

**NGA Center for Best Practices – Policy Academy
State Sector Strategies: Innovative Workforce Policies to Address
Worker and Employer Needs in Colorado**

COLORADO’S OPPORTUNITY TO ADVANCE SECTOR STRATEGIES

Complex, powerful currents of change have altered the economic landscape while offering extraordinary future opportunities for well-prepared individuals from diverse backgrounds. These technology-driven currents are propelling dynamic change, forcing innovation, and creating new types of work in Colorado’s public and private sectors. They also provide pathways to transform the workforce system and how it approaches the challenge of offering lifelong learning to the 21st century workforce. Impacted by national and international circumstances, Colorado stands at a critical juncture. Our economic vitality hinges on the growth of knowledge-based industries and the development of an indigenous worker talent pool poised to meet these challenges.

Colorado bears witness to the IT implosion of 2000 and reverberations of succeeding years as high-wage earners who had been imported into the state during the boom of these and other high-wage /high-skill industries continued their exodus from the State. While our economy has improved and job growth continues in key industries, we are faced with another more insidious issue, the “Colorado Paradox,” which denotes the fact that we do not grow our own highly skilled workforce, we import them. High schools have seen an increase in the number of students who have turned away from the rigors of math and science, and find themselves unprepared and unable to compete for these high skilled jobs. Scores in math and science are so low that recruitment for high wage jobs is often more active beyond state lines than within Colorado.

In the Denver Metro Economic Development Corporation report, *Toward a Competitive Colorado Analysis*, five industry sectors were identified as the drivers of future job growth for the Metro Denver region: Aerospace, Bioscience, Energy, Financial Services, and Information Technology/Software. Statewide economic forecast reports published by the University of Colorado and the Governor’s Office of Economic Development identified industries driving growth in the southern part of the State and Colorado Springs, as: defense, aerospace, information technology, and tourism. Additionally, projections from the American Petroleum Institute (API) and its affiliates from Western and rural Colorado indicate expected growth and replacement hires in the energy industry to be between 2,000 to 5,000 workers over the next ten years. The Colorado Institute of Technology (CIT) recently reported that employment increases have already exceeded predictions for 2010. In the Energy sector, coal, oil, gas, and renewable energy companies indicate that 75% of all workers are currently retirement eligible, and that hiring will accelerate through 2010; the Construction sector is adding engineering and other technical jobs at the rate of 10% a year now, and this is expected to grow to nearly 20% a year by 2010; and Information technology jobs increased by over 10% in 2004. IT professional services companies had a 22% job growth and education and entertainment software sectors led all tech sectors with a 40% job growth.

Our technology companies have come to depend upon imported skills to survive. This leaves us vulnerable to disruptions in the skills pipeline, and also leaves many of our citizens with access only to low-wage/ low-skill jobs. We cannot continue to rely on “brain” immigration as a model for growth. This imperative for change brings with it new ways of engagement and opportunities to forge new sector-based partnerships with industry. To advance this strategy requires the workforce development system to partner with industry to provide a trained workforce that possesses the desired skill-standards business requires, and ameliorate skill gaps and training deficits of workers who do not meet required competency standards. A description of these partnerships and linkages is embodied in the sector-based strategies detailed below.

EXISTING SECTOR-BASED STRATEGIES/PARTNERSHIPS

Over the past several years, the Colorado Workforce Development Council (CWDC) and the Colorado Department of Labor and Employment (CDLE) have funded more than \$9 mil in statewide employer-based initiatives to increase the quality and quantity of skilled workers. Evaluation of evidence-based practices have taught us that while such initiatives may provide some relief to individual employers, they fail to impact the larger systemic need for a skilled worker pipeline with the competencies and skill sets that industry requires. This experience has led us to shift our focus beyond silos and singular partners to seek a more expansive and strategic approach, e.g., sector-based initiatives. The State has two such initiatives currently under way, the statewide Work, Education and Lifelong Learning Simulation (WELLS) Center and the Denver Metro WIRED Initiative, “Growing Our Own”. It is our expectation that participation in the NGA Policy Academy will add to our knowledge of and ability for driving these initiatives to all regions of the State.

