



**2<sup>nd</sup> DRAFT**

**A Report to  
Governor Judy Martz  
October 2004**

**on the  
National Governors' Association State Policy Academy  
on Creating the Next Generation of Workforce Development Policy**

## **MONTANA NGA ACADEMY PROJECT**

### **VISION**

The labor force in Montana is educated and trained, possesses the skills to meet the current and emerging needs of employers and is available to support economic development in the state. A quality workforce development system will be part of the continual process of improving the standard of living for all Montanans.

## EXECUTIVE SUMMARY

In the fall of 2002, Montana was accepted as one of six states chosen to participate in the National Governors' Association (NGA) Center for Best Practices State Policy Academy on Creating the Next Generation of Workforce Development Policy. The Academy is a highly interactive team-based process for crafting policy strategies and solutions to complex policy challenges. The Montana NGA Academy Team is comprised of high-level representatives of workforce development, education, business and economic development organizations. The Team focused their workforce development efforts around worker shortages in healthcare occupations. Outcomes will be evaluated to determine if these strategies and action plans can be replicated to impact other worker shortage occupations.

Among the accomplishments to date are:

- The Montana Apprenticeship program has begun efforts to expand the use of registered apprenticeship programs in health care occupations.
- The Department of Labor and Industry and the Office of the Commissioner of Higher Education have partnered to convert the Pharmacy Technology curriculum to an online format that is designed in an open entry/open exit format to meet the needs of apprentices in this career area.
- The development of a primary business workforce training program which will assist community economic development by providing training for existing workers and incentive for businesses to locate and expand within the state.
- The Office of the Commissioner of Higher Education has made career cluster development a priority in two-year colleges.
- WIA incentive funds were distributed to the local workforce investment boards to fund programs designed to meet the needs of eligible individuals to access information, services, training and placement opportunities in the health care industry.
- The Office of Public Instruction has awarded six Health Occupations Incentive grants to currently funded Adult Basic and Literacy Education (ABLE) programs to provide basic skills instruction to those individuals currently employed in healthcare or to those who seek employment or additional education in the healthcare occupations.
- WIA Discretionary funds were also provided by DOLI to the Office of the Commissioner of Higher Education to support collaboration in the delivery of healthcare programs.
- Montana is participating in the USDOL sponsored Integration Performance Information (IPI) project to provide the Department with input from the states on what is required to support integrated information on the results of workforce investment programs and the One-Stop system.

The Montana Team plans to continue their work beyond the sponsorship of the National Governors' Association Academy. To enhance the opportunities for successful workforce development strategies, the Team makes the following recommendations:

- The Governor make workforce development a priority with visible committed leadership in all departments.
- The Governor provide directions to licensing boards that all members appointed will have a commitment to considering apprenticeship and other viable non traditional training options to address areas of workforce shortage.

- The Governor request a joint plan from the Office of the Commissioner of Higher Education, the Department of Labor and Industry, the Office of Public Instruction and the State Workforce Investment Board that identifies strategies to: 1) share and measure workforce data; 2) improve education and training in rural areas; and, 3) meet the workforce needs of business.
- The Governor request legislative funding to support a shared/combined data collection system for workforce development.

## **MONTANA NGA ACADEMY TEAM MEMBERS**

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## **INTRODUCTION**

Early in the spring of 2002, in response to a Montana legislative Bill, a state agency management team was formed to enhance coordination efforts and consider the merits of integration of workforce development programs administered by state agencies. The Team was comprised of Directors, Administrators and Bureau Chiefs from the Department of Public Health and Human Services, the Department of Labor and Industry, the Department of Commerce and representatives from the Office of the Commissioner of Higher Education, the Governor's Office of Economic Opportunity and the Office of Public Instruction.

This team recognized that there were many other related workforce development goals that could be accomplished by this group. The additional goals included coordination with other state agencies who have workforce development related programs, providing information to, and soliciting input from, the State Workforce Investment Board (SWIB) about state agencies coordination of workforce development programs, facilitating better coordination and administration at the community level by better coordination and administration at the state level, identifying coordination efforts that are working well and areas where opportunities for improvement exist and developing and sharing information that will lead to better coordination and administration of state agency workforce development programs.

The Governor reorganized her office to include the Office of Economic Opportunity, whose mission includes bringing together economic development and workforce development efforts. The Legislature, through House Bill 469, recognized the need to examine reorganization of state agencies in order to align workforce development programs. The Governor's State Workforce Investment Board is examining its policies to support these efforts. Their considerations include ideas such as incentives policies, the potential for integrated state plans of workforce development related programs and establishing a set of guiding principles for the workforce development system in Montana.

