "IT employer hiring demand has many more openings at the mid-level positions which are not likely to be found among those emerging from postsecondary education and training systems, but largely must be found among current IT workers with strong job experience. If postsecondary education and training — higher education in particular — are to help employers, new models are needed. Even at entry-level, certain IT occupations have dramatic gaps between numbers of potential hires employers pursue and the number of completers emerging with the right level and focus from postsecondary credentials currently awarded within Northeast Ohio." Local employers and industry associations, including the RITE Board and BioEnterprise, affirm this perspective, downplaying the significance of formal post-secondary credentials and certifications and emphasizing the importance of specific in-demand programming languages, demonstrated problem-solving and analytical skills, as well as work experience or on-the-job learning.

Sector partnership development can build on and learn from existing workforce interventions and initiatives targeting the IT sector. These current initiatives are listed in Appendix H.

Local Workforce Issues and Challenges
The central workforce challenges in the IT sector include:
- There are major skill gap issues in a number of key occupations. Due to the rapidly changing nature of the industry, these can change quickly.
- The educational systems that function as a natural talent pipeline for IT have not kept pace with the changes in the industry and there is a need for significant change, including expanded STEM, computer science, and math programs and curricula, especially at the secondary school level.
- There are not many entry-level on-ramps into the sector, and at the same time, there is strong demand for candidates to fill mid-level jobs. It is not yet clear how to bridge that gap, especially

for older youth and adults who may be interested in entering the sector but lack previous industry experience.

- There is a lack of diversity in the sector across a number of demographic categories, race, age, gender, etc., and a related perception that the industry is inhospitable to diverse populations. This provides an additional challenge to recruitment and retention of workers.
- "Disruptive technology" is a longstanding reality in the IT sector, and includes the emergence of new technologies such as additive manufacturing, cyber-security, cloud computing, "big data" analytics, and advanced robotics. Sudden and sometimes unpredictable changes have a significant impact on businesses' competitiveness and profitability. This challenges the sector's ability to maintain current job descriptions, job requirements, and appropriate training and professional development, etc.
- Because IT skills are central to so many fields and industries, there is a need to identify and/or train people who not only have IT skills and experience, but who have the background and context to work in industries such as health, financial services, and manufacturing.

Local Gaps in Industry Readiness

Several factors serve as barriers or gaps in the IT industry's readiness for sector partnership development. These are:

- New positions are multiplying faster than the workforce development system and the educational institutions in the region can respond.
- The acquisition of smaller, local companies by larger and/or national companies creates barriers to partnership and collaboration as local leaders may not have the authority to commit to partnership efforts.
- Virtual hiring and the creation of virtual, remote offices can at times be easier and less expensive than investing in talent locally.
- Information technology is both a sector and a set of occupations. This complicates the definition of the sector since IT occupations can be found in almost every industry in the regional economy.
- Many within the workforce development system (including community-based organizations, career centers, and other training providers) have not historically engaged deeply with IT employers and occupations and is still becoming familiar with the growing number of IT occupations and the skills, education, and experience that employers require.
- Positions that are available and in-demand are not necessarily readily accessible to the job seekers, especially disadvantaged job seekers, in the community.

Potential Areas of Programmatic Focus for a Sector Partnership

Below is a preliminary list of potential activities and initiatives through which a sector partnership might address the labor market and skills gap issues in the IT sector. These were developed on the basis of a strategy session with the Task Force, and were intended to serve as the starting point for a discussion of specific interventions to be developed and implemented through the sector partnership. These would be revisited and modified/refined once a sector partnership is established and functioning.

- Develop outreach and training programs that increase the diversity of the talent pipeline, perhaps coupled with cultural competence training and technical assistance for employers to help them create a more welcoming workplace and thereby attract a more diverse workforce.
- Improve the quality of the talent/education pipeline, including improved math and technology curricula and programs at the middle and high school levels, as well as working with the educational institutions and job skills training providers to improve the agility and speed with which they can pivot to meet new and emerging employer needs.
- Identify a short list of high priority occupations that present particularly vexing or persistent skill gap challenges and develop programs that create initiatives targeting those occupations.

- Develop strategies and messaging that can effectively engage adults in IT careers and/or training, and create awareness of the pathways that can provide them with access entry-level jobs and pathways to mid-level-skill jobs.

Potential Intermediaries

Potential intermediaries for a sector partnership in information technology are presented below, along with brief descriptions from their websites and other sources. This is not intended as a comprehensive list.

- **RITE Board**: RITE is an award-winning model of an industry-led collaborative focused on talent development initiatives. As a platform for collective action, RITE promotes a networked and whole-systems approach to its endeavors. Through the RITE Board, employers of IT talent engage directly and often with key stakeholder to grow the pipeline of IT talent In Northeast Ohio. Board members analyze data, share information, engage in debate and dialogue to define strategies, and develop programming that successfully supports IT talent growth along the education to employment pipeline.

- **BioEnterprise (BioE)**: Formed in 2002, BioE partners with people who have a passion for improving health and wellbeing. BioE helps them nurture innovative ideas and technologies from the embryonic stage, connecting them with critical resources and relationships, guiding them as they build their businesses, sell their products and services, and tell their stories. BioE chooses a select number companies on which to focus each year, based on their potential to make an impact in their markets, in the region, and throughout the world. BioE is committed to helping bioscience innovators grow their companies in Cleveland.

- **DigitalC**: DigitalC was formed to assist communities to transition to a digital economy. As a civic tech collaboration, DigitalC catalyzes innovative technology for community impact. Led by a diverse team with experience in technology, start-ups, strategy, business, and civic technology, DigitalC partners with business, technology, and civic leaders to provide strategies and programs so that communities can navigate a pathway that enables 21st century opportunities for all. To realize this goal, DigitalC engages technology leaders to leverage their knowledge to address community priorities; accelerate the access, adoption, and use of data to drive community problem-solving; and develop programs and intentional spaces that spur inclusive innovation and community connections, including accessible on-ramps to the digital economy for all.

- **OHTec**: OHTec is a technology industry advocate and support resource within the Greater Cleveland Partnership. It focuses on building relationships and a strong technology industry within Northeast Ohio. As a voice for the technology community, OHTec's goal is to ensure a high level of engagement among the companies and individuals in the industry. OHTec has a major commitment to developing strategies that connect technology industry employers to talent. OHTec offers opportunities for collaboration among large, mid-sized, and small companies as well as entrepreneurs and leaders within the IT field. OHTec's mission is to help its members thrive and grow; it pursues that mission by providing high quality content, connections, qualified resources, and sponsorship programs.

4) Conclusions and Recommendations

The following section includes overarching conclusions and specific recommendations for sector partnership development efforts in Cuyahoga County in the following categories:

- Infrastructure and Systems Development;
- Linking to the Public Workforce System and Broader System-Wide Alignment;
- Grantmaking and Implementation;
- Data and Accountability;
- Future Overall Coordination of Sector Partnership Development.

Infrastructure and Systems Development

There are strong local assets, organizations, and resources in each industry sector that can support the development of sector partnerships:
- A body of existing research on key industry sectors and the related skills gaps;
- Current sector-based workforce training grants and collaborations with demonstrated effectiveness, many of which represent the replication of nationally recognized models and target specific industry sectors;
- Local organizations, networks, and resources that can support sector partnership development, and in particular, a number of local organizations positioned to become sector intermediaries given their knowledge of key industry sectors and relationships with major employers;
- Committed employers and industry associations, as well as education and training providers;
- Engagement and partnership with the public workforce system and public sector leaders;
- Committed and engaged funders, public and philanthropic, who are prepared to bring resources to bear.