Colorado’s Healthcare initiative has been underway for the past two years. This \$4 million public/private funded collaboration leverages resources and promotes innovation and use of technology to create systemic change. The Colorado workforce system is leading a consortium of private healthcare providers, universities, certifying agencies, community colleges, professional nursing centers and others to design, operate and manage a technology-supported solution to address critical issues that have contributed to the nursing shortage. The tenets embodied in sector based strategies are evidenced in this initiative which has developed simulated competency-based training curricula geared to industry standards; creation of career pathway training; engaged a healthcare intermediary to implement the technology-based solutions developed by key industry stakeholders; and created a sustainability model to promote systemic change through policy and educational reform. The lessons learned from the WELLS Center will serve as a template for future expansion into other sector based initiatives.

The State of Colorado and the Denver metro region received a \$15 million USDOL WIRED Grant, “Growing Our Own: A Model for Reducing Dependence on Imported Skills”. This regional sector-based initiative brings together high tech industry leaders, community colleges and universities, foundations, the public workforce and economic development systems to end the “Colorado Paradox.” “Growing Our Own” is a bold and formidable proposition and is geared to meet the needs of energy, Information Technology, Bioscience, and Aerospace. This transformational initiative requires education, philanthropic organizations, industry, economic development, and the workforce development system to restructure relationships to achieve a better balance between market demand and labor supply and help more students find their way to the high-skill, high-wage jobs that are being created in the region. Funding from this initiative has been awarded to several regional collaboratives and will address specific industry training needs. Among the projects funded are the creation of talent development pipelines for the energy distribution and process technology sub-industries.

CDLE is ready to launch a \$2 million USDOL Energy sector initiative: Western CO Energy & Mining Training Project. Partner agencies, the Colorado Workforce System, Community and Technical Colleges, Energy Industry, and Education Centers will identify and train workers to fill critical worker shortages in this industry.

Our policy makers, industry leaders and service providers agree on the need for effective partnerships, high quality education, and increased training opportunities in high demand fields to insure our workers have the requisite skills. As a result, many Science, Technology, Engineering and Mathematics (STEM) focused training initiatives are underway statewide and are providing foundational skills to students and workers, enabling business to better compete in the rapidly changing world market. Colorado recently received a \$500,000 grant from the National Governor’s Association (NGA) to help K-12 education systems ensure that all high school graduates have

essential competencies in the STEM subjects. Further support of STEM initiatives is evidenced through efforts of the CWDC, in partnership with the Space Foundation and the Colorado School of Mines (the states Engineering University and the Colorado Science, Math and Technology Education Coalition* (COMSTEC) to expand the number of students enrolled in these disciplines. Their combined efforts to support innovative projects will aide in the recruitment of minority and underserved youth trained for knowledge based disciplines.

In tandem with the “grow our own” workers, the CDLE and the CWDC has been awarded a \$500,000 grant to implement an Online Innovation 4 Talent Development initiative that will support the State’s ability to recruit and retain high-growth industries. Through the use of the e-Colorado workforce portal, we will employ technology-based solutions to provide anywhere and anytime educational and occupational online scholarships for training or certificate coursework in Energy, IT, Healthcare and Transportation related occupations to Colorado citizens.

The Colorado Community College System received an \$875,000 Community Based Job Training Partnership Grant from the USDOL to create the Success Unlimited (SUN) demonstration project which is designed to increase the number of GED completers who go on to community college certificates and degrees. Colorado Sun stands alone as a statewide dropout retrieval initiative that transitions students to community colleges, incorporating academic skills, career exploration and college transition support. This collaborative effort is being implemented in conjunction with the Department of Education- Adult Education and Family Literacy (AEFLA), and State Workforce Development Council, the Colorado Department of Labor and Employment and the workforce development system and industry.

In 2007, the Colorado landscape changed and Governor Ritter entered with a call to action. His administration’s commitment to spur the transformation of our talent development systems is evidenced through the *Colorado Opportunity Pledge* and *Colorado Promise*. In these he identified

...the workforce systems role in fulfilling the principles of the Promise is to advance these initiatives through talent development strategies that align its efforts in support of a workforce development system that is employer driven and locally led with those in economic development and education. This model requires the workforce development system to partner with industry to provide a trained workforce that possesses the desired skill-standards business requires, and ameliorate skill gaps and training deficits of workers who do not meet required competency standards To realize this investment strategy, the workforce system must synchronize partnerships at the state and local levels and align policies and practices to deliver services that support these system outcomes.

