

Colorado SECTORS Initiative

EXECUTIVE SUMMARY

Sector strategies have emerged as a promising model for economic development, inspiring experimentation, research and scholarship over the last decade. Colorado is one of many states to embrace sector partnerships as a model for workforce and economic development. Colorado's adoption of sector strategies reflects its recognition that new approaches are needed to ensure that the state has a skilled workforce to meet the needs of local business and to maintain the state's economic competitiveness. Beginning in 2008, the Colorado Department of Labor and Employment (CDLE) and the Colorado Workforce Development Council (CWDC) partnered to pilot a sector-based approach to workforce and economic development.

In May 2009, CDLE and CWDC issued the first round of Colorado SECTORS Initiative pilot planning grants. Funds for the initiative came from the Governor's discretionary budget under the Workforce Investment Act (WIA). Following the planning phase, nine grantees received three years of additional funding to implement the strategies developed through the planning grants, and to advance their respective sector initiatives.¹ These sector partnerships in Colorado presented a new model to shift the focus and the process of economic development in the participating regions and industry sectors. The new paradigm was driven by business and required regional collaboration and partnerships intended to benefit all stakeholders. Over time, employers came to the table with public partners and worked together to achieve common goals.

GOALS: The ten partnerships shared the common goal of creating a more skilled workforce. Other goals included creating new career pathways in the targeted sectors, increasing capacity and opportunities for training, and streamlining workforce center procedures to better meet the changing needs of business.

EDUCATION AND TRAINING: The primary training-related activity of the nine implementation grants was creating and customizing curriculum to meet industry's need for a more skilled workforce. Industry experts, employers and educational/training providers collaborated in the development of course modules, workshops, and credential-granting programs for both incumbent workers and jobseekers. Over the course of the grants, 1018 unique individuals entered training and 991 completed those programs. A diverse array of subjects and skill sets were covered in these trainings and courses. Many reflected rapidly-changing production technologies or addressed more efficient and lean processes.

EMPLOYMENT: Employment data indicates that most partnerships exceeded their targets in the number of individuals who gained or retained employment subsequent to participation in one or more training activity.

IMPACT AND RETURN ON INVESTMENT (ROI): Interviews with sector partners and quarterly reports provided information on the ROI from sector grants. Some highlights include:

- Increased lean and efficient systems, e.g. better use of resources and less waste, in the manufacturing sector.
- Enhanced comprehension by workers of total production operation, reducing slowdowns and inadequate or incomplete transfers down the production line, in the manufacturing sector.

¹ A tenth grant was awarded as a planning grant – the Aerospace Planning Initiative. This grant did not apply for or receive additional funds for implementation. An eleventh and final grant was awarded in 2012 to replicate the Get into Water! Initiative in Northern Colorado. This final grant was not included in Rutgers' evaluation because it was awarded after the evaluation was underway.

- Greater worker investment and loyalty; and increased team work and/or collaboration.
- Lower rates of absenteeism and lateness; as well as reduced worker turnover, e.g. increased retention rates for both nurses and nursing students.

SUSTAINABILITY: Several sector partnerships have established strong collaborative partnerships that improve their understanding of and responsiveness to industry needs. The partnerships see their collaboration as critical for the future success of their targeted sector, even expanding the geographic reach of their project or broadening their membership to include their industry's supply chain or.

All of the grants have different sustainability models and funding strategies. The Pueblo Manufacturing Partnership is using federal H-1B training grant funds to continue providing training. Other partnerships, such as the Sustainable Manufacturing Industry Alliance of Colorado (SMIAC), reported industry's increased interest to invest in employee training by taking on an increasing share of the training costs.

RECOMMENDATIONS: The Colorado SECTORS Initiative piloted new approaches to workforce and economic development, and there were challenges and successes. The following are the key recommendations to inform the sustainability and expansion of sector strategies in Colorado.

- Align existing and new sector partnerships with other industry-focused efforts, such as the state's Key Industry Networks (KINs), and affiliate with industry councils and Economic Development Corporations.
- Build upon existing or create new state-level structures that can coordinate sector partnerships across industries, help to streamline and universalize processes, and engage in long term planning efforts.
- Explore the possibility of multi-region initiatives to better serve industry needs and respond to supply chain and workforce issues.
- Identify and create a basic ROI model that can be refined by industry to quantify the impact of training on a company's workforce, productivity, and profits.
- Streamline workforce center (WFC) paperwork and processes and institute common statewide practices to improve service delivery to both job seekers and businesses.
- Develop a network database enabling multiple WFCs to enter and update industry contact data, view and update training data, coordinate events, and eventually develop Science, Technology, Engineering, and Math (STEM) tracking initiatives.
- Establish industry pipelines by introducing primary and secondary students to careers in renewable energy, water treatment, and manufacturing sectors.
- Institute soft skills training in middle and high schools to prepare the next generation of workers to be problem solvers, team players, and leaders.
- Expand opportunities for trained incumbent workers to engage in turn-key training to reinforce what they have learned and further utilize information and skills.
- Include funds for evaluation in all new grants to monitor program implementation and assess performance. Require an evaluation design to be submitted along with the program proposal to ensure that evaluation is an integral part of all new initiatives up front.