

New Innovators Professional Learning Network

April 13-14, 2005

Ann Arbor, Michigan

Participants

Lisa Rice (Brevard County Florida); Paula Butcher (Pikes Peak, Colorado); Bill Loope (Region 1, West Va); Sharon Williams (Eastern Arkansas); Steve Gilbert (Tulsa, OK); Patty Weddle and Kathleen Randolph (Northeast Indiana)

Facilitators: Nina Babich and Roy Vanderford (CSW)

Policy Networks – Can the State Network Concept be Transferred to the Local Level?

Brian Tell of CSW introduced the concept of state policy networks. CSW received a two-year grant from the Joyce Foundation of Chicago to form statewide, Workforce Policy Innovation Networks in Illinois, Michigan, and Ohio. The Policy Innovation Networks serve as forums where multi-sector leaders from across each state can regularly discuss a range of workforce and economic development issues, explore ideas for innovations in policies and practices, and share experiences and learnings in a supportive environment. Each Policy Innovation Network includes innovators and leaders from industry, education, government and community-based organizations from each of the three states. Network members drive the agenda, meeting format, and project goals and objectives, including any goals that aim to have policy impact at the state, regional or national levels. A national advisory group provides ongoing input and guidance to the networks. After one year, the three networks are at different stages of formation. For various reasons, the Illinois network will not continue and CSW and the Joyce Foundation are examining the potential for an additional network in the Midwest. (Brian's power point is attached to the e-mail through which this summary was communicated).

Donna Crudder of CSW outlined how the networks were introduced to the concept of "policy." Before talking *about* policy, the networks had to come to terms with what policy is. (The two handouts about policy that were distributed at the meeting are attached to the e-mail through which this summary was communicated for those who could not attend.) The tools the networks have used to work through state policy have included:

- Road map
- Systems thinking
- Dialogue
- Scenario building
- Innovation jams
- Case studies

- Small/large groups
- Face to face/virtual
- Questions
 - ◆ Push backs
 - ◆ Light bulbs

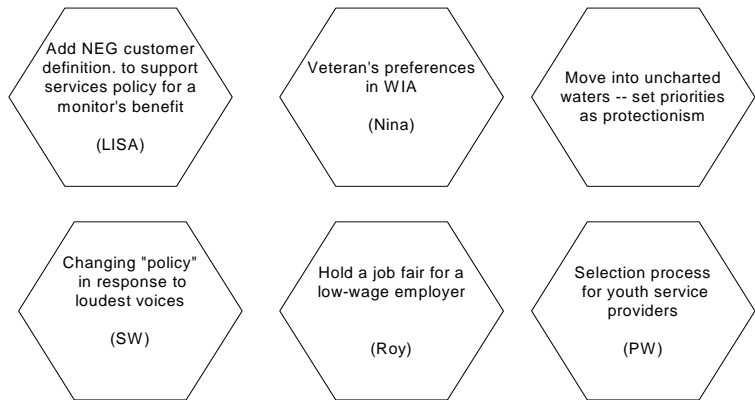
The group was led through an exercise similar to one used with the state networks in their early days. The group sat in an open circle, and a koosh ball was used to signify who was speaking as well as to slow the conversation down so people were *thinking* rather than concentrating on what they would say next. In the first exercise, everyone was asked to write down examples of policies in their experience that are:

1. Typical, knee-jerk, reactive
2. Organized, planning coherent; and
3. Intuitive, gutsy, no-holds barred.

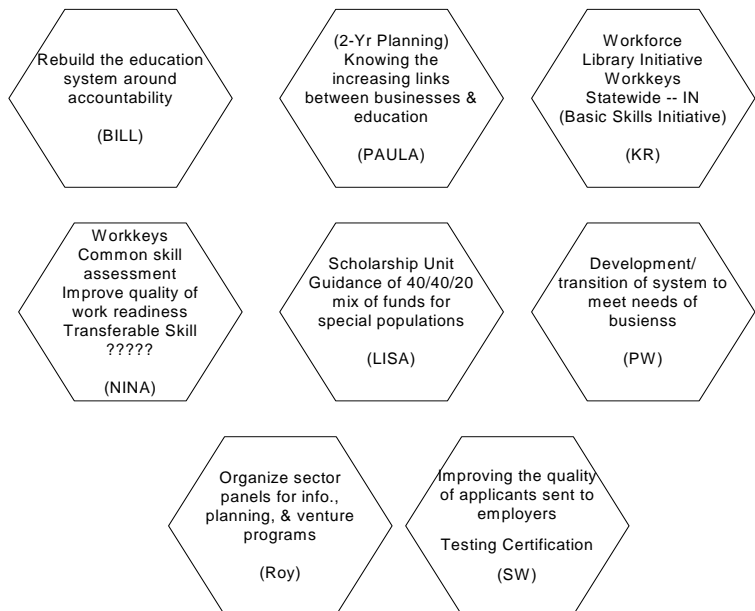
Everyone recorded their examples on colored hexagons, with a different color for each policy type. They then posted their hexagons on the “blue wall” under the appropriate header. Individuals took turns explaining their hexagons. For example, Lisa pointed out that her board was forced to quickly develop a “policy” to define a negative customer in order to satisfy the monitors. Sharon noted that policy often gets set by the loudest voices rather than by rationale thought.

We recognized that as much as we would like to have a broader concept of what we mean by “policy,” the feds and states often drive boards to a micro level of policy development, which is then highly confining on service providers. Some boards may feel compelled to develop a micro-level of policy because they don’t trust their service providers to make good decisions within a broader policy direction.

Reactive / Knee Jerk / Typical



Organized / Planned / Coherent



Examples of coherent and organized policies were rebuilding the education system around accountability (Bill), and in Kathleen's experience, a statewide WorkKeys initiative to build the basic skills of the workforce.

"Dream" policies for what we'd like to see become reality included merging the economic development council with the workforce investment board; doing away with state level electronic matching systems and turning one-stops into places that facilitate people using the existing market place venues; education reform that focuses on workforce preparation, serving incumbent workers with lifelong learning in the workplace, disposing of traditional performance measures; coaching students to success; and leveling the regulatory field for businesses.

Issues in Moving Boards into Broader Policy Discussions

- Board members are more comfortable with operational policy than "big picture" policy because they understand it better.
- State directives drive boards to focus on operational policy.
- Many board members don't know or understand how to be strategic.
- In recruiting members, we need to look for people who can think strategically and aren't afraid to incorporate values into policy (see below). Unfortunately, the Act ties our hands somewhat in who many of the members are.

Policy Starts with Values and Vision

Many of our experiences and our desires for future policy are value-laden. For example, when a board passes a "policy" that puts a low cap on ITAs, they are expressing a value that it is better to do a little for many people rather than a lot for a few (better to place many people with certificates in moderate wage jobs than a few people with associate degrees in higher paying jobs). Generally speaking:

- A common shared vision must have values as a basis.
- You really can't create policy without values because it is difficult to separate the two. Your policy is going to express a value whether you intended it or not.
- Boards often have not discussed or written down their values.
- Policies may be based on misinformation; the boards may not be aware when their policy conflicts with their values or they may not have enough data to make a good decision.
- Policy makers tend not to value innovation. They go for comfort level.
- When policy makers hold different values, it can inhibit innovation.
- People tend to vote on policies in keeping with their own agendas rather than the greater good.

What Did We Learn and What Can We Take Home?

