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#### Strategic Direction for the Development of Maine's Workforce

Governor's Workforce Cabinet

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# Strategic Direction for the Development of Maine's Workforce



#### **Background**

This document was developed by the Governor's Workforce Cabinet with assistance from Peter Bellis, Consultant with the Lyceum Group, LLC, and Garret Oswald, Director of the Maine Jobs Council and staff to the Workforce Cabinet.

Workforce Cabinet members include:

- Commissioner Laura A. Fortman, MDOL, Chair, Governor's Workforce Cabinet
- Commissioner Susan Gendron, DOE
- Deputy Commissioner Angela Faherty, DOE
- Deputy Commissioner Thaxter Trafton, DECD
- Nancy Desisto, Director, DHHS
- Gary Crocker, Maine Community College System
- Jim Breece, University of Maine System
- John Witherspoon, CEO, Finance Authority of Maine
- Dale McCormick, Director, Maine State Housing Authority
- Alan Stearns, Senior Policy Advisor, Governor's Office

## Competing in the New Global Economy of the 21st Century

Over the last 40 to 50 years, the U.S. economy has changed dramatically from what was once a predominantly industrial economy to what has been called an information-age or knowledge-based economy. Two significant factors influencing this change have been the rapid development of new technologies and the increasing competition from the global marketplace. Innovation has replaced physical labor. Ideas and talent drive the economy and prosperity.

The impact of these changes on the workforce needs of our businesses in Maine has been profound. Many jobs in today's economy now require some post-secondary education or training, whether through a community college, university, or a vocational school. Life-long learning is critical to the success of both our workforce and our industries. Education means higher wages, more profits, and more opportunities for all Maine workers.

Our current workforce development system, which is really a collaborative system involving workforce training, educational institutions, and economic development, will need to continue to work closely together to meet the needs of our citizens and our businesses. To address the deficiencies in our current workforce development system and help our local industries maintain their competitive advantage, Governor John E. Baldacci has challenged all of us to work smarter, embrace unconventional solutions and hold ourselves accountable for outcomes. The economic strategy the Governor established in 2003 embraces four fundamental economic drivers: (1) the creation of a fair and stable business environment to attract investment to Maine; (2) investment in people; (3) a clear focus on key sectors of the state's economy; and (4) building infrastructure. And as part of this economic vision, he has asked us to put together a workforce development system that is accessible, affordable, relevant and equitable for Maine workers and employers. This vision builds on our rich heritage and introduces bold innovations designed to achieve sustained economic prosperity for the people of Maine.

#### A Plan for a Prosperous Maine

The ideal workforce development system connects economic development, workforce development, and education through a shared vision that allows it to respond in a timely manner to the needs of businesses and the workforce. We must continue our efforts to promote a truly seamless and demand-driven system to ensure that workforce development training and education programs are aligned with economic development goals and regional business needs so we can compete in a globally competitive environment.

The mission of the Workforce Development Cabinet of the State of Maine is to create the kind of flexible, forward-thinking policy that will ensure that the citizens of Maine have both the opportunity and the resources they need to find a meaningful, fulfilling career that will provide them with a high quality of life. In order to achieve this goal, Maine must focus on increasing educational attainment and skill development targeted to regional industry demand but driven by the need to compete in a global economy. The following priorities, which target both the workforce development system and building the workforce, will help us get there.



CNC Operator at Heli Modified in Cornish, Maine.

## **Priorities for Building Maine's Workforce**

### This plan recommends three strategies for building Maine's Workforce:

- Continue to support state and local efforts to improve our education system through expansion of both secondary and post-secondary programs that promote high student achievement and which align workforce education with the new skill-set requirements of the 21st century global economy.
- Create workforce development and training programs that emphasize the idea of innovation and embrace a demand-driven approach based on local and regional economic needs.
- Promote life-long learning through appropriate workforce development programs for all citizens, whether they are students, job seekers, workers, or retirees and by assisting those in training with the support services (child care, transportation, housing) necessary to be successful.