Montana faces many unique challenges as a rural state with a small population and a large geography. In the past, we have had fewer opportunities and resources to try innovative approaches tried by other states. With economic and workforce development issues becoming a major focus in the state and with current budgetary constraints, we must now embrace innovative approaches that suit Montana's independent culture.

Participation in the Academy was a natural progression for our state and provided us the opportunity to learn from other states and workforce development experts. It came at a time when we are ready to advance to the next level of workforce development. Participation also provided us with the opportunity to work with others in developing and defining measurable strategies that will meet our broad based goals.

## **BACKGROUND**

Montana continues to grow fastest in jobs requiring lower skill levels that have correspondingly low wages. To complicate this problem, Montana workers are well educated but often lack the specific skills needed by business and industry. Existing coursework in two-year education facilities does not always emphasize industry specific knowledge to meet industry standards. To meet the needs of emerging and/or expanding businesses, the workforce needs to develop the technical skills relating to those businesses.

Because of the size of the state and communities sometimes separated by hundreds of miles, coupled with the fact that even communities close in proximity can have very different economic bases, aligning education programs to meet varying employer needs is a challenge. To compound the worker shortage problem, Montana expects to net 93,000 additional jobs between 2000 and 2010. These jobs are both a result of new growth and replacement workers, particularly as baby boomers retire.

Wages are low; Montana is ranked third in the country for multiple jobholders and 49<sup>th</sup> in average annual pay. With low wages and an educated population, many Montanans are leaving the state to take higher paying jobs which compounds the problem of worker shortages.

Like many other States, Montana faces worker shortages in various occupations - primarily in health care. The Governor's Blue Ribbon Task Force on Health Care Workforce Shortage found that shortages in this field pose serious problems especially in a frontier state like Montana with a growing population of elderly citizens. Of Montana's 56 counties, 50 have been designated in whole or in part as Health Professional Shortage Areas by the federal government.

Montana workforce development efforts are comprised of more than 30 separate and distinct programs, funded by a variety of federal and state sources and are not organized or coordinated as a system to support state and local economic development efforts. Montana's education systems are beginning to actively respond to the educational aspects of building a workforce that supports growing and expanding industries in Montana.

The Governor's Office of Economic Opportunity developed a strategic plan to make fundamental changes in the way Montana attracts and retains businesses and creates jobs. Their plan to enhance existing industry clusters to grow our economy requires workforce development efforts be aligned.

## **THE MONTANA NGA TEAM PROJECT**

Montana proceeded with new strategies to align workforce development efforts; participation in the National Governors' Association State Policy Academy was one of those strategies. The Montana NGA Project was designed to look at three initiatives that would complement the Governor's economic plan and respond to those areas of the plan that most relate to workforce development issues.

An effective workforce system that is responsive to the needs of businesses must address areas of skill shortages. The Governor's Blue Ribbon Task Force on Health Care Workforce

Shortage found that skill shortages in this field pose serious problems especially in a frontier state like Montana with a growing population of elderly citizens. Of Montana's 56 counties, 50 have been designated in whole or in part as Health Professional Shortage Areas by the federal government. It further declared that successfully addressing this critical area of skill shortages could bring a large boost to economic development. Health care wages in Montana average 21% higher than the overall Montana wage average.

Surveys conducted in 3 communities in Montana by the U.S. Chamber of Commerce Center for Workforce Preparation indicate that up to 42% of employers in those communities report that applicants have poor or no employment skills and up to 32% feel that the applicants they see have the wrong skills for the jobs available.

Little detailed information identifying specific skill shortages areas for projected jobs is available. Task Forces, professional associations, communities and/or education facilities may have information that is either specific to a particular occupational field or geographic area. Current statewide information encompassing the broad spectrum of occupations and industries is not available.

To meet these challenges, our Team developed Goal 1: The workforce development system anticipates and responds to employers' current and emerging needs for skilled workers. Strategies and activities for this goal primarily focused on health care occupations as models which could be used to address other areas of worker shortages. These strategies included: developing "user friendly" supply and demand information; expanding the use of registered apprenticeship programs; creating a primary business workforce training program which would provide training for existing workers and incentive for businesses to locate and expand within the state; and, targeting the use the Governor's WIA discretionary funds and WIA incentive funds to health care occupations.

Montana has a large variety of higher education institutions with a broad range of coursework available. Not all courses are available on a statewide basis, nor are they all currently able to meet the needs of businesses in specific geographic areas of the state. The ability to respond rapidly to business needs is critical to promoting Montana as a place to do business.