Barriers to sector partnership development in Cuyahoga County appear to be largely related to:
- Lack of clarity and shared understanding regarding some key concepts and strategies, including definitions and roles for different actors in the formation and operation of sector partnerships and the misperception that sector partnerships function primarily as social service or philanthropic efforts, rather than efforts that address both business and community needs;
- Lack of clear authority or direction in terms of establishing sector partnerships;
- Lack of funding streams for sector partnerships. Both public sector and philanthropic funding tends to focus on creating and supporting program interventions, as opposed to system-building that can sustain collaboration and alignment over time.
- Multiple, independent employer convening efforts, which can tend to confuse or discourage participation in new efforts. These include: the WIBs, a number of state-level Boards and commissions, industry associations, Chambers of Commerce or similar multi-sector business groups, community college and CTE corporate advisory boards for industry-specific programs, and industry services providers with employer-dominated Boards of Directors.

What is now required for effective implementation is to create a shared understanding of the key elements of nationally-recognized best practice related to sector partnerships and intermediaries; to establish clear and transparent roles, processes, and systems through which to allocate funding in a manner that embodies rigorous and data-driven accountability for activities and impact; to specify the financial commitment of the participating funders in light of realistic budget projections for the sector

partnerships; and to identify the intermediaries and employer champions in each target industry sector who will lead the work.

Recommendation
The Funders Group must understand that the development of sector partnerships that can produce sustained results involves funding both programs and system-building. The Funders Group should engage in the following system and infrastructure building efforts:

a) Create a shared language and common purpose by:
- Creating a highly visible mandate and imprimatur, supported by adequate and consistent funding, and championed by credible industry or business community leaders, for establishing and sustaining sector partnerships;
- Establishing clear definitions, roles, and expectations among all partners and stakeholders in a manner that can support mutual accountability for progress and results;

b) Build capacity among the key partners and stakeholders by:
- Providing resources for training, coaching, and technical assistance that will build the capacity of community-based organization, educators, training providers, industry associations, and other partners and stakeholders so that they are able play the appropriate roles in sector partnership development and sustainability;
- Establishing and/or strengthening the existing systems, networks, and relationships that enable and facilitate collaborative workforce initiatives, including industry associations and other vehicles for employer convening; education, training, and service provider networks, etc.;

c) Identify and support sector partnerships that have both strong employer leadership and intermediaries with the necessary capacity and credibility.

Linking to the Public Workforce System and Broader System-Wide Alignment

The public workforce system is comprised of government agencies, quasi-public entities, and funding streams that channel significant federal, state, and local resources into workforce development programs and initiatives. Much of the structure and priorities of the public workforce system is specified in the federal Workforce Innovation and Opportunity Act (WIOA), i.e., the reconfigured Workforce Investment Act that received Congressional approval in 2014.

While various partners have made progress toward aligning the various components of the workforce system, the perception of a fragmented and "siloed" system prevails, as described in the previous section. Efforts toward greater collaboration and alignment, including alignment with the public system, may be hindered by lack of information or transparency.

Sector partnerships play a crucial role in linking employers to the resources available through the public workforce system and aligning public, private, and philanthropic resources to maximize the impact of workforce development dollars. Sector partnerships are intended to supplement, and not supplant, the public system, and should make proactive, intentional links to the public workforce system to expand the capacity and reach of workforce development efforts in the region.

Recommendation
In order to support stronger and more strategic linkages to the broader workforce system, including the public system, the Funders Group should:

a) Support efforts to build the sector partnerships' governance structure over time to include appropriate level of representation from, and open and active linkages to, relevant public agencies and leadership;

b) Fund sector partnership intermediaries that bring significant knowledge of the public sector and have the ability to facilitate the engagement of employers and other partners and stakeholders with the public system;

c) Require grantees to explicitly describe how proposed projects link with public workforce resources, are consistent with the WIB's regional strategies, and fill gaps by addressing needs not eligible for public funding;

d) Support efforts to educate sector partnership members about the specific parameters and requirements of public funding for workforce development, and require sector partnership budgets to reflect an appropriate use of public funds, augmented by private and philanthropic funds to fill gaps;

e) Meet regularly with WIB leadership and other public sector partners at the state and local level to create maximum transparency and awareness of new developments and/or funding opportunities, and to share and integrate data that measures the impact of these collaborative and aligned activities;

f) Support efforts of the sector partnerships to link and align with the full range of government agencies, and nonprofit and community-based organizations (and their public and private funders) that provide education, training, and other services relevant to workforce development, particularly those services targeting underserved and disadvantaged populations.

Grantmaking and Implementation

Recommendation

In order to maximize the number of high quality and strategic proposals for sector partnership development, as well as facilitate accountability and support rigorous evaluation that can drive program improvement and partner recruitment, the Funders Group should utilize a process similar to the one below for identifying and funding sector partnerships and intermediaries:

a) Develop and disseminate a detailed and prescriptive RFP for sector partnership development and management in any and all industry sectors.

b) Conduct proactive outreach for applicants in manufacturing, health care, and IT (including possible sub-sectors), and maintain openness to accepting proposals for sector partnership development and management in other industries. Such outreach may include activities such as a bidders' conference or similar type of launch meeting to introduce the initiative and create awareness of the goals, requirements, expectations, and deliverables related to funding for sector partnership development and management.

c) The proposal/application requirements should include:
   - Data on sector-specific skills gap and labor market issues (and if appropriate, the rationale for the focus on a sub-sector);
   - Documented evidence of employer leadership and the commitment of key employers in the sector to the partnership, including but not limited to their financial commitment;
   - Potential intermediary's or intermediaries' track record, qualifications, and capacity with respect to the criteria in this report;

- Preliminary programmatic responses to the identified needs (to be revisited and potentially modified based on subsequent employer and partner input), including outreach and other services targeting disadvantaged populations, and plans to expand access to family-sustaining jobs and careers;
- Key partners and their roles, including the assignment of the key intermediary functions to one or more organizations;
- The relationship and alignment of the sector partnership's strategy with the WIB regional plan and other components of the public system;
- Preliminary level of service and outcome metrics and targets;
- Work plan and timeline;
- Detailed operating budget for the partnership (A sample sector partnership budget is presented in Appendix F.);
- Sustainability plan, including both financial sustainability and ongoing efforts to expand employer engagement and investment.

d) Manage a competitive application process, and make grant awards with specific deliverables and rigorous accountability.

e) The process may include the awarding of planning grants if the funders determine that more resources or time are needed to design, plan, and implement sector partnerships.

There may be instances where contracting with an organization or consulting firm for the short-term start-up phase of a sector partnership would be an effective implementation strategy. This would most often be driven by the absence of a fully-ready sector partnership intermediary, and would provide the time necessary for building the capacity of an appropriate long-term entity without losing momentum.

Addendum to Grantmaking and Implementation: An Alternative Approach

An alternative, non-grantmaking approach for creating sector partnerships is presented below. This approach was developed by The Woolsey Group, a research, technical assistance, and facilitation firm based in Washington State. They partnered with Collaborative Economics and Genz Consulting to create a practical step-by-step guide for the state of Oregon entitled, "Building Strong *Next Generation* Industry Sector Partnerships," that offers the following alternative approach to creating sector partnerships.