Gov. Ritter’s administration:

- Created the P-20 Education Coordinating Council which is charged with tackling one of Colorado's greatest challenges, ensuring that a seamless education system from pre-school to grad-school is preparing our young people for the demands of the 21st Century.
- Implemented the Governor's Innovation Council which will bring together entrepreneurs, venture capitalists and leaders from established technology companies, as well as bring together government officials, pioneers in the non-profit world, and academics. Representatives from these sectors will come together to promote innovation in Colorado's technology sector, government, and academic institutions. As its immediate charge, it will focus on developing and assisting in the execution of a plan to facilitate broadband deployment throughout the state; and efficient use of technology.
- Allocated \$20 million to support job creation and job training, tourism, aerospace industries in aviation development zones. This solution will extend the benefits of post secondary education to Colorado’s under served, low-income and minority communities.
- Established business incentives packages to encourage businesses in high-growth industry sectors to remain in Colorado and encourage others to relocate here.

- Sustained the Advance Colorado Center, supported by the Office of Economic Development to provide an avenue for industry sectors trade associations to incubate and support emerging businesses that employ high-skilled/ high-waged workers.
- Funded high-growth public/private sector initiatives to look for innovative solutions to recruitment and retention issues related to the worker preparation pipeline.
- Created the College Opportunity Fund, a new process that funds higher education and ensures every student in Colorado a stipend to support their lifelong training needs.
- Funded a loan forgiveness program to increase nursing faculty across the state, and created new capacity within the community college system for nursing students.
- Created the Colorado Jobs Cabinet composed of leaders of business, education, and government to align the State's economic development and education goals with funding and strategies for developing a skilled workforce.

The Skills Development Committee of the CWDC commissioned a task force of business leaders, educators, workforce development experts and economic development practitioners to review workforce and economic information. The task force, known as the Workforce Economic Information Coalition (WEIC) will compile a talent development index for the state-of-the-workforce report that will be presented to the Governor during Workforce Development Month. The WEIC task force has also created an inventory of workforce and economic information and is compiling a compendium of essential information that will form the backbone of a database. This will be used for a state-of-the-workforce policy and practice discussion that will aid in achieving the Governor's Colorado Promise and dispelling the Colorado Paradox.

GOALS FOR THE SECTOR ACADEMY PROCESS

Colorado's primary goal is to support statewide implementation of sector-based initiatives and develop a talent pool to meet industry needs. Our focus will be to connect low-skilled incumbent workers, career changers, unemployed, underemployed, and veterans with opportunities to climb the career ladder continuum while providing the Healthcare, IT, Energy and Transportation industries with a skilled workforce to stay competitive.

The greatest challenge we face is the uncertainty of federal workforce legislation and funding; and, our biggest asset is our desire to create a responsive workforce system that challenges the status quo. During the coming year, we aspire to achieve the following from our NGA Sector Academy participation:

- ❖ Develop a Sector Tool Kit, in collaboration with Oklahoma, Minnesota, Wyoming and the Corporation for a Skilled Workforce, that provides state and local partners with the tools needed to assess sector strategy readiness; institute Regional Sector-based Learning Networks statewide to educate workforce regions and their partners about sector strategies and the implications of such strategies in their communities; and develop checklists and materials needed along the way to support development of successful sector initiatives;
- ❖ Release a statewide Request-for-Proposals (RFPs), use Discretionary Funds to encourage collaborative sector-based initiatives. RFPs will require regions to leverage community resources, and bring business, economic development, workforce and education to the table. Recipients of these grants are required to attend a State sponsored Sector Academy;
- ❖ Create on-line sector-based peer-to-peer mentor network for employers, job seekers and workforce professionals through the e-Colorado portal;
- ❖ Identify validated assessment tools to assess skill gaps and provide training to remediate learning deficits. Implement a Statewide Workforce Credential that validates whether an individual has the skill sets and competencies required by industry/employers;
- ❖ Create accountability across state agencies that provide skills training using federal and state funding;
- ❖ Connect the myriad of projects and initiatives currently under way into a cohesive, comprehensive state policy and provide an avenue for the initiatives outlined in this proposal to be aligned and carried through to completion;

