

Key Issues in Setting Priorities and Building an Integrated Strategy: The Case of Michigan's Regional Skill Alliances

**Designing and Delivering Skills Strategies for Cities
Capacity Building Seminar for Partnerships
OECD/LEED Trento Centre
June 11-13, 2008**

**Randall W. Eberts
Executive Director
*W.E. Upjohn Institute for Employment Research***

Michigan Regional Skills Alliances

- **Purpose:**
 - Bring together key local entities to address workforce issues affecting firms operating in a targeted industry in a distinct geographic area
 - Help improve the effectiveness and efficiency of its workforce development, economic development, and educational systems in order to better meet the needs of a struggling state economy.
- **Goal:** Provide Michigan employers with a highly skilled workforce and to provide Michigan citizens with jobs that offer good wages and opportunities for career advancement.
- **Funding:** State and private foundation joined forces to provide \$1.5 million to initially fund 12 MiRSAs for two years
- **Self-sustaining:** From the financial commitment of business partners
- **Integrated:** Fit into the state's overall workforce development plan
- **Demand-driven:** Address the needs of businesses in targeted industries

Michigan's Economy

- **10.2 million people**
- **4.85 million workers**
- **14.5% in manufacturing (US: 10.3%)**
 - Predominantly auto manufacturing
- **Manufacturing employment declined by 24% between 2000 and 2005**
 - National loss of manufacturing jobs was 7.5%
- **Unemployment rate was highest in the nation**
- **Per capita income slightly below the national average of \$34,000**
 - A decade earlier it was higher than the national average
- **Worker qualifications are declining even though Michigan has a world-class higher education system with the University of Michigan and Michigan State and 13 regional universities, and 28 community colleges**

Expected Benefits

- **Goal is to increase the skills and labor market success of individuals in a region and to provide a collaborative mechanism through which local employers would reap significant benefits in having access to a more skilled workforce.**
- **For workers, the potential benefits include outcomes such as:**
 - an increase in skill levels,
 - increased employment entry rate and job retention,
 - progression along a career ladder,
 - higher earnings levels and benefits, and earnings growth.
- **For employers, the expected benefits are:**
 - lower labor turnover,
 - greater productivity and profitability, and
 - fewer job vacancies.

Expected Activities

To achieve these objectives, MiRSAs were expected to undertake activities such as

- **Analyzing, designing, and implementing improvements to the sector's human resource practices**
- **These practices may include**
 - Employee recruitment
 - Development of career ladders
 - Training and mentoring
 - Revisions and coordination of training curricula
 - Attention to non-workplace issues such as transportation and other supportive services
 - Improvement of supplier relationships

Based on Sectoral Skill Alliances

- **While not patterned after any one prior initiative, the MiRSA concept follows several previous activities across the nation that established workforce intermediaries, often referred to as sectoral, skill, or employment initiatives, to help bring together businesses and workforce development and educational systems.**
- **The difference between MiRSAs and the prior sectoral skill initiatives is that the sectoral skill initiatives were not initiated or supported directly by government funds**
- **Michigan's state government set out to replicate a private initiative in hopes of generating the same local partnerships and collaboration as seen with the private initiatives**
- **State established a competitive process to choose 12 MiRSAs from the list of 24 applicants**

Selection Criteria

- **Demonstrate how leading a MiRSA is a core element of the applicant's current mission and a narrative on how the principal stakeholders actively participated in the development of the project plan prior to the submission of the application.**
- **Include letters from all partners signed by their president agreeing to the role of the applicant as grantee and identifying in-kind and cash resources provide.**
- **Identify the industry focus and document how this industry contributes significantly to the local economy and workforce.**
- **Define the universe of employers in the MiRSA, describe the process of obtaining employer input, the portion of local employers in the industry involved in the application development, and how employers will be involved in the MiRSA.**
- **Describe the key partners in the application.**
- **Provide a clearly articulated statement of the problem or sets of problems affecting the regional industry which the MiRSA will address.**

Selection Criteria (cont'd)

- **Demonstrate that the targeted industry has a human resources-workforce need that can be addressed by the MiRSA.**
- **Provide measurable outcomes for the impact on businesses and workers and system changes that improves the ability of people to gain employment.**
 - Outcomes must support the state's goals and objectives of
 - increasing the use of and participation in the public workforce development system,
 - having employers see the MiRSA as an integral part of the community and the success of their businesses and the industry
 - providing solutions for entry level through senior level workforce needs
 - self-sufficiency of the MiRSA from local public and private funds.
- **Describe how the objectives in the RFP will be addressed.**
- **Provide a three-year line item budget that includes all sources and uses of funds.**

MiRSA	Industry Focus	Occupation Focus	Jobless Rate	Industry Job Growth 2001-2003		Forecast Job Growth 2000-2010
				Overall	Focus Industry	Overall
			US: 6.0% MI: 7.3%			
Capital Area Mfg. MiRSA	Manufacturing	Production Workers	4.9%	-0.7%	-8.4%	+7.5%
Flint Career Alliance	Health Care	Nurses Aide Training, LPN, Physical Therapy Assistant	8.9%	-4.9%	+4.1%	+6.4
East Central Health Care Alliance	Health Care	Nurses, Certified Nurses Assistants, medical transcriptionists	8.9%	-4.9%	+4.1%	+6.4
Grand Rapids Community College	Manufacturing and health care	Entry level positions	7.7%	-4.9%	-14.3% +4.1%	+12.0%
Detroit Long Term Care	Long-term Health care	Entry-level unlicensed caregivers, certified nurse assistants	+6.9%	-4.7%	+4.0%	+9.9%
Northwest Michigan Regional Healthcare Industry Skills Alliance	Health Care	Process-basic skills, foundation skills, home health aide and nurse aid	+8.4%	-1.9%	+8.1%	+15.0%
Mid-Michigan Construction Alliance	Construction	Electricians, Bricklayers, plumbers, pipefitters	4.9%	-0.7%	-11.5%	+7.5%

Northwest Michigan Healthcare Alliance

The MiRSA identified the following primary issues facing the health care industry in their region:

- **A lack of trained, entry-level workers and Certified Nurse Aides**
- **A shortage of Registered Nurses**
- **Not enough young people choosing healthcare fields for their career choices**
- **Too few and too expensive training opportunities for healthcare employees who need to continually update and upgrade their skills.**

Objectives

The initial objectives were intended to:

- **Increase the pool of qualified, entry-level healthcare workers**
- **Increase the number of students entering secondary and post-secondary healthcare occupation training programs**
- **Improve retention and career-ladder movement of people within the healthcare industry**
- **Expand training and professional development opportunities in the various healthcare occupations**
- **Build upon existing partnerships for a more comprehensive, sustainable system to support the workforce development needs of the healthcare sector.**

Planned Activities

- **Medical Career Scene Investigation and Allied Health Summer Camp**
- **Basic Healthcare Curriculum and Training**
- **Certified Nurse Aide Training**
- **Staff Development Training**
- **Health Professional Recovery Program**

Criteria for Success

- **Governance/decision-making**
 - **Employer engagement**
 - **Connections to existing workforce development agencies**
 - **Use of data**
 - **Communications and marketing**
 - **Planning**
 - **Client activities**
 - **Resource adequacy**
 - **Technical assistance**
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- **Used to evaluate the MiRSAs**