

Addendum 12b

**William Hanigan's Comments &
NOW Steering Group Responses**

NORTHEAST OHIO WORKFORCE PLAN

Public Comments of William Hanigan

March 15, 2017

The document is being submitted based on the request for Public Comments by March 19, 2017. They are being submitted via email as requested to the nowplancomments@gmail.com.

Responses to these comments are imbedded in this document and are identified through the “track changes” feature. The responses were developed by the Regional Workforce Plan Steering Group.

Northeast Ohio Workforce (NOW) Plan

Public Response

In response to a request for Public Response to the Northeast Ohio Workforce (NOW) Plan, (herein referred to as the “Plan”) the following comments are being submitted.

I recognize the significant work that has been expended in developing the Plan, as well as its addendum the “Labor Market Analytics”. A few comments will be made regarding the data report, but in all it is an outstanding piece of work.

I must make note. At the time the Plan was being researched and drafted, I was informed by the Office of Workforce Development, ODJFS that I, because of my position, must not participate in the process. Therefore, my comments were constrained until this open comment period.

THE PLAN

Addressing Basic Concepts

1. *Addendum #1 – Language on regional and Local Planning from the WIOA Act* identifies the twenty-two elements required of each regional Plan. It is my opinion that the Plan meets the language of the twenty-two elements, but must build a stronger case and purpose for employer engagement.

The plan is committed to demand-driven employer engagement as the best service delivery model.

2. The Goals, as provided in the Plan on Page 13 are too broad in order to be measured. As a result, their achievement will be questioned at the end and during the four year Plan implementation. Such Goals as “A workforce with skills that are needed for business growth” are too general. Although it is admirable to desire the attainment of meeting all business needs, by its vast largess the task cannot succeed. I assume by later statements that a focus may be in the three industry clusters identified. If that is the intent, then it should so specify in the goal.

These broad goals drive the vision. Actions that are attainable are included in the specific workforce strategies articulated in the plan.

Further, this priority lays prey to the question as to whether limited training dollars shall be made available only to those seeking employment or businesses in these three clusters. If training dollars

are not exclusive to the three industry clusters, then what is the purpose of the identification of these clusters?

These industries are the main drivers of the regional economy. There is no proposal to limit training to these industries, only to prioritize training on in-demand occupations.

Later in the Plan it encourages the use of training funds to assist those in financial need of completing their college requirements. Again, I note as to whether such support shall be in the degrees of in-demand occupation (referring to the three industry clusters/occupations)? There should be further clarification as to the previous grants obtained and how their funds were used. This refers to the use of grant and scholarship funds which may have had flexibility and were used by the individual for other than the core cost of the educational achievement.

Yes, the priority is in-demand occupations.

3. While the twenty-two elements do not require the Regional Plan to address the financial needs of the Workforce System in NEO, it is imperative that the funding issue be addressed, including its impact on its five local areas (#2: Medina/Summit / #3 Cuyahoga / #4 Lorain / #5 Lake and #19 Geauga, Ashtabula and Portage). This is not just a NEO Regional Plan issue. Throughout Ohio local areas are becoming more dependent on outside non WIOA funding which may or may not align with the goals of their WIOA Regional Plans. So, how does the NEO Regional Plan address the financial wellbeing of its local areas while still being true to their Plan goals and priorities?

The plan is a regional workforce development plan, not a plan only to apply to WIOA funds. As such, it will be implemented regardless of source of funds.

4. The Plan addresses three Issues (Page 25) of which Issue 1 state: "Since 2007, the region's job recovery has not kept up and is not expected to keep pace with Ohio or the nation overall. Total jobs in the region remain well below the level in 2007." The reference to increase the number of existing and emerging workers seeking careers and skills/credentials suggests that training be limited to those industries and occupations as defined in the Plan. If that is the suggested course of action, it should be so noted. If training is not so constrained, then further clarification as to the restrictions on training funds and the criteria for their use. This is tied to my earlier second comment. The Regional approach is critical in impacting the development of the targeted occupational groups.

Training is not limited to industries but is prioritized to in-demand occupations as defined by the state.

