

# *Strategies in a Demand-Driven Model*

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**WIOA....Get Ready, Get Set, Go  
June 17, 2015**



## **WIOA Focus: Data-Driven Regional Approaches to Create Sector Strategies & Coordinated Partnerships**

- ✓ Discuss types of data gathering and analysis required for local and regional planning
- ✓ Increase understanding of how to validate market trends
- ✓ Understand how to make informed decisions to identify key sectors and successfully drive sector programs/initiatives



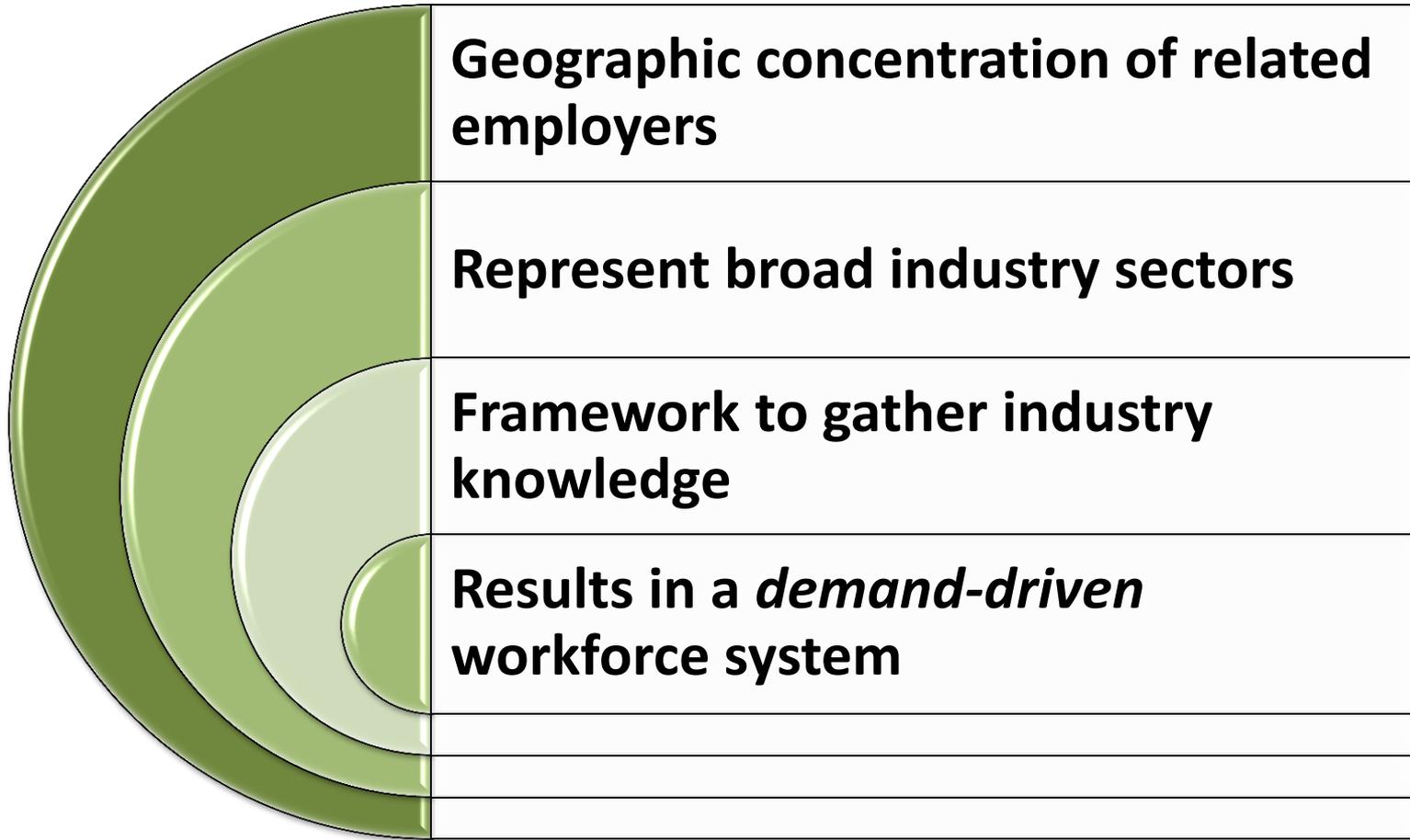
- **Purposes** Section 2 (2) & (3)
- **Definitions** Section 3 (23)(A)(i) & (ii)
- **State Workforce Development Board**  
Section 101 (d)(3)(D)
- **Workforce Development Areas** Section 106 (c)(1)(C)
- **Local Workforce Development Boards**  
Section 107 (d)(4)(D)
- **Local Plan** Section 108 (b)(1)(A)(i) & (ii)  
Section 108 (b)(4)(i) – (iv)
- **Performance Accountability System**  
Section 116 (b)(2)(A)(i)
- **Use of Funds for Employment and Training Activities**  
Section 134(c)(1)(A)(iv) & (v)

# Creating Sector Strategies & Coordinated Partnerships

- **WIOA Definition**

*The term “**industry or sector partnership**” means a workforce collaborative, convened by or in partnership with a State board or local board that organizes key stakeholders in an industry cluster into a working group that focus on the shared goals of human resources needs of the **industry cluster**.*

# What is an Industry Cluster?



# What is Demand-Driven?

- Opposite of supply-driven
- Establishes employers as primary customers of workforce system
- Employers identify their labor market information



# Why Cluster/Sector Strategies?



# Workforce Development Agency



Implementing **demand-driven** model locally for a more targeted, rapid response to company worker needs

Agency assigned staff in **five talent-short industry sectors** to boost training and recruitment

Working with Michigan Works!, business associations, economic development, education, etc. to **form local company groups** to address talent issues.