This alternative is offered for the Funders Group to consider in cases where a more intentional and proactive approach is more appropriate to the needs, resources, and history of collaboration in a target industry sector or subsector, as opposed to the somewhat more reactive approach of issuing an RFP to which potential intermediaries can respond. The key steps in their approach are presented below:

a) Build a Regional Support Team: The first step in building a sustainable industry-led partnership is to build a *non-employer* "support team" of education, workforce, economic development, and other key stakeholders such as elected officials, organized labor, community-based organizations, or others who have a stake in building stronger partnerships with the industry sectors that drive your regional economy. This step is about getting on the same page, agreeing to shared target sectors, and clarifying roles and responsibilities among non-industry support partners. This is a critical step that happens *before you ever engage industry in an industry-led sector partnership.*

b) <u>Define the Scope of Industry Focus</u>: Once the regional support team is in place, they should review regional labor market data to determine which sectors merit your collective action in launching a sector partnership by determining those sectors that are drivers of the regional economy in terms of the number of employers, the number of jobs, and higher-than-average wages; and that have been the target of multiple employer engagement efforts, suggesting the need for more coordinated approach.

c) <u>Prepare to Launch</u>: There are a series of steps that the regional support team can implement to prepare to launch the sector partnership. These include: 1) identifying one organization, or pair of organizations, that is well positioned to be the lead convener/co-convener of the new sector partnership in terms of credibility with employers in the target sector, staff capacity, and ability to serve as a neutral convener; 2) confirming that all other partners will be in a strong support role throughout the partnership's life, and that they will be in "listening" mode during meetings with employer partners, "action" mode once implementation of priority areas and goals begins; 3) identifying the priority companies and CEOs in the region, those that might be prepared to play a leadership role in the partnership, and delegate the outreach and recruitment for each; and 4) design and schedule a launch meeting, and have the identified chairs to invite the employers.

d) <u>Launch Meeting</u>: Choose a disciplined process that allows the collective employer voice to emerge, and choose a good facilitator. This first meeting must result in employers recognizing a reason to commit to next steps. The employers will identify opportunities for sector growth, priority requirements for capitalizing on these opportunities, and employer champions for those priorities, who are willing to follow-up the launch meeting. By the end of the meeting, there must be a shared product (priority opportunities, requirements, and champions) that represents the employers' agenda.

Data and Accountability

It is important to continue to support and invest in data and accountability systems as the work progresses. A rigorous approach to data collection, program evaluation, and data-driven program planning is necessary for continuous program improvement, funder and partner recruitment, and sustained positive impact on employers, workers, and the regional economy.

Recommendation

Below are recommendations for the Funders Group to consider as they invest in and monitor sector partnerships and intermediaries:

a) Employ a rigorous approach to data collection, reporting, analysis, and evaluation – and provide support to help sector partnerships be successful in collecting, analyzing, and utilizing data.
   - Ensure that sector partnerships have systems and expertise in place to access, analyze, and use labor market information;
   - Ensure that sector partnerships have systems and expertise in place to collect and analyze participant-level data;
   - Consider how the data will be used by partners to identify needs, develop and improve programs, and add to the region's knowledge about industry needs and best practices;
   - Use data within the Funders Group to inform grant selection and technical assistance priorities;

- Provide or link to technical support and resources to build these capacities as needed;
- Measure the impact of the Funders Group itself, not just the activities it supports;
- Consider utilizing a third-party evaluator to help document lessons learned regarding both implementation and impact of any investments and/or initiatives;
- Use evaluation not only to ascertain and share what worked, but what did not and why.

b) Select a set of metrics appropriate to the stage of development of the partnerships, with the goal of establishing annual targets for outputs and outcomes:
- Metrics should include programmatic goals and outcomes for participants as well as systems change goals and outcomes;
- Metrics can be selected in part from the list presented in Appendix E, but should not necessarily include all of these metrics at once. Funders might choose different metrics as the work progresses.

c) As sector partnerships are formed, metrics might focus on system building indicators such as the number of employers engaged, the number of partnerships established, the number of MOUs executed.

d) As the partnerships launch activities, metrics might shift to outputs such as the number of participants recruited and enrolled in training; support services provided/received; and the number of training completions.

e) As the partnerships mature, metrics might transition to outcomes such as job placement, retention and advancement; impacts on employee engagement; reduced costs of hiring/turnover; and increased economic mobility.
- Metrics should represent what is most important for the industry members, service providers and funders to understand about their work and how to improve it.
- Simplify reporting to the greatest extent possible; funders should resist the temptation to collect data "just in case" they need it.
- Provide support to grantees and outline expectations so they can be successful in collecting and reporting these data.
- To the extent possible, coordinate with partners that can access other data sources, such as UI wage record data, post-secondary enrollment and completion data, and employee performance/wage data. This might include the Workforce Investment Board, community colleges, various county and state agencies, and employers.

Coordination of Sector Partnership Development

The Cuyahoga County Workforce Funders Group and Sector Partnerships and Intermediaries Task Force have together invested a significant amount of time and energy into developing a common language, collaborative structures, and recommendations for next steps. Going forward, these groups must decide on the structure(s) that will continue to provide leadership, accountability, and a strategic approach to the entire sector partnership development effort.

Recommendation

The Funders Group should continue to exercise a coordinating role that helps facilitate the development, effectiveness, and sustainability of sector partnerships. Going forward, this Funders Group may be a modification or expansion of the current group. The group will have to decide if it will form a funder-led entity with broader representation from other partner and stakeholder constituencies, or a funders-only group *and* a separate advisory body with that broader representation. The development of the appropriate leadership structure will be driven initially by the individuals and organizations at the table and the time and energy they can commit to this effort.

The functions that must be taken on, whatever the ultimate structure of initiative-wide coordination and oversight, include:
a) Securing funding commitments from local funders and leveraging additional financial support for sector partnerships and intermediaries;
b) Designing and implementing the grantmaking and fund allocation process;
c) Grants management, oversight, and evaluation;
d) Developing and communicating the strategic direction of the overall sector partnership development effort;
e) Identifying and addressing county-wide gaps in workforce-related programs and services;
f) Public policy and systems change advocacy;
g) Promoting and facilitating resource alignment.

Additional decisions to be made regarding the operational effectiveness and capacity of this group (or groups), include:
- Organizational home/fiscal sponsor: The Funders should agree if they will pool funds for investing in sector partnerships and where any pooled funds will be held.
- Governance and Membership: The Funders should outline governance policies to ensure that there is clarity about who makes decisions about grant awards, policies, and other priorities or operations.
- Staffing: The Funders will need to hire a director, who can be either a consultant or a staff member, and who should have sufficient capacity and expertise to work with grantees, funders, employers, and other partners and stakeholders.
- Budget: The Funders will need to establish an annual budget for this initiative-wide group with targets for key categories of pooled revenue, and a process by which to account for and track any aligned funds.

Overall Conclusion and Next Steps

This report provides detailed conceptual frameworks, tools, and data analysis that together are intended to enable the Cuyahoga County Workforce Funders Group to oversee, support, and sustain industry-specific sector partnerships in the County. The central finding of the report is that Cuyahoga County has the assets necessary for the successful development of sector partnerships. Going forward, the Funders Group must create a shared understanding among the key partners and stakeholders about relevant best practices, and then implement a rigorous, data-driven, and broadly participatory process for strategically directing public, private, and philanthropic resources toward developing these partnerships.

That said, the intent of this report is not to specify the creation or structure of any specific sector partnerships, nor to specify which organizations ought to serve as intermediaries for those partnerships. Rather, the report puts forth a set of findings, recommendations and frameworks from which the Funders Group can create an action plan that educates and engages prospective partners and stakeholders. It also details recommended processes, based on recognized best practice, through which the Funders may solicit proposals, select or identify grantees, negotiate deliverables, and measure success related to sector partnerships and intermediaries.

Appendix A: Essential Basic Definitions

The following are brief definitions of essential concepts and phrases that appear through the document.

A **sector partnership** is a dynamic collaboration of a regional group of employers, typically from a particular industry sector or sub-sector, but sometimes from multiple sectors or based around a set of occupations, who convene regularly with the assistance of an intermediary to focus on workforce issues and needs.