5. The Plan needs a stronger emphasis on assisting workers, who are laid-off. There is a perception that at a time of low unemployment, those workers with a work ethic would quickly transition to new employment. (The November 2016 Unemployment Rate for NE Ohio counties ranged from 3.8% to 5.5%). However, the average NEO duration of unemployment for these same counties (Nov 2016) ranged from 14.3 to 15.9 weeks. There has been and continues to be a schism between those

newly/recently laid-off workers and their use of the Job Centers. Their participation rate or lack thereof, is of concern and should be addressed.

This is a double edged sword on employers, who are merited rated for the unemployment benefits paid, and are as a group unable to quickly access and employ those recently laid-off. The State Unemployment Trust Fund (SUTA) continues to be underfunded and poses a serious threat to the Federal Unemployment Tax which Ohio employers currently pay. The Plan needs to develop a strategy to serve this laid-off population and whose metrics can be the number of those collecting unemployment and being successful served at the Workforce Centers both today and at the end of each year. The longer these workers remain unemployed increases their likelihood of drawing other program services/resources, instead of having them gainfully employed and an income and benefit generator.

The following language was added to the plan that reflects the region's deep commitment to serving laid-off workers. - The NOW Region is deeply committed to working with the State and to further improve information sharing and coordination of program activities that will further enhance our commitment to expediting services to laid-off workers. This will lead to claimants being served earlier in their UI claim and enabling a return to work by shortening claim duration which averaged between 14.3 - 15.9 weeks in November 2016.

6. The Plan needs to address the Region's workforce participation rate. (referencing Pages 11 and 43) The rate was 66.4% in January 2007 and as of January 2017 it is now 62.9%. This is 3.5% of the total population of 2,860,288 (Page 10) or 100,110 that is not participating, and the question is why and how does this Plan move to change this trend?

Area 3's Local Workforce Development Plan includes an aspirational goal to raise the labor force participation rate. This will be monitored by the Regional Workforce Directors to see if it should be expanded to the Region.

7. The Plan needs a stronger emphasis on our youth's educational achievement. While WIOA provides for Youth Services to address those Youth who have left school, the task is insurmountable with thousands of youth severing their educational endeavors. The Plan needs to address the hemorrhaging while the workforce system addresses those already in the pipeline. This must be a concerted effort of the many partners, and whose strategy identifies clear deliverables in this effort.

Youth strategies are a key focus for the state of Ohio through the CCMEP program and the addition of significant resources and the CCMEP plans expand more fully on this focus and strategies.

8. The Plan notes that technology is driving changes in "industry products and services and how they are produced and delivered to markets. As industries adopt new methods, occupational structures and jobs are being impacted. The end result is that occupations across the spectrum are being upskilled; traditionally lower-skill jobs are now middle-skill. This means that workers need more

digital awareness and skills to work in traditional jobs in manufacturing, healthcare and any other sector.”

The skill needs of the industries identified cannot be met with just short term training of those with limited skills and often barriers. Assisting those with the greatest needs will take time. Meanwhile business needs trained workers in higher skill sets which are immediate. There is not a significant unemployed (laid-off) workforce with the higher skill sets in demand. The business need is immediate.

Incumbent Worker Training (IWT), as noted on page 63, can help address many of the up-skill challenges facing industry. The question is whether the limited funds (max 20% of such funds) will be prioritized to serve the incumbent training needs of industry and how that effort will be aligned with local economic development efforts. The need for economic development in the use of such IWT funds is imperative.

The Regional Plan contains strategies to work together to attempt to standardize IWT, ITA and OJT strategies during the first 2 years of the plan.

9. On-the-Job Training can be a useful tool to obtain employment for those job seekers void of a singular skill set or general exposure to an operational set of functions; however, its complexity of application must be streamlined/reduced. Currently the standardized package of forms, documents and requirements are a significant barrier to small employers. There is a need to reduce the policy burden on employers, especially small employers with singular employment need, in order to obtain a broader penetration of the program.

The Regional plan contains strategies to work together to attempt to standardize the OWT, ITA and OJT policies.

10. Employers are the customer. Job seekers are a precious and rare resource. If the Workforce System is servant of the customer, while the guardian of the resource, a balance must be installed. The customer is not always right. The Plan must gauge how our precious resources are being used, or in some cases abused.