- ❖ Consider opportunities to build articulation agreements among adult education, ESL programs and higher education institutions (inter-state/ intra-state). Our work will be to align coursework and thereby propel these students into programs that will help them climb vertically and move horizontally across career ladders;
- ❖ Establish the e-Colorado portal as a central repository for high-growth/high-skill job information, and other key support resources (e.g. financial assistance, counseling and guidance, assessment tools and links to needed online and place-based education and training program);
- ❖ Identify competency based industry developed content and connect users with skills and knowledge needs to online courses and programs; and,
- ❖ Engage in knowledge exchange with Academy fellows and learn with our cohort states.

We believe engagement in this Academy will help infuse sector-based employment practices as an effective business model for the workforce system. These employment practices will create more educational pathways for lower-skilled workers and diverse populations; become sustainable through benefits received and reduced costs for training to individual companies, and development of policy and legislation to support institutional collaborations that achieve "win-win" solutions for employers, workers, and the community.

STATE TEAMS

Core Team and Bios: see **Attachments #1 and 2** for the list of Core team members and their bios. Elise Lowe-Vaughn has been designated to serve as the Team Leader by the Governor.

Letters of Support: see **Attachment #3** for core team member letters of support.

Orientation Dates: All Core team members are available to meet in Denver for an Orientation site visit on **May 19th** as their first choice or **May 28th** as their second choice dates.

EVALUATION OF SECTOR STRATEGIES

In consultation with the NGA, Colorado's Core and Home team members will develop a work plan that identifies the goals and objectives to be achieved. Ongoing progress reviews will be conducted during our participation in the Academy. Should barriers to implementation be identified, the teams will look at the root causes of these barriers and work with the NGA to find solution-based outcomes.

The effectiveness of our Sector Based initiatives will be assessed using evaluation tools developed in conjunction with the workforce system, education, economic development and our sector employers. Concurrently, the CDLE and the CWDC will seek enhancements to our data collection process to further enable us to identify benefits received for the general population and what if any Return on Investments (ROI) are realized for low income and minority citizens. Ultimately, information gleaned from the evaluations will be used by the WEIC committee to generate workforce intelligence reports for the field, further refine industry cluster analyses, and lead to the development of a report card to inform policy and funding initiatives that support talent development.

Attachment #1

Core Team Members:

Nancy Todd
State House Representative

Dan Pilcher
Senior Vice President & Chief Operating Officer
Colorado Association of Commerce and Industry (CACI)

Ben Curtis-Luscher
Workforce Policy Analyst
Office of the Governor

Sue Carparelli, CEO
Colorado Center for Nursing Excellence

Inta Morris
Director, Interdepartmental and External Affairs
Department of Higher Ed

Mimi Leonard
CACTE President; and,
Coordinator for Career and Technical Education
Littleton Public Schools

Phillip Washington
Asst. General Manager, Administration
Regional Transportation District (RTD)

Ledy Garcia-Eckstein
Executive Director
Metro Denver WIRED

Booker T. Graves
Executive Director
Colorado Office of Workforce Development

Elise Lowe-Vaughn (**Team Leader**)
Director of Workforce Programs Operations
Colorado Department of Labor and Employment

Home Team:

Colorado has developed and partnered on many Public/ Private statewide initiatives. While our Core Team has key partners who are integral to our efforts to create legislative funds to support this initiative and state policy to enable it, we would like to extend our outreach to other partners who are essential to the implementation of this initiative. Initial conversations have already occurred with the Colorado Department of Education and Adult Education and Family Literacy; Colorado Department of Vocational Rehabilitation; Community College Systems Office; Local Chambers; Local Boards and Directors from the Workforce System; Colorado Department of Human Services; Colorado Department of Corrections; and, Industry partners and Associations. We anticipate that after our first site meeting more names will be identified for the home team.