A **sector partnership intermediary** is an organization or organizations that perform backbone functions to manage, support and facilitate a sector partnership. Those functions include:
- Engaging and convening employers and other key partners and stakeholders;
- Developing and sharing data and expertise regarding the operational realities and labor market challenges of the industry of focus;
- Coordinating the partner engagement and resource development necessary to design and implement collaborative responses that meet the needs of employers and job seekers/incumbent workers;
- Coordinating communication both internally and externally about the activities and plans of the partnership;
- Linking the partnership's activities to initiatives and resources in the public workforce system;
- Managing projects, staff/contractors, and budgets related to the partnership's activities.

The broader **workforce system** includes the organizations and activities that prepare people for employment, help workers advance in their careers, and ensure a skilled workforce exists to support local industry and the local economy over time. This is understood to include employers and employer associations; federal, state, and local government agencies; education and training providers; credentialing entities; philanthropic institutions; and other support services providers. It is important to distinguish this broadly defined workforce system from the ***public* workforce system** which is the federal, state, and local government entities that oversee the expenditure of public funds (WIOA as well as other funding streams) to support workforce development.

Regional workforce funder collaborative is an organization or entity that brings together local funders around a shared strategic vision for workforce development in a particular region. The funder collaborative pools and aligns resources from philanthropic, corporate, government, and other funders to create an investment strategy to carry out its vision. Ideally, the funder collaborative includes the representatives of public and private funders who have the authority to make decisions regarding the disposition of their organization's workforce-development funds.

Economic development includes a wide range of activities, initiatives, and policies aimed at improving and expanding a region's economy and fostering regional prosperity. This can include services and supports for existing businesses, business recruitment and job creation, support for innovation and entrepreneurship, and/or infrastructure development (transportation, technology, etc.) that supports business operations and efficiency. **Workforce development** is a core strategy within economic development, in that a skilled workforce is essential for business growth and success.

Systems change includes changes in organizational policies, procedures, practices, and culture within or across organizations that improve services or activities aimed at benefiting specific stakeholders, markets, or populations. It also encompasses changes in the operational boundaries between organizations; relationships among entities and people within and across system levels; and the perspectives and approaches of specific actors within the systems. System change efforts may potentially target:

- Public policies and investments;
- Systems and providers for educational, training, and other support services;
- Employer practices;
- Funders and their perspectives, approaches, and investments;
- Structures that facilitate the engagement of a comprehensive range of partners.

Appendix B: Sector Partnership Structures and Functions

Sector partnerships can be structured in different ways depending on the industry sector, regional preferences and strengths, goals and strategies, and funding. Despite these differences, however, there are some common operational matters that all partnerships need to consider. A few options for key structures and functions of sector partnerships follow. This section is intended to assist the Funders Group to make strategic decisions about specific structures that most appropriately and effectively support collaborative responses to skill gap issues in each of the industries on which it decides to focus.

Governance and Membership
- Most high-performing sector partnerships have an employer chair or co-chairs. Some pair an employer representative and a representative of workers as co-chairs, as in the case of a labor-management partnership.
- Sector partnerships also need staff capacity, ideally a full-time director, who is accountable to the partnership members and employed by the intermediary organization. Staff who have a background and strong relationships in the industry are particularly effective.
- Effective sector partnerships include both employers from the industry sector as well as other stakeholders that can help address employers' workforce needs, such as representatives from community colleges, K-12 school districts (such as CTE program directors), workforce boards, chambers of commerce, community-based organizations, unions, relevant industry associations, funders, and others.
- Members may play different roles within the sector partnership depending on their perspective, and this should be defined through a set of governance policies or guidelines.

Intermediary Options
- Sector partnerships can be housed and supported by different types of intermediary organizations, including but not limited to WIBs, industry associations, workforce training organizations, educational institutions, labor-management partnerships, and funding organizations. Most importantly, intermediary organizations need to be seen as "honest brokers."
- There may be instances in which the intermediary functions are shared among two or more entities, even if one of those organizations is designated as the lead intermediary. For example, one organization can focus on technical assistance and capacity building, while another focuses on convening and engagement. This would enable the various intermediary functions to be implemented at the highest possible level of effectiveness and credibility.

Mission and Activities
- Sector partnerships may be designed to operate over the long-term or in a more time-limited manner, depending on the needs of the sector.
- It is important that the partnership's mission is clear and that members and supporters understand what it is and how they contribute to it.
- Activities can include labor market analysis, employer engagement and organizing, training development and delivery, advocacy at the federal, state or local level, and work on administrative or policy changes within education, workforce or other systems that impact the talent pipeline.
- It is important to define both the scope of the work and its goals as well as who will do this work--whether staff, committees, consultants, the intermediary organization, or members themselves--to ensure the funding and organizational structures provide an appropriate level of capacity.

Funding
- Sector partnerships may be through membership contributions or dues, employer grants, philanthropic grants, public grants or contracts, events, and training fees or contracts from employers.
- Often, a partnership will need help with start-up funding from philanthropy or other sources as it makes the case for support to employers and other stakeholders. Philanthropic support is especially crucial to support intermediary or backbone functions.

Measuring Impact
- Sector partnerships need to budget and plan for data collection and evaluation, including any evaluation activities connected to particular grants or initiatives.
- A partnership may not need to create new structures for data collection but should certainly consider what information will be important to its members and how it will gather and report this data to demonstrate impact.
- Sector partnerships should consider both internal and external opportunities and forums to share about the impact of their work.

Appendix C: Workforce Development Best Practices

In addition to the elements of effectiveness for sector partnerships and intermediaries described above, below are some general workforce development best practices to keep in mind as the Funders and the Sector Partnerships and Intermediaries Task Force consider funding or supporting workforce program and service delivery as well as the development and management of sector partnerships in Cuyahoga County. This list was adapted from Third Way's research on workforce best practices, "Seven Habits of Highly Effective Workforce Programs," July, 2014.

Program and Service Delivery Best Practices

Effective workforce development organizations and partnerships generally follow the best practices below in terms of program development and service delivery.

a) Treat education like a job
   - Build in hands-on learning opportunities for participants and students, including the use of internships, apprenticeships, clinical rotations, simulations, and on-the-job training.
   - Simulate working conditions as closely as possible, including using dress codes, schedules, expectations, and training facilities that mimic workplaces.

b) Connect people to careers
   - Leverage relationships with employers to connect clients to jobs, which is especially important when jobs are not posted and employers rely on word-of-mouth, referrals and networks to fill openings.
   - Map career pathways within specific industry sectors to show job seekers how they can advance to higher skilled and higher paying positions.
   - Develop or design a series of connected education and training programs that correspond to each step along the career pathway, and/or connect job seekers and incumbent workers to partners that provide these training opportunities.
   - Create networking opportunities among job seekers, workers and employers.

c) Provide wrap-around student services.
   - Know students' needs and help students support themselves during training.
   - Provide supportive services or partner with other agencies with expertise and resources to offer them to clients.
   - Examples of supportive and wrap-around services include:
      * Helping clients find and afford childcare
      * Providing access to reliable transportation
      * Providing resources to improve limited English skills
      * Linking clients to resources that assist with substance abuse recovery, mental health, housing or prison re-entry
      * Working with employers to help clients retain and thrive in employment
      * Academic advising and coaching
      * Financial coaching and planning

d) Actively engage local business.
   - Work closely with businesses to identify in-demand skills and design training around current and projected employer needs.

- Build in ways for businesses to share best practices for training, recruitment and retention.
- Engage businesses at multiple levels, from senior level leadership to frontline managers.
- Provide opportunities for businesses to learn about and inform the training that is offered and to connect with the trainees in the program.

e) Actively find ways to include worker voice.
- Ensure programs are designed with client/trainee input.
- Collect feedback from participants about program content, quality, supports, and outcomes and use it to refine their programming.
- Provide leadership opportunities for participants.