Businesses which have high turnover, low wages and poor working conditions, should not be the recipient of training funds. Their identification should have a mechanism by which other One Stop Centers are informed, as are the local economic development departments which can review the identified issue and determine if assistance through other resources is appropriate. The training dollars spent should not only assist the employer, but also provide the worker (job seeker) industry recognized certifications/credentials and a clear and prove pathway to self-sufficiency.

The definition of in-demand occupations includes a wage level which exempts low-wage jobs from those that we can provide training. Furthermore, high turnover jobs and poor working conditions exclude employers from OJT and IWT.

Other Notes or Corrections by Page

Page 7: "...move those individuals into family wage jobs..." Suggest that the definition of what is a family wage job be articulated. The concern is that family size varies and the need of the family will do so in kind. Many government documents refer to a self-sufficiency, which may or may not be synonymous.

OK

Page 8: On page 22 of the Plan it references that there are twenty-two plan elements. It would be appropriate to refer to the attachment for reader's reference to their listing.

OK

Page 8: Workforce Demand.... Top jobs posted in the region include: RN's, Truck Drivers, Retail Sales," Although such jobs are posted some do not offer full time opportunities, or wages that are selfsufficient, yet others dependent upon commission, so by posting the list are we as a Region promoting these occupations and in so doing support them through training and other funded services?

No. They are included to answer the question "what are the top jobs posted in the region?"

Page 11: "The Chief Local Elected Officials indicated... 2016 Educational Attainment levels for the region's population show: 70,058 (3.5% less than 9th grade;)." The educational attainment although generalized, has schools and school systems that do not have this issue at the same level as others. Whereas some Workforce Areas have a greater challenge, others do not. Additional information is required to better identify where such efforts/resources must be placed, as opposed to a general approach across the entire region.

Where needed, specific local area information is contained in the Local Workforce Plans which are attached to the regional plan.

Page 11 and 12: Higher education is not just about the number of baccalaureate degrees, but the field of study. Where a baccalaureate degree in Engineering or Nursing will offer immediate job offers in the in-demand fields, other degrees fail to offer wages or opportunities at the level expected by those with those degrees. Greater level of information within the Plan documents/attachments could aid in the development of a strategy to encourage students, their parents/guardians to review expectations prior to their commencement in non-demand or low paying field.

The Regional workforce goal to produce Labor market Information regionally will attempt to get better information on good careers, jobs, and wages that are in-demand out to the public so that these decisions are better informed.

Page 12: “Hurdles to improving skills...Many low-skilled workers are working and cannot stop working to take training.” This is a strong statement of support for Incumbent Worker Training and the establishment of a priority use of the Adult and Dislocated Worker funds in that effort (20%).

We have included a strategy to develop an Incumbent Worker policy for the region.

Page 13: “Goals for the Workforce”. The Plan provides for three goals. Their outcomes are vague in determining how the Region performed. Instead of stating that “a workforce with the skills that are needed for business growth”; perhaps focusing on meeting an industry’s projection in terms of future employment could be incorporated into the Goal. This would also follow for the Goal to “Create a coordinated regional workforce system” and embed how that would look in terms of economic development, workforce, jobs and family services, non-profits and how they will communicate in a timely fashion. Then at the end of four years, the public, service partners, chief elected officials would have a measure as to how effective the strategies were in meeting the goals. At present the goals are too nebulous to be effectively measured.

The goals drive the vision for what we want to achieve. The specific strategies describe the actions which are measurable.

Page 14: Regional Workforce Strategies...#3 In Year 1, the WDBs are committed to working with the Boards and CLEOs to standardize policies for Individual Training Accounts (ITAs) and On-the-Job (OJT) Training to improve our interaction and effectiveness with common business customers....” The concern is that the funding for each county within the Region is by formula; and whereas some counties with substantial funds can embrace ITAs and OJTs at one financial or participant level; other counties will have minimal resources to do so.

Further, residents of one county will commute to another seeking funding. This is based on funding amounts for the individual and the easier access in terms of process to obtain such funds. A uniform abridged policy/process will go a long way to stem the tide of such migration.

Agree.

Page 15: Regional Workforce Strategies... #7 “The Boards have a deep commitment to service delivery models that are demand-facing and driven by the needs of employers for skilled workers....” Comment Item 10 previously addresses my concern in this area.

See item 10 response.