#### **Recommendation One:**

Continue to support state and local efforts to improve our education system through expansion of both secondary and post-secondary programs that promote high student achievement and which align workforce education with the new skill-set requirements of the 21st century global economy.

In a global economic environment, education is critical to the ability to remain competitive. Maine needs to continue its efforts to reform secondary education so that it fosters the kind of rigorous academic foundation that prepares students for success whether they choose to go directly into the workplace or to continue their education at a post-secondary institution. The focus of these efforts is to create meaningful connections between schools and the community, between secondary and post-secondary programs, and between individuals, their education and training, and the world of work. One overarching goal is to create an educationally focused mind-set which views education as a lifelong pursuit.



Composite Boat Molder at Sabre Yachts in South Casco, Maine.

On the secondary level, Maine is committed to standards-based educational reform, and as part of this reform, the current education standards are being revised to ensure that we are truly meeting the needs of our students in the 21st century. Every Maine student should graduate ready for college, career and citizenship. At the post-secondary level, Maine is committed to helping students transition from high school to higher education. An Early College program is now offered in 74 high schools. In addition, adding an AA liberal arts study degree to the program mix offered at Maine's community colleges was a critical step towards providing the opportunity for more high school students to attend college, and the MCCS has created articulation agreements with public universities and private colleges that allow students to move seamlessly between community colleges and four-year institutions in pursuit of a baccalaureate degree. In broad terms, the focus of many of these system changes that are taking place or need to take place reflect a commitment to raise educational attainment levels, and to do this, the state of Maine needs to:

- 1) Insist on high academic standards and expectations for all students.
- 2) Combine academic and occupational instruction.
- 3) Promote mechanisms for more training to count toward post-secondary credit.
- 4) Work-based learning and education.
- 5) Substantially increase post-secondary enrollment.

Additional strategies that will help us achieve these goals include:

- 1) High school reform efforts to raise the bar of educational achievement;
- 2) Dual enrollment programs (in addition to Early College programs) to provide students with more access to post-secondary education and a greater likelihood of attaining a post-secondary credential;
- 3) Improving the academic rigor of career education and vocational programs as part of our high school efforts;
- 4) Expanding access and capacity of Community College system so that it truly becomes the workhorse of workforce education and training; and
- 5) Utilize the capacity of the Adult Education program.



Genetics Researcher at Jackson Lab in Bar Harbor, Maine.

#### **Recommendation Two:**

Create workforce development and training programs that emphasize the idea of innovation and embrace a demanddriven approach based on local and regional economic needs.

The challenge of creating a demand-driven workforce development system is to balance the needs of the employers with the needs of the workforce. Employers must find the skilled workers they need, whether these workers come to them directly from school or are already employed, to continue to expand their businesses and to help grow the economy. Employees and those seeking employment want meaningful, fulfilling career path employment that provides a living wage but that also provides for the whole being. Innovative training and education programs help to ensure this balance by providing not only an opportunity to acquire new technical skills, but also by emphasizing how everyone fits into the larger picture. Innovation means not only the development of new technologies or products; it means more than new processes for doing business; innovation also means adopting or learning a creative way of thinking where collaboration is as critical a factor as problem-solving ability. Given the pressures to compete in a 21st century economy, the need for Maine workers and young people just entering the workforce to acquire more education and training is greater than it has ever been before.



Sautee Chef at Muddy Rudder Restaurant in Brewer, Maine.

#### The Industry Partnership Model

In today's economy, businesses need highly skilled workers; workers need good jobs and career opportunities; and Maine and its economic regions need top quality companies and workers. Industry Partnerships can become a key institutional innovation for meeting the skills needs of businesses, the career goals of workers, and the economic development goals of the Maine.