Operations and Management Best Practices

Effective workforce partnerships and programs generally embrace the following operations and management best practices.

a) Use labor market data to inform decisions.
- Study labor market trends, together with employer and regional economic development partners, to determine which fields are growing and where there are needs or opportunities.
- Cross-check sources of labor market data with local and regional businesses to ensure that they reflect local needs and trends.
- Share labor market information with participants and students as part of career coaching.

b) Braid different sources of funding.
- Tap into federal, state, and local government grants and contracts, and develop the capacity to manage these funds.
- Apply for private foundation grants.
- Solicit individual donations.
- Charge reasonable tuition and fees.
- Utilize events and sponsorships.
- Explore social enterprises or other revenue-generating activities to support training programs.
- Provide specialized training and placement services to employers for a fee.

c) Embrace evaluation and learning.
- Go beyond simply tracking and reporting outcomes for external funders; utilize data for internal organization learning.
- Value all sources of data, not just placements and wages. Utilize data sources such as but not limited to participant feedback, employer feedback, staff observations, attendance, pre- and post-test scores, program retention, and employment retention data to better understand the strengths and weaknesses of the program.
- Make adjustments to programs as needed based on these data.
- Involve all staff in collecting, reviewing, discussing and understanding the data and how it is used to inform programs.
- Commission or participate in a formal third-party evaluation that can document and analyze the impact of the training program.
- Develop long-term outcome measurements and interim benchmarks to measure success.
- Utilize a database or other software programs to keep track of key information, like clients' demographic profiles, educational progress, and job placements.

Appendix D: Sample Sector Partnership Logic Model

On the following page is a sample logic model for sector partnerships, which was adapted from planning work completed by the Workforce Investment Board of Southwest Missouri, 2014. This sample logic model is intended to as a starting point to help the Funders Group clarify its thinking about the labor market and workforce challenges to be addressed through a sector partnership approach; the activities they will engage in and support; the inputs that are needed; the anticipated outputs or level of service; and both the short- and longer-term outcomes resulting from this work.

SAMPLE SECTOR PARTNERSHIPS LOGIC MODEL – CUYAHOGA COUNTY					
CHALLENGE	**ACTIVITIES**	**INPUTS**	**OUTPUTS**	**INITIAL OUTCOMES**	**END-GOALS**
The unmet needs (& root causes) in our region that our activity will address:	*To address the root cause(s), we will produce the following deliverables through sector partnerships*	*In order to accomplish our activity, we will need the following:*	*We expect that once completed or underway, this activity will produce the following evidence or deliverable(s):*	*We expect that, if completed or sustained, this activity will lead to the following intermediate changes:*	*If accomplished, we expect that this activity will lead to the following long-term outcomes and/or resolution:*
Job losses from skill gaps that cause employers to re-invest elsewhere to meet skill demands	**Engagement of employers in sector partnerships** to identify industry demand and invest in meaningful skills & credentials	• **Connectivity, time & insights** of employers & providers of potential solutions • **Coordination of R&D, project, event & proposal functions** (WIB, industry, philanthropic and other partners) • **Virtual Clearinghouse,** such as TalentNEO, for wide-scale engagement & adoption of customers (students & job seekers) as well as stakeholders (employers & partners) • **Partnership participation** to re-align resources & logistics • **Employer Buy-In** to use solutions & help fund • **Customer Engagement** from partners to promote usage of tools • Staff and organizational capacity to support sector partnerships • **Flexible funding** to support development of sector partnerships	**Sector partnerships convened or engaged** with input & satisfaction tracked for each employer stakeholder	**Company retention, layoff aversion** as verified by economic development stakeholders	**Growth of jobs and investment** in the region's targeted sectors
Shrinking workforce pipeline in legacy sectors + lack of workforce pipeline in growth sectors due to low awareness, lack of understanding or negative perceptions of career opportunities	**Well-defined, localized career pathway maps** that help students & job seekers set career goals clarifying expectations & rewards		**Career pathway maps developed in key industry sectors** with wide adoption by industry, education/ training and other stakeholders. **New training solutions launched** that meet specified employer needs in key sectors.	**Increases in enrollment & completion** of credentials to enter targeted occupations **Improved employer metrics** such as hire-time cycle, retention, productivity, employee engagement, etc.	**Increased share of credentialed job candidates** referred to and hired by employers (as compared to non-credentialed applicants) **Increase in advanced credentials** attained along stages of pathway
Failure to meet skill demands through training & employment programs due to inadequate resources, options, or access	**Re-engineered workforce solutions & re-aligned resources** to be sector-driven, high-impact, high-volume, low-cost, & scalable		**Promotional efforts launched** to attract new customers and re- engage previous users and customers; introduce new pathway options & solutions	**Usage & Customer Satisfaction** gains as expressed by participants as well as online analytics	**Economic Impact & ROI** for stakeholders and their customers' gains in the labor market
Underemployment of individuals possessing some skill, but not in the right category or level needed by employers	**Career Pathway decision tools** that help set realistic career goals & training investments at key entry/exit points for students & job seekers			**Increase in earnings** related to advancements in Career Pathway	**Reduction of poverty** & dependence on public assistance programs; resources re-invested for sustainability & innovation
High poverty linked to unemployment in populations affected by justice system involvement, substance abuse, dropout, limited English proficiency, etc.	**Multiple customized points of pathway entry** to address diverse customer needs **Identified & aligned support systems** that alleviate barriers		**Promotional efforts targeted** to engage populations affected by specific work-related barriers	**Increases in Entered Employment, Retention & Earnings** for targeted populations affected by work-related barriers	

Appendix E: Output and Outcome Metrics

The following are an initial set of indicators for outputs, i.e., levels of activity, and outcomes, i.e., the impact of those outputs, related to efforts to create and sustain sector partnerships and intermediaries in Cuyahoga County. The indicators have been grouped into four categories: system building, outputs/level of service, employer outcomes, and worker outcomes.

This list is intended as a starting point for discussions regarding systems and processes for tracking implementation and impact, for reporting to funders and to the community, and for modifying the approach over time for increased effectiveness. Further, these indicators will serve as the basis for eventually establishing specific annual targets after a period of documented implementation and benchmarking. Some of these indicators are quantifiable, while others are simply whether or not a particular policy or structure was put in place.

System Building

1) Number of sector partnerships established
2) Number of intermediary organizations funded for sector partnership management
3) Number of organizations in the following categories participating in sector partnerships:
    a) Employers
    b) Unions/labor organizations
    c) Industry and/or professional associations
    d) Education and training providers (postsecondary, community-based nonprofit, etc.)
    e) Providers of wrap-around supports
    f) Government agencies (federal, state, and local)
    g) Philanthropic institutions
    h) Economic development entities
    i) Advocacy organizations
    j) Other programming, outreach, and/or administrative partners
4) Creation of memoranda of understanding (MOUs) and/or other tools for specifying commitment and accountability
5) Establishment of region-wide body to manage fund distribution and facilitate cross-industry collaboration
6) Number of organizations participating in Funders Group
    a) Public sector/government agencies
    b) Philanthropy
7) Integration of sector partnership plans in regional WIOA plans
8) Establishment of systems/engagement of partners for capacity building for stakeholder organizations
9) Establishment of systems for vetting providers of training, other workforce services, and wrap-around services
10) Establishment of data management systems relevant to the services and funding of the sector partnerships

Outputs, i.e., Level of Service

Note: In this context, outputs include both level of service and support provided by the Funders Group to the sector partnerships, and level of service provided by the sector partnerships to job seekers, incumbent workers, and partner organizations.