Page 16: The Public Comment Period. The dates in the Plan document (February 28th) do not align with the separate public notice on the comment period (March 19th).

We apologize for any mistakes.

Page 20: Use of the Workforce Service Delivery system with centrally located career centers, should not refer to the One Stops as career centers, which have been the reference to those educational vocational centers throughout the state.

Language has been changed accordingly on page 20.

Page 33: “Implications for the Regional Plan Based on Increased Demand for Digital Skills...Give that two-thirds of NEO workers have yet to earn a college degree at any level, the focus over the next four years of the NOW Plan should be on helping individuals achieve Productivity and Advanced digital skills that satisfy employer demand for middle-skill job openings.” As part of this strategy it needs to address the IT literacy needs of the older worker versus that of a younger generation which was born in the IT age and more digitally savvy. The training needs are significantly different, as will be the tools needed to address it.

Language has been added on Page 33 to include: Some older workers may experience a steeper learning curve in this area.

Page 37: “Manufacturing Jobs on or near the factory floor are in demand...There were substantial job postings for Machinist, CNC Operator....” The Plan needs to provide how the data was adjusted for possible duplications on websites like OhioMeansJobs, Monster, Indeed, etc. Further how are the companies with high turnover and low wages skewing the data? The concern would be generating costly strategies and programs to subsidize companies with poor employment track record.

Data presented are based on job postings for these factory-related openings that are now being posted online. Manufacturers are increasingly doing so, especially for those requiring specific digital or computer (IT) skills and can be discussed along job advancement as workers acquire additional skills. The only postings focused on are those paying a living wage as full-time employment. When the focus on these manufacturing jobs openings, seldom do employers post temporary or part-time positions—this information is drawn from posting details. The source of data is Burning Glass Technologies which has been independently validated as being very effective at avoiding duplication of posts and, in Ohio, do include OMJ as one job board among others to develop the database for Ohio.

Page 45: Labor Market Supply... In 2013, females working full-time, full year had a median income of \$37,255, only 75 percent of the median for males (\$49,708)....” The reference must be expanded to include occupational data of the various populations listed. The issue is not based on a singular occupation. So strategies to address the issue(s) must include mechanisms to encourage individuals to pursue and obtain positions in the under-represented higher paying fields. For the strategy (pathway) to be effective it will need the data to isolate the occupational fields to be addressed.

There is not a strategy for every issue that was identified through the economic/labor market analysis such as this one, due to prioritization of action strategies and resource limitations.

Page 51: “Intermediaries need to lead incumbent worker system strategies (Career lattice/ladder approach) and to link employers and job seekers.” Incumbent workers are employees and not job seekers, this is a language correction.

This was a direct quote from input received at the Workforce Summit on June 1st.

Page 51: “An expansion of the University Hospital Systems Model is needed.” A clarification as to whether this is an attempt to re-instate the NOHSIC (Northeast Ohio Health, Science, and Innovation Coalition) program of the hospital systems in NE Ohio? NOHSIC had support in 2012 of the Cleveland Clinic, University Hospitals, Summa, Metro Health, Louis Stokes Veterans, and several others. The work of that organization should be examined and may provide some best practice ideas to expedite this effort.

This recommendation has nothing to do with NOHSIC. University Hospital presented a paper on its innovated workforce development program called “Step up to UH” at the Workforce Summit.

Page 54: The Plan desires to incorporate performance based contracts in the issuance of training funds to providers. The issue is that it desires to hold those non-profits and for profit institutions to this standard but exempt our colleges and universities. The latter are the recipient of most of the training funds. While such contracts are a good idea, it is discriminatory in its practice. It may be more prudent to identify key areas of educational need, and within a short time period identify by whatever means necessary a number of eligible job seekers desiring such program, then approach the school/college and buy a whole class or educational program. This would be at the agreed upon time, location and price. The consistent attempt to negotiate with any institution when one student is in play, will not lead to performance based contract efforts. These efforts are no longer just of a Workforce Area but of a significant geographic area within the Region, which should provide a larger pool of applicants.

Interesting idea.

Page 55: The Business Retention Issue mentioned in this section should have our workforce area economic development input.

The following statement was added at the end of this section after all three examples: In developing each of the three models for business engagement, economic development has been a key player(s) and representatives from economic development throughout the region have actively participated in the development of the NOW Regional Plan.