Montana workers are well educated but often lack the specific skills needed by business and industry. Existing coursework in two-year education facilities does not always emphasize industry specific knowledge or meet industry standards. To meet the needs of emerging and/or expanding businesses, the workforce needs to develop the technical skills relating to those businesses.

Technological advances and global competition have transformed the nature of work. Tomorrow's jobs will require more knowledge, better skills and more flexible workers than ever before. Education institutions can help prepare students for these challenges by providing relevant contexts for learning. Career clusters link what students learn in an educational setting with the knowledge and skills they need to build successful careers and meet the needs of area businesses.

The Team's second goal was designed around education aspects of workforce development: Post secondary education is responsive to workforce development training which supports industry clusters and economic development. The strategies and activities to meet that

goal included the design and disseminate of a career pathways model in two year institutions and developing and/or aligning basic skills curriculum with the career pathways model.

Montana workforce development efforts are organized around the specific program purpose/goals of each funded program and are not organized and coordinated as a system to support state and local economic development. Most are designed to meet the desires of individual job seekers and are not tied to meet the needs of businesses and economic development. We do not have a model for relating the needs of the developing individual with the needs of the developing workforce.

Workforce programs are funded by a variety of sources with very specific and different requirements. Flexibility in the use of the funds differs with each funding entity and may not support coordinated efforts that would enhance economic development.

Performance measures of workforce development programs do not relate to business and economic development outcomes. Some measures include individual job seeker achievements that do not directly relate to workforce or economic development outcomes. Most do not measure the impact on the state economy through the increase of wages that would advance the economic well being of Montana citizens.

Workforce development programs administered by several state agencies and operated through an even greater variety of local operators can be difficult to navigate for businesses. These programs that should be closely connected often have competing priorities and differing administrative requirements, eligibility requirements and conflicting policy. While workforce development programs designed to assist individual job seekers have been quite successfully coordinated at the local level, coordinated approaches to providing business access to available resources have not been successfully developed at either the local or the state level.

An additional challenge involves coordinating state administered programs with the federally administered programs operated on the seven Indian reservations in Montana. The complexities of state and sovereign nation interactions in workforce development and economic development are evident at community, state and legislative levels.

Goal 3 for our project was: Workforce development policy is based on an efficient system that supports economic development. Strategies and activities related to governance and accountability issues included analyzing and exploring options for an effective and efficient workforce development system and developing consistent state measurements for all workforce development programs that focus on meaningful outcomes.

## **ACCOMPLISHMENTS DURING THE PROJECT DESIGN**

The Governor's Blue Ribbon Task Force on Health Care Workforce Shortages has made recommendations to address current and emerging workforce development needs in that sector. The Montana NGA Team has used this report and recommendations to develop strategies directly relating to health care occupations. The Montana Hospital Association



and two-year education within the university system co-authored a supply and demand survey of health care workers in hospital and home health care occupations in state and federal institutions. The results have been disseminated and identify current and projected demand in health care occupations by hospital, by region.

The Montana Apprenticeship program has begun efforts to expand the use of registered apprenticeship programs in health care occupations. The first expanded apprenticeship program in a health care occupation is for pharmacy technician. This program's first participant is in Glasgow, Montana, with the Glasgow Hospital as the sponsor. The apprentice will receive a blend of work experience and education directly related to the occupation. The required educational component will be delivered through a combination of industry approved correspondence, distance internet learning and on-site college course work.

The Department of Labor and Industry and the Office of the Commissioner of Higher Education have partnered to convert the Pharmacy Technology curriculum to an online format that is designed in an open entry/open exit format to meet the needs of apprentices in this career area. This is also a certificate program available through the University of Montana – Missoula College of Technology. Funds from the WIA Incentive Grant supported this effort. Plans on underway to convert the Radiology Technology curriculum using this same procedure. This is an important step toward meeting the healthcare workforce needs especially in rural areas.

Another one of our greatest successes has been the development of a primary business workforce training program which will assist community economic development by providing training for existing workers and incentive for businesses to locate and expand within the state.

In October 2003, the Office of Public Instruction, Career, Technical and Adult Education Division, hosted a meeting in Helena to discuss Career Clusters in Secondary Education. Invited to this meeting were state agency personnel and others individuals who are involved in workforce development. This meeting provided an opportunity to discuss the relationship between secondary Career Clusters and Industry Clusters as have been defined by the Governors Office of Economic Opportunity. The purpose of this gathering was to start a process for which individuals working in various areas of workforce development could have an opportunity to find common ground and start to determine a common sense of shared language and understanding about the "clusters" movement in Montana.