1) Funds allocated for sector partnership management
2) Funds allocated for workforce initiatives through sector partnerships
3) Number of job seekers and/or incumbent workers receiving training through the sector partnerships
    a) Adult basic education
    b) Employability/pre-employment skills
    c) Industry-specific jobs skills training
4) Number of job seekers and/or incumbent workers placed in apprenticeships
5) Level and type of support services received by job seekers and incumbent workers
6) Level of technical assistance, coaching, or other capacity building services provided to stakeholders
    a) Employers
    b) Education and training partners
    c) Government agencies
    d) WIBs
    e) Support service providers
    f) Outreach partners
    g) Industry associations
    h) Philanthropic institutions

Employer Outcomes

1) Number of jobs filled through the efforts of the sector partnership
2) Reduced time to fill vacant positions
3) Number of incumbent workers advancing in career pathways based on sector partnership activities
4) Reduced costs related to hiring, turnover and promotion
5) Increased retention and employee longevity
6) Number of employers reporting changed HR/hiring practice based on involvement in sector partnership
7) Increased company profitability
8) Increased employee engagement
9) Increased ease of accessing needed training and other resources to support and grow employees
10) Increased connections among employers in the industry sector

Worker Outcomes

1) Number of job seekers accessing training through the sector partnerships
    a) Adult basic education (literacy, numeracy)
    b) Pre-employment/employability/"soft" skills
    c) Industry-specific job skills
2) Number and % of project participants that complete the training program and become eligible for placement
3) Number and % of project participants earning industry-recognized credentials
4) Total number of industry-recognized credentials earned by participants
5) Number and % of program completers experiencing wage gains, job placement, or career advancement

Appendix F: Sample Sector Partnership Budget

The sector partnership budget should include not only programs and initiatives of the partnership but infrastructure and management provided by the intermediary staff; forums and events; research; communications and advocacy; and any indirect or overhead costs.

Partnerships will need to resolve the link between funding and governance: e.g., Will partners be required to contribute to the partnership in order to participate in decision-making? Will there be different levels of membership and participation?

The budget below is provided for discussion purposes only and can be adjusted as needed. Staffing structure will depend on partnership resources and goals. Salary and benefits are listed for a full-time director. A part-time independent contractor may reduce this figure.

Sample Three-Year Revenue and Expense Budget

Expenses	Year 1	Year 2	Year 3	3-Year Totals
Salaries + Benefits • Full-time director OR part-time consultant	125,000	135,000	145,000	405,000
Non-personnel Partnership Operations • Rent/Telephone • Office supplies • Data management and reporting • Fiscal agency fee/indirect	30,000	30,000	30,000	90,000
Industry Research and reports • LMI research and reports • Career pathway development	40,000	20,000	40,000	100,000
Communications and advocacy	25,000	25,000	25,000	75,000
Forums/Events/Sponsorships	25,000	25,000	25,000	75,000
Industry-specific training • Curriculum development • Training contracts/delivery	250,000	250,000	250,000	750,000
Subtotal – Management only	245,000	235,000	265,000	745,000
Total	**740,000**	**720,000**	**780,000**	**2,240,000**

Sample Estimated Revenue Budget and Strategies

Revenue Sources	Year 1	Year 2	Year 3	3-year Revenues
Membership dues	50,000	55,000	60,000	165,000
Sponsorships for events and publications	25,000	25,000	25,000	75,000
Event registration fees	15,000	15,000	15,000	45,000
In-kind support for non-personnel operations • Rent/Telephone • Office supplies • Data management and reporting • Fiscal agency fee/indirect	20,000	20,000	20,000	60,000
In-kind support for communications and advocacy	10,000	10,000	10,000	30,000
State, federal, corporate or philanthropic grants for training (as needed/applicable)	TBD	TBD	TBD	TBD
State, federal, corporate or philanthropic grants for intermediary for partnership management	TBD	TBD	TBD	TBD
Total	**120,000**	**125,000**	**130,000**	**375,000**
Surplus/(Gap) *for management only*	**125,000**	**110,000**	**135,000**	**370,000**

Budget Narrative

Annual membership dues: $50,000-$60,000
This flexible source of funding can support partnership management and staff.
Sample dues structure
- Leaders/Board: $5,000/each
  - 5@$5,000 = $25,000
- Large companies: $2,000/each
  - 10@$2,000 = $20,000
- Small companies: $1,000/each
  - 10@$1,000 = $10,000
- Workforce and education members: $250/each
  - 10@$250 = $2,500
- Individual members: $100/each
  - 5@$100 = $500

Grants to support training: TBD, depending on need and interest
- Potential sources include federal training grants, state/county training grants, employer tuition assistance funds or training funds, and foundation grants.

Event/forum sponsorships: $15,000-25,000 or TBD, depending on event
- If partnership is interested in hosting forums or events, it can aim to cover costs and earn a small return through registration fees and sponsorships
- An event registration fee of $150/person will yield approximately $30,000 for a 200-person event.

In-kind support for operations or other partnership activities: TBD
- The intermediary or individual partnership members may offer in-kind support by covering expenses such as communications/printing, advocacy, rent/space, office supplies, contact management or other software subscriptions, administrative support, etc.

Appendix G: Themes from the Stakeholder Interviews

(Presented at the 10/26/17 Task Force meeting)

Summary of Findings

Our interviews with local stakeholders confirmed the importance of the manufacturing, healthcare, and information technology sectors in Northeast Ohio and Cuyahoga County in terms of employer demand/need, employment opportunity, and career pathway development. While each sector faces different labor market challenges and advancement pathways, there are nevertheless strong local assets, organizations, and resources in each that can support the development of sector partnerships.

Key assets include:
- A body of existing research on key sectors and skills gaps;
- Current sector-based workforce training grants and collaborations with demonstrated effectiveness;
- Local resources to support sector partnerships;
- Committed employers, industry associations, education and training providers, local government agencies, and philanthropic funders.

Challenges to successful sector partnership development in the region include:
- Fragmentation and silos within the existing workforce development and education systems;
- Lack of full clarity regarding definitions and roles for different actors in the formation and operation of sector partnerships;
- The number of existing employer convening efforts, which may confuse and/or discourage participation in new efforts;
- Perception of sector partnerships as primarily social service/philanthropic efforts, rather than efforts that address both business and community needs.

In order to address these challenges and create and sustain local sector partnerships in Cuyahoga County, efforts should focus on:
- Creating a highly visible mandate, supported by adequate and consistent funding, for establishing and sustaining sector partnerships;
- Establishing and/or strengthening systems and relationships that enable and facilitate collaborative workforce initiatives;
- Establishing clear definitions, roles, and expectations in a manner that can support mutual accountability for progress;
- Building the capacity, through training, technical assistance, and coaching, of the existing organizations to play the appropriate roles in sector partnership development and sustainability;
- Identifying and supporting partnerships that have both strong employer leadership and intermediaries with the necessary capacity and credibility.

On the following pages, please find a more detailed summary of themes from the interviews. (Note: A list of the individuals interviewed is at the end of this document.)

More Detailed Themes

Industry sectors have different needs, challenges and assets, affirming the importance of sector-specific approaches. The differing realities, labor market challenges, and organizational infrastructure of the various industry sectors may require different models of sector partnerships and intermediaries, with different types of organizations in the intermediary role(s), and different structures for the ongoing involvement of employers and other partners.