Page 58: Analysis of the One-Stop Service Delivery Systems...In the event that a metric falls more than 10% below the projected level of performance on either an annual or quarterly basis, then a corrective action plan may be warranted that would be developed by the provider....” WIOA Performance (Common Measures) of skills attainment and credential attainment may not align to a quarterly performance outcome, so further review of this language may be necessary.

Disagree. The state produces good quarterly performance data for monitoring.

Page 59: Use throughout the Plan of the Workforce Development Centers as OhioMeansJobs Centers should be reviewed in lieu of the federal effort to label all such centers as American Job Centers?

OhioMeansJobs is the required name for workforce centers in Ohio.

Page 62: Referencing the Incumbent Worker, OJT and ITA programs, it is important to address the need for industry recognized certifications. The purpose of any training is not only to fill a need of a business, but also offer the worker or job seeker a skill that is transferrable. This also applies to those attending college programs. Industry recognizes many of the degrees offered but their supplemental programs must meet industry standards, just as those training providers who are not in the public sector.

Will be considered in policy development.

Page 64: The Plan refers to payment to an employer based on employee population of that employer. The smaller employer receives a higher percentage than larger employers. The issue is how does the Plan address the employer's use of temporary or long term leased employees in calculating those employee numbers. A clarification should be made to include all those workers who work on the employer's site and performing the same or similar work as other full/part time employees of that employer. Example: if an employer has 95 full time/part-time employees at their site location, and the employer has contracted with an employment agency for twenty five additional workers; then the percent of the cost covered by the employer would increase from 25% to 50%; and depending upon the size of any training grant for that employer, the funding difference could be significant.

To consider during OJT policy development.

Page 64 OMJ Center Locations should distinguish between Centers with all required WIOA partners under roof (Comprehensive) versus those smaller (Satellite) Centers within the Workforce Area.

The comprehensive or satellite/affiliate designations were added for each center.

Page 67: Strategies – suggest adding two additional strategies:

- The Region's Workforce Areas will seek additional federal, state, and other grant funding in alignment with the goals and strategies of NE Ohio Regional Plan.

The following bullet point was added: We have committed to working together to identify and seek additional federal, state and other grant funding that supports the alignment with NOW Plan goals/strategies.

- The Plan Signators and Partners shall be advocates for the Workforce System of its NEO Regional Workforce Plan.

Not including. Signature provides approval. Support for the plan is implicit in the approval.

Page 68: Add the following intent: The Region will seek enhanced methods with the Armed Forces to identify and assist those active military personnel nearing completion of their tour of service and who will be returning to our Region for future residency and employment. Currently, the Centers do not have information that can be used to assist those recently discharged. We are totally reliant on the

military to get the information in the hands of those departing from their active duty station which is seldom in our Region.

Will continue to work on improved access through the Veterans' Employment and Training services.

Page 81: The reference to the ODJFS Ohio Workforce Case Management Systems (OWCMS) which is used for client tracking is not a case management system and is labor intensive and not fully implemented or used by all partners. It is therefore a system whose name implies that it offers or provides more than it does. Implementation of the Strategies and performance of the Plan should be conditional upon the timely completion of all phases of the OWCMS programs for partners.

OWCMS is a state system. The regional plan action strategies will be implemented locally.

Comments Related to the "Labor Market Analytics to Inform
Northeast Ohio Workforce (NOW) Regional Plan"

As mentioned in the opening paragraph the Addendum report is excellent in identifying and substantiating the need to focus on the industry clusters so identified. The following comments are an attempt to provide further insight into what I perceive as needed information for the Workforce Boards of the Region to become even more productive.

1. The analysis of the skills gap between demand and supply of workers, as noted on page 6 of the Addendum, should identify the gap needs in terms of short-term, mid-term, and long term. A concern is that federal funding has fluctuated over the years, which places long-term commitments to employers and job seekers in a state of annual jeopardy. Such analysis would assist in determining if short term commitments were realistic, mid-term were optimistic, and long term were just wishful thinking.

In the short term interventions are needed that result in either skills or job training designed to address labor market gaps employers experience and that put individuals onto the on-ramp to land pre-entry or entry-level employment. Digital and Workplace skill development is most relevant for the majority of NEO's working-age population.