Industry Partnerships are a particular kind of "workforce intermediary," a so-called dual customer institution that helps connect and meet the needs of both workers and businesses. Industry Partnerships bring together multiple employers, and workers or worker representatives when appropriate, in the same industry cluster to address common or overlapping human capital needs. Effective Industry Partnerships can accomplish the following:

- 1) Identify the training needs of businesses, including skill gaps critical to competitiveness and innovation;
- 2) Facilitate companies to come together to aggregate training and education needs and achieve economies of scale;
- 3) Assist educational and training institutions align curriculum and programs to industry demand, particularly for high skill occupations;
- 4) Inform and collaborate with youth councils, businesseducation partnerships, parents and career counselors and facilitate bringing employers together to address the challenges of connecting youth to careers;
- 5) Help companies identify and work together to address common organizational and human resource challenges recruiting new workers, retaining incumbent workers, implementing high-performance work organization, adopting new technologies and fostering experiential onthe-job learning;
- 6) Develop new career ladders within and across companies, enabling entry-level workers to improve skills to advance into higher skill, higher wage jobs;
- 7) Develop new industry credentials that give companies confidence in the skills of new hires and workers more mobility and earning potential across firms; and
- 8) Promote communication networks between firms, managers, and workers to promote innovation, potential economies of scale in purchasing and other economic activities, and dissemination of best practices.



Registered Nurse at Mercy Hospital in Portland, Maine.

#### **Recommendation Three:**

Promote life-long learning through appropriate workforce development programs for all citizens, whether they are students, job seekers, workers, or retirees and by assisting those in training with the support services (child care, transportation, housing) necessary to be successful.

One of the keys to achieving economic self-sufficiency is to promote life-long learning both through developing appropriate incumbent worker training programs but also through the development of educational programs that go beyond technical skill and provide an educational framework for acquiring new knowledge and understanding that reflects personal and community interests and that leads to a better overall quality of life. Two key indicators here are 1) the number of Maine citizens who have acquired a post-secondary credential; and 2) the number of incumbent workers who are participating in an education and training program.

Developing Incumbent Worker training programs is one strategy to promote life-long learning. An Incumbent Worker Training Program is intended to begin to address the needs and to promote strategic collaborations to meet the needs of the specific clusters and the critical sub-clusters and high priority occupations as identified by the Department of Labor. Incumbent Worker Training funds are available to existing or emerging Industry Partnerships that serve multiple employers in the same industry cluster, identify high level skill needs, and job training and education for the clusters existing workforce that advances a competitive advantage for the cluster and career opportunities for the employees.

A second equally important strategy is to provide more opportunity for Maine citizens to enroll in a program, or even a single course, at any post-secondary institution. The State of Maine needs to also broaden its base of financial aid for both full and part time students and create bridge programs to help students from disadvantaged socio-economic backgrounds enter programs that give them the opportunity to acquire a credential or degree. A Career Gateway program, for example, would be intended to build a system that encourages greater numbers of

adults and youth to continue on to post-secondary education or training after completing a GED and/or other Adult Basic and Literacy Education program.

Corollary to this work is the need to develop career ladders or career lattices within and across companies and industries to give entry-level workers the opportunity to advance into higher skill, higher wage jobs. The emphasis on education and training should not be simply about a job; it should promote career path employment and quality of life experiences.

### Priorities for Maine's Workforce Development System

### This plan recommends three strategies for Improving Maine's Workforce Development System:

- Streamline education and training delivery for Maine's workforce by increasing coordination between economic development and education.
- Build consensus around a rigorous set of uniform accountability standards that allow us to evaluate progress and outcomes in workforce development and training programs.
- Explore the benefits of a uniform and integrated data collection and performance management system and the capacity to measure and evaluate outcomes across departments.

#### **Recommendation Four:**

Streamline education and training delivery for Maine's workforce by increasing coordination between economic development and education.

The overall objective of our efforts here is to create a seamless pipeline that will provide everyone the opportunity to acquire the skills to navigate their own career pathway and be able to find meaningful family sustaining employment. Pipeline capacity is broader than the K-20 system and includes all education and training programs and providers. When discussing where the pipeline narrows and how to coordinate our thinking and leverage our collective resources to maximize the impact on Maine's workforce, we are really talking about how do we best manage human capital in a demand-driven system that links workforce development, economic development, and education.