1) **Sector differences**: The three major industry sectors in the region (manufacturing, healthcare, and IT) have different labor market and workforce development challenges, confirming the industry-specific approach that is fundamental to sector partnerships. Some examples include:
   - Manufacturing: Outdated but persistent image of professions in the field; aging workforce; job quality issues such as compensation, schedules, and working conditions that may work against people wanting to enter the field.
   - Healthcare: Skills gaps for nurses and technical specialties; intense competition between employers for talent; career ladders that typically involve postsecondary education credentials; a diverse range of relevant employers (hospitals, health systems, long-term care, nursing home, and rehab facilities, etc.) that differ significantly in size, management structure, capacity, target geography, culture); and other issues in healthcare that impact labor market needs such as the requirements of attaining magnet status, the trend toward greater cost containment, expanding community-based care options.
   - IT: Lack of adequate and appropriate training/coding classes (especially for young people); small and developing sector, not as large and established as the other two major sectors, with many smaller employers.

2) **Credential differences**: Credentials and credentialing differ by industry, as does the language used to describe them.
   - Healthcare does not regard educational degrees and professional licenses as "credentials;" credentials are seen as something less and easier/faster to obtain. Degrees and licensure are required to advance.
   - Skill-based credentials seem relevant in manufacturing, but there are no universal standards that are relevant and widely accepted in Cuyahoga County, despite some national certifications/credentials from NIMS, NAM, etc.
   - IT industry changes so quickly that credentials are quickly outdated. In some cases, the demonstration of critical thinking and problem solving skills (such as participating in coding contests, etc.) supersedes formal education, but hiring likely still reflects a bias toward BA candidates.

3) **Cross-Industry Collaboration**: Opportunities for cross-industry collaboration (or occupation-focused partnership development) may be possible but should be strategically identified. For example: Can entry level jobs where there is lots of turnover in one industry (hospitality) feed the talent needs of other industries (financial services)? Can training and apprenticeships for IT jobs/occupations be useful for the increasingly technological jobs in other industries?

4) **Sub-Sector Partnerships**: There are opportunities for developing "sub-sector" partnerships, and it will be important to determine whether, in any particular industry, the best bang-for-the-buck and ROI is achieved through industry-wide partnerships or targeted sub-sector partnerships. For example:
   - In manufacturing, there may be sector partnerships in automotive, aerospace, and chemical manufacturing;

● In IT, there is medical IT, manufacturing IT, financial services IT, etc.

Various partners (including those on the Task Force) have made progress toward aligning different parts of the workforce system, and there are a number of existing initiatives that could serve as a foundation for new sector partnership efforts. However, the perception of a fragmented and "siloed" system prevails. Efforts toward greater collaboration and alignment may be hindered by lack of information or transparency.

5) **Existing Workforce Initiatives**: There are a number of existing workforce initiatives that could serve as elements of a foundation for sector partnership strategies. However, the Task Force should also consider how new efforts build on but do not duplicate existing efforts. Existing initiatives include:
   ● Work Advance
   ● Skill Up
   ● Talent NEO
   ● Towards Employment and Ohio Manufacturers Association project
   ● Construction Diversity and Inclusion Initiative (GCP)
   ● TRAIN OH (Lorain Community College)
   ● HIT in the CLE (marketing piece/initiative from BioEnterprise)
   ● Youngstown Manufacturing Coalition
   ● Insuring Ohio's Future (IIRC)
   ● OhioCAT

6) **Current Employer Convening**: Similarly, a number of initiatives and organizations currently convene employers in various different settings, and these can be significant assets in sector partnership development as well, if new efforts build on but do not duplicate existing efforts. Examples include:
   ● WIBs;
   ● Industry associations;
   ● Community colleges corporate advisory boards for industry-specific programs;
   ● Cuyahoga Community College's (Tri C) Board of Visitors, which includes high level executives advising on workforce development as a whole;
   ● Some industry services providers (such as Magnet) have employer-dominated Boards of Directors.

7) **Programs vs. Systems**: Many of those interviewed expressed concerns about a fragmented system that functions in silos, in part because for various reasons, both public and private funders tend to support programs rather than system-building and infrastructure development.

8) **Need for Greater Awareness**: There is a significant need for sharing information across the workforce system in a manner that creates awareness and transparency, including:
   ● For workers: information about job openings, career ladders, skills required, and resources for training and placement;
   ● For employers: information about navigating the public workforce system, and best practices in employee recruitment and retention;
   ● For funders/policymakers: information about best practices in workforce development and sector partnership management, and evaluating the efficacy of specific programmatic approaches to closing skills gap.

9) **Clarifying roles of existing system actors**: A number of interviewees brought up the perceived differences in the scope and focus of City and County workforce efforts. These roles should be clarified in order to foster greater coordination and alignment, and maximize the impact of the available public dollars.

10) **There is lingering confusion about what we mean by sector partnerships and the role of key partners/actors within these partnerships.** This includes the role of intermediaries, the roles for employers, and the role of community-based organizations, educators, and other partners.

11) **Sector Partnership vs. Intermediary**: The Task Force will need to continue to distinguish between sector partnerships (the ongoing employer-driven vehicles for planning, implementing, and sustaining collaboration workforce initiatives) and intermediaries (the backbone organizations that coordinate the sector partnerships). In that context, the task force should emphasize that the intermediary is not the voice of the employers but is rather the manager/facilitator of the partnership.

12) **Roles/Responsibilities of the Sector Partnerships:**
   - **Address employer needs:** Each sector partnership must identify and pursue the most value-added opportunities for employers to collaborate on training in ways that maximize economies of scale. Sector partnerships must balance collaborative training opportunities/approaches with need for customized training and other services for individual employers, including supporting an individual employer to access the resources of the public workforce system. In this context, it is also important to remember that not all workforce development activities will be collaborative initiatives implemented through sector partnerships.
   - **Engage employers at all levels:** CEO, human resources and hiring, training, technical, etc. This will support not only the operational effectiveness of the sector partnerships, but also the system-building, infrastructure, and sustainability needs of the partnerships.
   - **Measure ROI:** Some employers see workforce development as philanthropy or as a social service, in that they assume it means bringing into the workforce hard-to-serve individuals with deficits and barriers that will not ultimately meet employers' talent needs. A concerted effort must be made to communicate the return on investment (ROI) case to employers. That case includes:
     - Expanded pool of qualified workers;
     - Shorter on-boarding time;
     - Greater retention;
     - More internal hiring and promotions.
   - **Address worker needs:** For those populations of job seekers and incumbent workers that have had traditional barriers to employment and/or career advancement, there is a need for case management and, in some cases, second-chance options. These populations are essential to expanding the pool of workers, and their progress is not always in a straight line.
   - **Provide key services to employers and workers**: Potential service components of the sector partnerships include:
     - Assessment and service planning;
     - Pre-employment skills and preparation;
     - Boot camp;
     - Training and apprenticeships programs;
     - Higher-level skills training;
     - Career ladders and incumbent worker services.

- **Outreach and Engagement**: The outreach and engagement efforts of the sector partnerships must have three tracks: employer engagement, funder engagement, and community engagement. Each requires different approaches, skills, messages and messengers, and contacts/networks.

13) **Role of the Intermediary:**
   - **Serve as an honest broker that has credibility and capacity with both employers and community organizations:** The identification of sector partnership intermediaries and other system leadership is impacted by issues of credibility and capacity. Sometimes the "appropriate" entity for a task or project is seen as ineffective and under-resourced, while some credible, well-regarded entities are not always the right place to locate a particular workforce initiative.
   - **Help develop and launch the partnership**: With regard to the role of the intermediary in sector partnership development, there may be a "start-up" intermediary that eventually hands off the partnership to an organization for ongoing/long-term management and facilitation.
   - **Help sustain the partnership**: Over the long-term, intermediaries must be nimble and adaptable to help the partnership bring new projects on-line quickly and address the needs of different populations and employers within the sector. Intermediaries must provide the organizational capacity for partnership reporting, convening, and staffing.
   - **Provide technical assistance:** This might include training, technical assistance, and coaching for various organizations, including employers

14) **System-Wide Roles and Functions**: There were a number of system-wide roles and functions identified for the Task Force and/or the Funders Group going forward. There was not a full consensus on whether there is an ongoing role for the Task Force, as opposed to disbanding the Task Force after this planning process and assigning these functions to the Funders Group. These system-wide functions may include:
   - Advocacy and awareness (e.g. public policy, employer practice);
   - Incubation of new sector partnerships;
   - Funder recruitment and resource development
   - Allocation of funds to sector partnerships for both core operations and special projects;
   - Facilitating relationships and collaboration, including across industry sectors and among actors in the region;
   - Capacity building services, such as training, technical assistance, and coaching for various organizations, including employers.
   - Region-wide mapping resources and initiatives.