- Process does have value [sorry to members who couldn't be there. There was much about the process that simply can't be shared through summary notes. "You had to be there."] This *process* is a good way to approach a discussion about policy locally. Finding time to do it might be an issue. Regular board meetings and committee meetings tend to have full agendas. This would require some set aside time or a retreat to focus on policy concepts and the board's role.
- We need to start with envisioning the desired future (vision) and agreeing upon the values they hold. Proposed policies need to be tested against that vision and the values. Would the new policy move us toward the vision consistent with our values, or would it take us away?
- Old policies can be reviewed in the context of the vision and values as well. As a test, take out an old policy and try to work back from it. What vision and value would be implied by the policy (e.g., the previous example on ITA caps)?
- You may have to give them parameters to work within. It is hard to convene around a blank white board.
- You need to ensure board members have the right data on which to make *informed* policy decisions. A board director can in essence control the direction of the policy by what information he/she chooses to share to inform the board. There are ethical questions to be considered.
- **The board may not be the right place for the "big" policy discussions for many of the reasons mentioned above.** By creating a local/regional policy innovation network, you can select the people you want, in the proportion you want, and totally get away from the operational issue discussions that distract. After all, for the state policy networks, CSW did not just use the existing state workforce boards. You may be able to attract people who would not be attracted to the usual board work and have a dialogue that impacts more than just the workforce systems.

Regional Skill Alliances as a Sector Approach

Larry Good introduced how the state of Michigan revised their approach to workforce investment with the help of CSW and funding from the Mott Foundation. Their sectoral strategy has taken the form of regional skill alliances (RSAs). Firms with common needs are brought together to work over *long* periods of time to collaborate on addressing their problems. This isn't a short-term initiative and fast results are not expected.

The state wanted to invest its workforce dollars in industry partnerships rather than make awards that only benefit individual firms. Michigan didn't bother to draw up new "regions" for economic initiatives like many states are doing, but let the regions be self-defined. The state also didn't make big grants, but small seed grants to drive creation of self-sustaining networks.

New Funding Model: State and Foundation Collaboration

The Mott Foundation and the State collaborated on the funding, which is a new model. The state is using WIA funds, and the bureaucracy with that has been a bit of a problem. The Mott funds offer needed flexibility. The freedom and psychological boost from having those unrestricted funds has been enormous. The same model could be developed locally with a local foundation. Skill Works in Boston is an example of where that has been done.

The grants were only about \$90,000- \$100,000 each – basically enough to hire a convener. The goal was to nurture long term trust and relationships, not to award big dollars for a flash in the pan political photo opp. *No one was put in charge.* They decided the leadership must make sense to the industry group and must come in with the power to bring the firms together.

Information about the small grants was made available to trade associations, WIBs, labor groups, and others. The state announced its intent, not the rules. Thirteen out of 26 proposals were funded. A little over half of them are in health care and the rest are spread among manufacturing, utility line work, and a nanotech center.

A number of new alliances are emerging in Michigan without any state grant money at all. The state has tried to connect with them to offer learning network meetings and support. The questions the Mott foundation is seeking to answer are: can we build lasting coalitions? Do the companies find value in working together? What is the value proposition and who are the potential funders?

RSAs seek to change the way in which key entities interact. Two major features that distinguish the Michigan RSA approach from “business as usual” are:

- Businesses that are otherwise highly competitive collaborate to resolve workforce skill issues. Examples of such collaboration could include the establishment of common job classifications and career ladders; pooling training needs and working with training providers to provide skills upgrading to workers from multiple firms; and addressing transportation, child care, and other issues which limit access to jobs by workers in some communities.
- Other entities that typically interact only infrequently come together to share information and increase the value they add to their activities.

Any of the potential partners can initiate the effort to form an RSA in Michigan. An industry association might recognize a need among its members. The local workforce board could bring together key leaders in a sector to explore joint work. A community college identifies an opportunity to work more closely within an industry. Local economic developers form a working group in a key local industry. A labor union initiates a conversation among firms in an industry. A community-based organization sees an opportunity to connect at-risk workers to paths to better jobs. A common first step is a needs assessment. Gathering and analyzing information on the state of the industry helps to build a shared understanding of challenges and opportunities. Most RSAs start small, and build over time. They seek small but significant victories for their

stakeholders, and build the partnership and strategies from there.

