

Massachusetts
Workforce Competitiveness Trust
Fund

Advisory Committee Meeting

October 19, 2006



What is the sector approach?

A workforce development strategy that:

- **Targets** a specific industry
- **Creates education, training, and other supports** for workers that respond to the needs of the industry
- **Benefits**
 - **Employers** – get skilled workforce they need
 - **Workers** – opportunity for skill attainment and career advancement
- Needs the work of an **intermediary** with deep knowledge of the industry to facilitate **partnership** development and solution-generation
- Often results in **systemic change**

Other Leading States

- **Pennsylvania – *Industry Partnerships***
 - Over \$40 million since 2005
 - www.paworkforce.state.pa.us
- **Michigan – *Regional Skill Alliances***
 - Approximately \$18 million since 2004
 - www.michigan.gov/rsa
- **Washington – *Partner Sectoral Initiatives***
 - Approximately \$10 million since 2000
 - www.wtb.wa.gov/IndustrySkillPanel.asp
- **Illinois – *Critical Skill Shortage Initiatives***
 - \$18 million
 - www.commerce.state.il.us/dceo/Bureaus/Workforce_Development/

We've been learning that the sector approach.....

- Builds relationships between employers, education, and the workforce development system
- Directly connects workforce development to economic development
- Can be a powerful strategy to leverage resources
- Can create partnerships that continue into the future that anticipate and build infrastructure for skilled workforce pipelines

Overview of

Workforce Competitiveness Trust Fund (WCTF)

WCTF Advisory Committee

October 19th

Big Picture

- **Grants to partnerships** of companies and/or employer associations, labor unions, higher education, education/training providers, non-profits, Career Centers, and WIBs.
- **Grants can be up to \$500k, for up to 3 years, must be awarded competitively within regional allocation formulas.**
- **Range of eligible programs is extremely broad:**
 - From GED to post-secondary, skills training and support services
 - Both youth and adults, employed and unemployed
 - All industries, but must include healthcare and travel/tourism industries
- **Fund to be administered by DWD and Commonwealth Corporation**
- **One tool in a larger public workforce development tool box!**
 - Workforce Training Fund
 - Adult Education, Workplace Education Grants
 - TANF grants
 - One-Stop Career Centers

Structure of Trust Fund

- **Setup in Section 2.WWW of Chapter 29** of the Massachusetts General Laws
- **Expendable Trust Fund** separate from general revenue account, funding does not revert back to general revenue if unspent or require a re-appropriation each fiscal year
- **Capitalized by the Legislature** through the Stimulus Bill minimum appropriation of \$11 million from General Revenue
 - Can appropriate up to the amount collected by Workforce Training Fund
 - Requires additional appropriation or other recapitalization effort once initial capital funding is spent (public or private)
 - Appropriation revenue, other monies in the form of gifts/ grants/ private contributions to the Fund, and investment income can be credited to the Fund
- **Administered by Department of Workforce Development**, contract with Commonwealth Corporation for trust administration and program management
 - Fund must be audited annually by an independent accountant
- **Advisory Committee** appointed by the Director of the Department of Workforce Development

Objectives of Trust Fund

Section 2.WWW (a)

- Develop **employer and worker responsive** programs
- **Enhance worker skills, incomes, productivity, retention** to increase business competitiveness
- Train and employ the **unemployed**
- **Improve employment and skill for low-income/ low-wage workers**, special focus on “family-sustaining” wages
- **Training vulnerable youth** on basic education (HS diploma) or to advance their education to post-secondary or vocational schools
- **Creating occupational skills** for jobs with “career potential”
- **Training “older workers”** for new occupations
- **“Improve the workforce development system** by integrating employer and worker needs more fully in program design”
- **Leverage employer, public, philanthropic and other contributions** and to act as “match” to federal funding

Use of Funding

- **Planning activities** to define employer need, create curriculum or refine programs to employer need, determine feasibility of proposed intervention, plan partnerships, identify education and skill needs of participants, link training initiatives with career ladders, or develop case management and support services (Section 2.WWW(f))
- **Program/service activities** (Section 2.WWW (a))
- **Support services** including, but not limited to, transportation, childcare, elimination of barriers to participation in training (Section 2.WWW (e))
- Grants to **critical industries**, some portion dedicated to:
 - **Health Care** (current and future labor force needs)
 - **Travel and Tourism** (labor force needs and wage improvement strategies)
- **3 year grant period** (maximum)
- **Grants shall not exceed \$500K**
- **Requires “co-investment”** from employers, philanthropic and public or private organizations of 30% of grant award amount (Section 2.WWW (f))
- **7.5% cap on individual grants’ administration expenses** (administration undefined)

Eligible Applicants

The Universe of Organizations

- Employers, employer organizations
 - *Unionized employers must include unions as active participant in program design*
- Local Workforce Investment Boards
- Labor organizations
- Community-based organizations
- Higher education institutions (not limited to public)
- Vocational education institutions
- One-Stop Career Centers
- Local workforce development entities
- Non-profit education, training and other service providers

- NOTE: All applicants must notify the local Workforce Investment Board of intent to respond to RFP (Section 2.WWW (f))

Target Population

- **Incumbent workers** (all types) (Section 2.WWW(a))
- **Unemployed** (all types) (Section 2.WWW(a))
- **Low-income, low-wage, low-skilled workers** (Section 2.WWW(a & f))
- **Youth** (educationally or economically disadvantaged) (Section 2.WWW(a & f))
- **Disabled Citizens** (Section 2.WWW(f))
- **Older Workers** (Section 2.WWW(a)) – *not less than \$1,000,000 spent on projects benefiting this target pop*
- **Industries of “Critical Consequence”** to the Commonwealth (Section 2.WWW(f))

Structure of Advisory Committee

Section 2.WWW (b) and (f)

- Represent constituencies and beneficiaries of the Fund (see Membership Matrix)
 - Two subcommittees on Health Care and Travel & Tourism (additional appointments)
- No less than quarterly meetings

Role of Advisory Committee

Section 2.WWW (b)

- **Represent constituencies and beneficiaries** of the Fund (see Membership Matrix)
- **Assist DWD and CommCorp in general oversight** of the Fund's implementation and:
 - Supply constituent focused labor market information
 - Review general programmatic guidelines
 - Assist with identification of barriers to Fund's efficiency and effectiveness
 - Disseminate information about the Fund
 - File report to Legislature and Committees by December 31st each year
- **Define “regions”** based on labor market factors (Section 2.WWW(f))
- Determine **regional allocation formulas** (Section 2.WWW(f))
- Determine **apportionment of resource** for grants between the general grant program, health care, and travel & tourism

Timeline

October – November 2006

Advisory Committee determinations on:

- ✓ Critical industries
- ✓ Regional structure
- ✓ Allocation of funds
 1. Between program areas (general program, healthcare, T&T)
 2. Formula for regional distribution

Late November – Early December 2006

Release of Application\RFP

December 2006 – January 2007

Technical Assistance Period

Timeline

Early February 2007

Applications\Proposals due

Late February 2007

Awards announced