The Office of the Commissioner of Higher Education has made career cluster development a priority in two-year colleges. Four \$100,000 grants were awarded to two-year colleges to develop career pathways on one of the 16 career clusters. The grant period is from July 1, 2004 to June 30, 2005. One of the grants was required to address healthcare careers. These grants will develop a model sequence of courses within a career pathway that engages secondary schools, adult education, WIA training partners and other educational entities as appropriate. Each grant must have at least one business/industry partner. Once piloted, these models will be applied to other career cluster areas. WIA Incentive funds were utilized for this effort.

Additionally, through the Office of the Commissioner of Higher Education, efforts are being made at the regional and local level to identify industry clusters in coordination with

community partners. This effort has resulted in the establishment of Business and Education Councils, work groups representing a specific cluster, restructuring of departments in participating two-year institutions as learning centers reflective of the identified clusters and a plan to develop career pathways within each cluster. This is an endeavor to design occupational career pathways within the larger industry cluster.

WIA incentive funds were distributed to the local workforce investment boards to fund programs designed to meet the needs of eligible individuals to access information, services, training and placement opportunities in the health care industry. RFPs were solicited and \$198,000 was awarded to eight program operators.

WIA Incentive funds were also used to support a joint training activity of the local community Management team partners in relation to the practice of assessment in workforce training programs. WIA Title I and WIA Title II program use the Test of Adult Basic Education (TABE) as the assessment tool to determine participant reading and math proficiency. In an attempt to streamline the practice, reduce duplication of services, and reduce duplicative testing and to enhance participant outcomes TABE training was conducted in June of 2004.

142 participants were trained and an additional training is scheduled for September to accommodate those not able to participate in the first round. The state is developing a certificate of training, and will develop the process for ongoing training and measures of quality for WIA partner programs using the TABE.

The Office of Public Instruction has awarded six Health Occupations Incentive grants to currently funded Adult Basic and Literacy Education (ABLE) programs to provide basic skills instruction to those individuals currently employed in healthcare or to those who seek employment or additional education in the healthcare occupations.

WIA Discretionary funds were also provided by DOLI to the Office of the Commissioner of Higher Education to support collaboration in the delivery of healthcare programs. Two programs were developed through this partnership: Bridge program to connect the two-year Health Information Technology program to the four-year Informatics program; and, partnership between two colleges to share the online delivery of four courses in Radiology Technology.

Montana is participating in the USDOL sponsored Integration Performance Information (IPI) project along with Washington, Oregon, Texas, Michigan and Florida. The purpose of the project is to provide the Department of Labor with input from the states on what is required to support integrated information on the results of workforce investment programs and the One-Stop system. This group will identify the types of information on performance results needed and the standards for data, data systems and reports. It is anticipated that performance measures and accountability standards will include measures for productivity, reduced poverty, earnings and return on investment. Several members of the Montana NGA Academy Team will serve on one of three IPI Teams - State Policy Team, State Performance Measurement Team and State Technical Team.

The Montana State Workforce Investment Board has included system wide measures as part of their challenge to address workforce development issues in the state. Their Accountability Committee has identified several indicators to consider when developing

system wide measures: net new jobs, per capita income, increase in wage/quality of life, lower unemployment rate paid by employers, lower dropout rates/higher graduation rates, increase in the number of credentials, increase in the number of registered apprentices, increase in the number of registered apprenticeable occupations supported in the State of Montana, employer satisfaction and the market penetration/awareness of services.

Work continues on other strategies. In June, the Montana Team had the opportunity to meet with Martin Simon and our faculty advisor Chris King, to explore governance/organizational options for workforce development systems.

Our biggest results achieved through our participation in the Academy is a focused effort to tie workforce development and economic development efforts to a common purpose. Leaders in the state have had an opportunity to work together in understanding the "bigger picture" of workforce development and because of this project, to focus efforts and attention toward very specific goals. Because of this focus, more awareness and understanding about what is already being done and what gaps exist is evident. We have been able to reduce pressure on businesses and job seekers by identifying potentially duplicative activities and provide better integration of services. Additionally, we have been able to begin to build awareness and understanding in an effort to develop common language and focus efforts regarding industry clusters.

The Governor's Office of Economic Opportunity Director, Dave Gibson, has been involved with the NGA Workforce Policy Academy. His involvement assures that the NGA Workforce Policy Academy Team works in sync with the vision of the Governor's Office, reducing duplication of efforts and adding focus to a greater degree.