Initial costs for a Michigan RSA are usually shared among partners. Actual costs depend on the early work that the RSA will do. The largest cost is usually for the individual who convenes partners and manages the partnership. An RSA grant will cover many of the startup costs. However, RSAs are long-term partnerships, and the grants are not intended to cover costs over the longer term. Partners are directed to discuss funding from the outset. Potential fund sources include member companies, user fees, and public funds that can be redirected to support proven RSA strategies.

A Model RSA: The SOURCE (Southwest Organizations Unifying Resources for our Community & Employees)

Andrew Brower from The Source presented information about the RSA in Grand Rapids, Michigan. For Innovators members who were unable to attend, a hard copy of the handouts are being sent through snail-mail. Look for a folder that has "The Delta Strategy" on the cover. (The Delta Strategy is a non-profit convener interested in reducing poverty. They facilitated developed of The SOURCE. The fiscal agent for the RSA is a community college).

Andrew had been with the HR department at Butterball. In that position he noted that supports for people hired through the one-stop only lasted 90 days. But cars break down and family emergencies happen after 90 days that were costing them workers. The question was, how can we bring supports to *all* our employees *all* the time? But few employers are prepared to deal with social issues. The goal for the RSA was to transition supports from the human service organizations (HSOs), to the collaborative, then to the individual employer. A graphic chart in the Delta Strategy folder depicts the responsibilities of the human service organizations for pre-employment services, the collaborative's gradually declining responsibilities for the first 12 months, and the employer taking over full benefits and training after 12 months.

Andrew noted that their turnover had been so high that the HR department had little time to do anything other than recruit, interview, and fill out paperwork. Turnover was halved after the new alliance became operational.

Butterball was the champion of the initiative. The CEO and HR manager went to other companies nearby. Bringing the companies together was the easy part. It proved to be harder to get the human service organizations together and get past their turf issues. Andrew noted that they have no relationship with the local WIB. The WIB just hasn't wanted to get involved and the one-stop even sees them as a threat.

There was one dedicated case manager with the state office who had helped a lot to broker services for Butterball's workers. Since the establishment of The SOURCE, they have moved her on-site and she now handles brokering services for all nine of the firms that are members of the alliance. The SOURCE pays 1/4 of her salary and benefits and the state pays the rest. She continues to be a state employee. Her main job is to focus on retention. She does no paperwork. She is a *retention specialist* now, not a typical case manager.

As a retention specialist, she sets up a one-on-one assessment with each client within the first 2 weeks of the hire. Andrew would like for the assessment to be pre-hire, but the employers want more control at their end than that. The retention specialist makes sure the new hires are getting everything they need and are eligible for. She counsels them to prepare them for the loss of benefits as their wages increase. The SOURCE is a hot site for helping people with applying for the earned income tax credit, although they haven't been successful at getting people to accept it throughout the year. They like collecting it all at once so they can be rich for just a moment.

Andrew said his RSA was started with a couple local foundation grants. The businesses each pay \$500 monthly to belong. Eventually they want the collaborative to be fully funded by the businesses without any foundation or state money. The state funds were used for one year, and rather than increasing operations, Andrew used that as an opportunity to give a year's respite to the foundations as a relationship building strategy. Andrew noted that the use of WIA money in the state grant requires too much tracking when applied to the clients, so instead they used it for staff salaries and then used the Mott Foundation part of the money for client services.

Interestingly, the CEOs said they don't care what the savings is on the bottom line. Their goal is to be able to grow their workers internally and have long-term employees. Retention is the key success measure, not the dollar figure. Additionally, like many businesspeople, the CEOs don't like the idea of public welfare. Andrew is able to show them the savings to the *state*, not just the company. He shows them the reduction in public benefits being paid as a result of the services, and they like that.