In practical terms, streamlining the way workforce development and training is delivered is an alignment issue and a performance management issue as much as it is a pipeline capacity issue. From an alignment perspective, streamlining the system is about creating the kind of structure that improves the state's ability to fund the kinds of programs that have the greatest benefit for our citizens. In order to compete in the short-term, Maine must support training for those critical skills that are vital for our key industries to remain competitive. The flow of funding should occur in a timely manner so as to meet the needs of Maine's workers and

employers.

To focus on alignment is to focus on two overall organizational issues: 1) how can the State streamline access to money for workforce training and education; and 2) and how can the State streamline the delivery of services to employers and individuals, both incumbent workers and traditional students. Each issue raises important questions that need to be addressed, and these questions touch upon performance management issues as well as overall capacity issues.

To promote effective collaboration among workforce development, economic development, and education, we need to:

- 1) Support cluster analysis and other economic analysis tools as a means to identify the foundations of both workforce and economic growth;
- 2) Support the creation of industry partnerships as a means to achieve workforce and economic growth;
- Create a set of High-Performing WIB standards that recognizes and encourages collaboration among the workforce development, economic development, and education communities;
- 4) Strengthen the capacity of our delivery system by providing professional development so all staff understand how to meet the demands of businesses and individuals in a demand-driven system;
- 5) Continue to educate all stakeholders about the value of a data-driven, demand-driven approach.
- 6) Align workforce development and economic development investments to address gaps in the workforce.

#### **Recommendation Five:**

Build consensus around a rigorous set of uniform accountability standards that allow us to evaluate progress and outcomes in workforce development and training programs.

To ensure that we make the best use of public dollars in our State's educational system and in our State's workforce development and training programs, we need to develop and implement a rigorous set of uniform accountability standards that allow us to evaluate progress and outcomes in workforce development and education programs across departments. These standards should include both common quantitative and common

qualitative measures.

Common measures should not reflect every measure that is of value to each specific program. Instead, they should focus on how a program does with respect to preparing our citizenry for the world of work. Implementing common measures is really about creating a common language to discuss how to better achieve this workforce development goal. In other words, we are striving to make our programs and our system more accountable so we can improve the overall quality of both.

In broad categorical terms, we want to know about the specific outcomes of our workforce development and training programs. This is why we need to create a set of quantitative measures that provide a snapshot of how we're doing. As a result of education and training, did people find a job and keep it? How much money did they make? How many improved their education levels? What impact did more education have on their career growth? Are we meeting the needs of employers?

But numbers are not enough. We are also interested in the quality of life beyond the statistics, and so we need to develop a set of common qualitative measures that identify the value of our programs in helping to improve the quality of life for everyone who lives and works in Maine.

#### **Recommendation Six:**

Explore the benefits of a uniform and integrated data collection and performance management system and the capacity to measure and evaluate outcomes across departments.

The success of implementing common measures depends upon our ability to collect and analyze the data across departments and agencies. Designing and operating an integrated performance management system requires the technical capacity to do so. Honest self-assessment is critical here, as is the willingness to work collaboratively. Several key questions that need to be addressed are:

- 1) Do we have the financial resources across departments to create an integrated performance management system?
- 2) How do we leverage the technical capacity we already have in place as part of an integrated performance management system?

- 3) Do we have staff with the necessary skills to manage this system?
- 4) Do we have access to the necessary data?
- 5) How do we sustain an integrated performance management system?
- 6) What kind of reports will this system help us generate and what will be the value of these reports?
- 7) What are the consequences for strong performance?
- 8) What are the consequences for weak performance?
- 9) How do we work with the legislature?

One of the barriers to creating an integrated performance management system is the inability to share data between MIS systems. One answer is to create a data warehouse which links the various MIS systems used by state departments. Data from each MIS system is deposited into the warehouse, where it is sorted, analyzed, and cleaned in order to generate a variety of performance reports for strategic planning, budget analysis, legislative briefings, etc. The ideal system for Maine would generate a report specific to the needs and interests of any number of audiences including: elected officials, government staff, legislators, board members, program directors, business executives, educators, the media, parents, students, taxpayers, etc. An integrated performance management system would allow us to better manage the flow of information to these various audiences.