15) **Scope of the Funders Group Efforts**: The Funders Group should decide how many sector partnerships can be developed and managed at once, in terms of its own capacity and the available funds for sector partnership work.

16) **Funding and Sustainability**: The Funders Group long-term funding and sustainability strategy must be focused on diversifying revenue from sources including: public sector (WIBs, Governor's Executive Workforce Board, municipal), philanthropy, employer investment, and fee-for-service. Funds are needed to support:
   - Outreach and recruitment;
   - Training;
   - System building and organizational infrastructure;
   - Pilot projects, including costs related to evaluation, replication, and scale;

- Incentives for participation;
- Planning grants.

Interviews Completed *(in alphabetical order)*

1) Jessica A. Borza, VP of Workforce Strategies, Thomas P. Miller and Associates
2) Ryan Burgess, Director of the Governor's Office of Workforce Transformation
3) Bethia Burke, Fund for Our Economic Future
4) Eric L. Burkland, President, The Ohio Manufacturers' Association
5) John Colm, President of WIRE-Net
6) Courtney DeOreo, Director, RITE Board
7) Alex Derkson, JPMorgan Chase
8) David Feinerman, Head of Workforce Innovation, Cuyahoga County
9) Bethany Friedlander, NewBridge
10) Dierdre Gannon, Vice President, BioEnterprise
11) William Gary, Exec.VP, Workforce, Community & Economic Devel., Cuyahoga CC
12) Aaron Grossman, Chief Executive Officer, Alliance Solutions Group
13) Sharon Sobol Jordan, Chief of Staff, Cuyahoga County
14) Ethan Karp, Chief Executive Officer, Magnet
15) Shilpa Kedar, Program Director for Economic Development, Cleveland Foundation
16) Kathryn L. Kelley, Managing Director, Ohio Manufacturing Institute
17) Grace Kilbane, Executive Director, Ohio Means Jobs
18) Bill Koehler, Chief Executive Officer, Team NEO
19) Rebecca Kusner, Director of Strategic Planning and Policy, New Growth Group
20) Shana Marbury, General Counsel, VP Strategic Initiatives, Greater Cleveland Partnership
21) August Napoli, United Way
22) Amanda Petrak, Cleveland Market Coordinator, Key Community Bank
23) Chris Reardon, Executive Director of Talent Acquisition, Cleveland Clinic
24) Jill Rizika, Executive Director, Towards Employment
25) Terri Sandu, Director, Entrepreneurship Innovation Institute, Lorain County Community College
26) Kim Shelnick, Vice President of Human Resources, University Hospitals
27) Micki Tubbs, CEO of FIT Technologies
28) Deborah Vesy, President & Chief Executive Officer, Deaconess Foundation
29) Pam Waite, Director, Healthcare Workforce/NEONI Operations/BH Initiatives, Center for Health Affairs
30) Brad Whitehead, President, Fund for Our Economic Future
31) Walter Wright, Interim Director, Center for Community Planning & Development, Cleveland State University and Greater University Circle Initiative

Appendix H: Local Industry-Specific Workforce Initiatives

Manufacturing

- **WorkAdvance** (2010-2015) – Towards Employment (TE) was selected to lead the regional expansion of the national WorkAdvance model in Northeast Ohio. In manufacturing, Towards Employment worked with WIRE-Net and MAGNET to aggregate demand across an industry dominated by small to mid-sized firms. In addition, TE engaged a wide range of training and support services partners to provide individuals in Cuyahoga County with career readiness training, career planning, occupational skills training, job development and placement assistance, retention and advancement support, and other supportive services.

- **National Association of Manufacturers (NAM) Skills Certification Program**: Loraine County Community College partnered with MAGNET to implement this NAM model in Northeast Ohio. The initiative involves the development of educational pathways and industry-recognized certificates in manufacturing, with a focus on jobs and careers in mechanical design, quality assurance, welding, machining, and automation.

- **Sector Partnership National Emergency Grant** (SP NEG, 2015-2018): The SP NEG, led by the Cuyahoga County WIB, funded sector-based assessment and training in three industries: manufacturing, healthcare and information technology. (The activities and results of the SP NEG grants will also be referenced in the following sections on healthcare and IT.) The grant runs through June 2018. One of the grant's overall goals is to assess a total of 960 individuals in Cuyahoga County for training and employment in these three sectors. To date, a total of 599 individuals have been assessed. As part of the SP NEG, MAGNET is facilitating the expansion of Right Skills Now to serve dislocated workers in Cuyahoga County and four adjacent counties. Right Skills Now is a national model that focuses on machining as a framework to provide accelerated, short-term training for manufacturing that requires collaboration among employers, educational institutions, WIBs and others. The objective is to recruit, prepare and place dislocated workers in a work-based learning experience that meets employer requirements for a middle-skill manufacturing position, such as CNC machinist or welder. The project planned to select 120 out of a total of 960 assessed job seekers to attend vocational training and participate in the internship program paid for by employers through Right Skills Now. To date, 52 dislocated workers have been trained and have participated in internships. The grant runs through June 2018.

Healthcare

- **WorkAdvance** (2010-2015) – Towards Employment was selected to lead the regional expansion of the national WorkAdvance model in Northeast Ohio. In healthcare, Towards Employment worked with the Center for Health Affairs to develop industry insights and inform program development. The organization then worked to place individuals in jobs at University Hospitals and other local healthcare employers, helped them access additional training, coaching and other services, and supported them to advance to higher paying positions.

- **SP NEG** (2015-2018) – In January 2015, NewBridge pulled the Cleveland Clinic, University Hospitals and MetroHealth together to design a new training program for in-demand Patient Care Technician (PCT) positions. The SP NEG provided support to NewBridge to train and place 200

dislocated workers into PCT positions using ITA vouchers and 100 into other healthcare occupations. To date, 32 individuals have been trained in the healthcare field.

- **MOVE UP** (2015-2018) – In the MOVE UP pilot, funded by the W.K. Kellogg Foundation, Towards Employment leads a collaboration that includes University Hospitals and MetroHealth, as well as four community-based providers, to build on the lessons of WorkAdvance and help incumbent workers in the healthcare industry access greater mobility and economic security.

Information Technology

- **HIT in the CLE** is a healthcare IT workforce initiative managed by BioEnterprise, working with both industry professionals and educators, and focused on educational pathways for students, particularly at the K-12 level, seeking careers in Northeast Ohio's health IT industry.

- **SP NEG (2015-2018):** The SP NEG provided support for the RITE Board and OHTec, to work on IT talent needs and to test TalentNEO, a skills-based hiring model. The SP NEG project focuses on building internship, training and career pathway tools for as well as focused outreach to dislocated workers; and integrating IT business engagement efforts with the workforce system, higher education and chambers of commerce. This project has targeted middle-skill jobs including computer support technician, network support specialist, help desk technician, software application developer, database analyst, database technician, and software QA tester. Participating employers include: Progressive Insurance; OHTec; Dakota Software; and Form Fire. The project planned to select 100 for IT training. To date, 68 have enrolled in training.