A small percentage of training is done by The SOURCE staff. They almost entirely utilize MSU's extension center for life skills training. The extension service staff come on-site to do the training. Non-profits also provide training on-site at no cost. Of the work done by staff of The SOURCE, they spend about 75% of their time on retention for incumbent workers; a smaller percentage on training (through the community college for work skills, funded by state grants, and through non-profits for life skills), and an even smaller percentage of time on assessment and referral into other jobs - which is where they appear in the eyes of the one-stop center to pose a threat. When member companies offer training, employees from the other member companies are invited to attend as well.

Andrew said they provide an orientation for workers that helps them understand the hidden rules of the middle class. The inspiration was Dr. Ruby Payne's Framework for Understanding Poverty. Dr. Payne's website is www.ahaprocess.com. [Note - There is a paper on her website titled "Using the Hidden Rules of Class to Create Sustainable Communities"]

http://www.ahaprocess.com/files/DeVol_UsingtheHiddenRulesofClass.pdf]

Andrew said he would share his curriculum. I will forward the curriculum when it is received. Bill said he has put his youth council through a "poverty simulation" and he will share that as well.

Learnings

- WIBs don't necessarily have to create these kinds of skill alliances, but they should see the value and be fully supportive of them when they are developed by another entity. However, a WIB *could* be the convener if it has the right partners and relationships and positioning in the community.
- The focus on retention for *all* employees, not just those who come through social service programs, removes the stigma and produces more value-add for the employer than just helping to retain a tiny number of WIA placements.
- The model as described offers strategies for a business-driven approach.
- Retention is defined differently by one-stops than it is by business.
- WIA dollars are actually a trap; being able to put these kinds of programs together without WIA dollars offers opportunities for innovation.

MDRC is researching sites similar to The SOURCE through a grant from DOL and will be following workers through 2010. Steve Gilbert noted that Tulsa has been selected as a site for the evaluation. MDRC wants to see how to engage the workforce centers in the RSA efforts. Steve said early implementation sites included San Diego and Dayton, OH. Tulsa, Arlington/Ft. Worth, Bridgeport, CT, and Seattle, WA are being added to the study. The model MDRC is investigating is Worker Advancement Centers in the one-stop. In the study, case managers will have lower caseloads and clients will have random assignments. "Advancement" is defined in several ways. MDRC has created a brain dump on employer strategies that is supposed to be published soon. **Steve will share the paper when it is published.**

Miscellaneous Additional Discussion

Steve also will share his Baldrige application for one-stops and his waiver request for the board to be a system operator. [The latter is attached to the e-mail that communicated this meeting summary]. Lisa recommended members check out their employer services overview at www.brevardjoblink.org. Click on employer gateway and overview.

Managing Industry Clusters

Steve Gilbert shared information on the industry roundtables his board has convened, and the resulting "Voice of Business" reports. **For members who weren't able to attend the meeting, a hard copy of the protocol for the industry sector roundtable breakout discussion groups will be sent via-snail mail with other information.** [The Manufacturing Voice of Business Report was previously shared with everyone via e-mail. The health care report is attached to the e-mail that communicated this summary].

The board partnered with industry associations to get employers to the roundtables. The purpose was to provide a snapshot of the industry and complete an assets inventory and needs assessment. The resulting report was first shared with the

roundtable participants to ensure accuracy, and then shared with educators and others to help outline the skills that the employers need. Steve indicated he would share his powerpoint about the roundtables. He noted that if members print it, they should print only the unhidden slides. I promised to forward along Steve's paper on innovation-based economic development models, which is attached to the e-mail that communicated this summary.

The Tulsa Chamber is trying to raise \$9M for sector-based economic development. The workforce system is written into the plan for \$150,000 to fund business retention and expansion work.