In the mid-terms, interventions are needed that provide additional skill development for these individuals through a combination of additional education and training and/or job experience that enables workers to advance their employment opportunities. This often includes the attainment of at least an Associate degree and/or industry-certified credentials. As incumbent workers, too many do not stay current in changing skills even their current employers require of new hires, and fall behind the curve in advancing within or prepared to change career paths.

In the longer term, for most jobs and workers, a Bachelor's degree in relevant majors are vital to provide workers with career and job security.

2. When developing projections for mid-level and less skilled positions, data should review the dependency of those mid-level and low level jobs on higher level positions which may or may not go unfilled. Identification of those dependencies is important in qualifying the projections.

While beyond the scope of the research planned to inform the regional plan of WIOA, it is important to adopt a short term strategy as described in 1 in order to move individuals still unemployed and out of the workforce into jobs that pay a living wage. However, it is equally important to determine possible paths to career paths as proposed in mid-term and longer-term strategies as described above.

3. The Plan needs to identify with data, how the use of integrated Internships can take students in their final years of study into employment assisted programs to learn how to apply their knowledge in the business world. The Europeans are decades ahead of the United States in this effort and research of best practices can afford Workforce Boards, yet another tool in their training approaches.

Internships and other pre-employment learning while working options are critical to mid-term and longer-term outcomes for customers of our public workforce system. Such collaborations among WIOA; higher education and industry must be authentic and sustainable.

More attention is not given to this issue in the technical document due to the poor data available of employer demand for students to serve in these roles on temporary work assignments

4. In “Comparing IT Demand in Manufacturing and Healthcare” (page 84) explains the career ladder in the IT Healthcare field. The ladder approach is not specific to those seeking employment in the field and must emphasize the need to work with employers to insure that current employees are continually moving along the same ladder as technology advances. As the speed by which technology changes, there is a need for caution that we are not training the next level of new workers, while current employees skills become outdated.

No response needed to this comment.

5. When detailing the current supply of workers (page 97), the third bullet point refers to 148,000 unemployed persons in NE Ohio (2011-2013). “This is not significantly different from the 10.4 percent unemployment rate in 2008-2010.” What the statement does not address is that during the same period (nationally) the participation rate fell from 66.2% (January 2008) to 62.9% (December 2013). This would provide an additional 47,000 workers for the region if strategies were designed to bring them back into the workforce. $((148,000 \text{ unemployed} / 10.4\% \text{ unemployment}) \times \text{difference in participation rate})$. This is a significant percentage of the overall population which is not engaged. As is further referenced in the initial Plan Comments (#6).

Point taken. The Cleveland/Cuyahoga County Local plan contains an aspirational goal to increase the labor force participation rate.

6. The use of overall employment and wage differences along race and gender lines (pages 97 – 98) needs to provide greater detail as to the occupations, skill sets and education attainment of the various populations. Such information can then be used by the Workforce Boards in developing strategies as to how to focus resources in developing, and supporting promoting career pathways for current and future generation of all workers. This is noted later on page 101, where it states: “The top five are no surprise, all have been traditionally jobs held by men. Male workers, in contrast, are the majority of IT workers but to this extreme. Efforts to improve the inclusion of women and all population in Management and STEM career employment will improve the overall effectiveness of the region’s workforce to support economic development based on technology advance and new business processes.” This is further referenced in reference to comments made about Page 45 in the above document (see page 5).

Available data sources did not permit further exploration of gender differences in jobs, earnings, etc.

7. Suggest that more information should be provided on behalf of those with barriers to employment, including those with disabilities, drug and alcohol dependencies and the ex-felon population. These are significant challenges facing workforce and additional data would be useful in the development of an aggressive strategy to assist these populations.

For this plan, additional labor market analysis of those with barriers to employment will not be included given limitations on resources and time.

Conclusion

A Regional Plan is a Herculean undertaking. My congratulations are to those who worked on the development of structure, data and draft of this document. My comments are made in an effort to improve the Workforce effort in NE Ohio. I thank you for the opportunity to comment.

Comments Submitted By:

William Hanigan
3953 Hedgewood Drive
Medina, Ohio 44256
E: wjhanigan@gmail.com