Steve added that boards should connect with economic developers to identify target industries. If they aren't forthcoming with targets, you can figure out what their targets are by asking them what publications they advertise in and what trade shows they go to. The WIBs should translate economic development language about clusters into language that employment and training and education professionals can understand. Steve recommended a website, www.careerclusters.org. [And I'll recommend a book called Career Pathways Handbook by Jim Cassio].

A New Approach to Education: Rigor, Relevance, and Relationships

Lee Schleicher from Washtenaw Technical Middle College presented the Model High School of the Future. In Michigan, community colleges are permitted to develop their own charter schools. The county has no secondary area vocational school. When conversations were initiated about the form the charter school would take, there were arguments over whether it would be an alternative school, a college prep school, or a vocational school. What they finally created has evolved over the years. The first year it was "jail to Yale" and was being used as a dumping ground for problem students. The 2nd year they became compliant with state requirements, and the third year it took its present form, which is something entirely new and different in the high school world. It is a full, comprehensive high school, but the kids attend college classes right along with the regular college students. Students have been pleased with the adult life atmosphere at the college. "I don't get beat up here."

They have nearly 300 students now, and more kids wanting to enroll than there are slots for them. A lottery is used to select students. The students are essentially in grades 10-12, but they don't use the concept of grades. This is about skill levels, not about grade levels. Thus, a student could be "grade" 14 in math, but only 8th in reading, and that doesn't translate into a typical school grade level. They attend classes at the level at which they perform.

Initially, the pass rate for the classes was only about 50-55%, the same as the adult population. They talked to the instructors and kids about what was missing, and determined that many of the youth lacked the life skills necessary to perform well in the college setting. The staff wrote a life skills manual. [A copy of the life skills manual will be sent via snail mail to everyone.] For the first five weeks of school, every teacher

teaches from the manual for 10-15 minutes a day. Just implementing that process took their pass rate up to the high 60's, which right now makes them the best performing group on campus. As a next change, they assigned every staff member 30-40 kids who they would be advisor to throughout the young person's high school career. The staff are expected to interact with the parents as well as the child. After implementing that process, their pass rate went up over 80%. It was Andrew Hargraves who coined the "rigor and relevance" term. But rigor was emphasized at the expense of relationships. The charter school put the relationships into the equation with the use of long-term advisors.

The charter school is its own school district. When the kids enroll, they actually leave their school of origination, unlike typical secondary vocational schools. The charter school gets the usual payment per child for each student from the state, and then pays the college full tuition for the kids' attendance in classes. It works out just fine economically. The teachers only teach 20 kids per class, 3 classes per day in the fall. In the winter, the kids who are ready are transferred over to the college classes. Kids move on *by subject matter*. That is, some may be attending mostly college classes, but one high school class in the winter. By spring, the expectation is that the students will have moved on to the college classes. The teachers have virtually no classes left in the spring and are mostly focused on support work for the students. The kids know that that they must move on to college in at least two classes within one year.

Technical education classes are the "relevant" part of the curriculum. All students are given career guidance and interest and achievement tests and they work with their career advisor to select a program. Once they select a program, they can not change their minds and switch to another. Part of the discipline being taught is that you live with your decisions. You can always pursue another route once you graduate.

They have no athletic program. If you want to play high school basketball, you shouldn't bother putting your name in for the charter school. The students are allowed to sign up for any college clubs that they want for extracurricular activities.

The kids all carry a full load of 12 credit hours a semester. They can earn up to **90** college credits by graduation compared to kids who simply get dual credits, which is 8 credits at best. All the youth graduate with a high school diploma AND either a vocational certificate or associate degree. There no "dual credit." Rather, the students are *jointly enrolled* in high school and college. The school is starting to create articulation agreements with universities in Michigan. Other states already recognize and take the credits. They have had students accepted into major universities like Stanford, with essentially their first two years of college already done and accomplished at no cost to the student.

Meeting Adjourned

Members will be polled for preferences on the date of the next meeting.