# Statewide Cluster Development Approach

**High  
unemployment,  
regional sector focus**

**Statewide demand-  
driven cluster  
approach**

Requires:

- ✓ More and better data
- ✓ More engagement with employers

# Michigan Industry Cluster Approach

## Manufacturing



## Information Technology



## Health Care



## Energy



## Agriculture



# MICA Objectives

## All Employer Focused



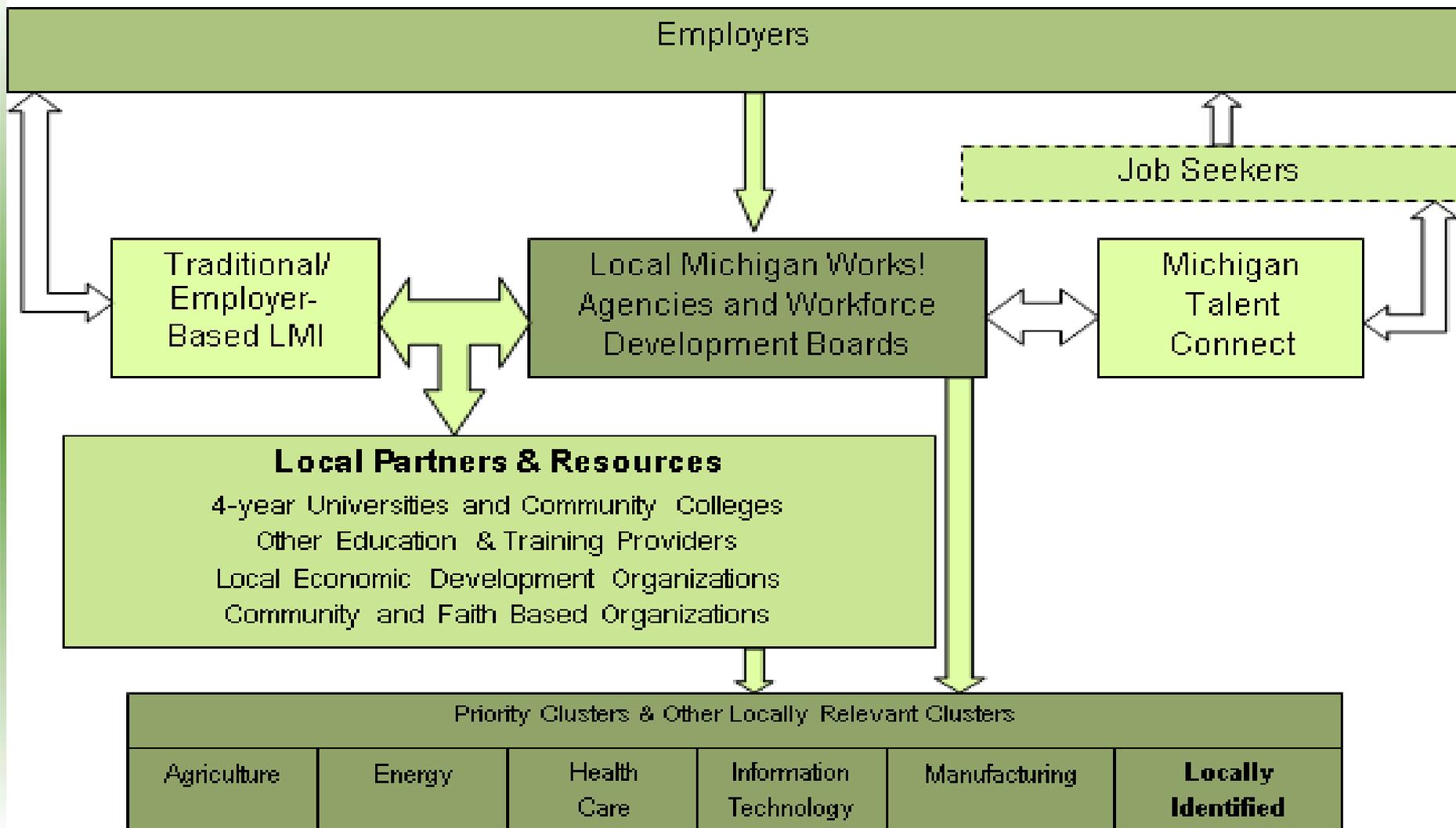
Employers identify industry demand and vacancies

Employers provide direct input into the design of educational program offerings

Services and programs align with industry's need for workers and skills

Training investments includes programs representing high-demand occupations based on input from employers

# What is the MICA?



## “Recruitment & Training is the Issue”

**Phase I** - Commitment at the local level

**Phase II** - Identify local needs within clusters

**Phase III** - Implement recruitment & training plan

- Gather data on local industry clusters
- Identify local priority clusters
- Identify cluster employer champions & partners

MICA Readiness Index - 2012

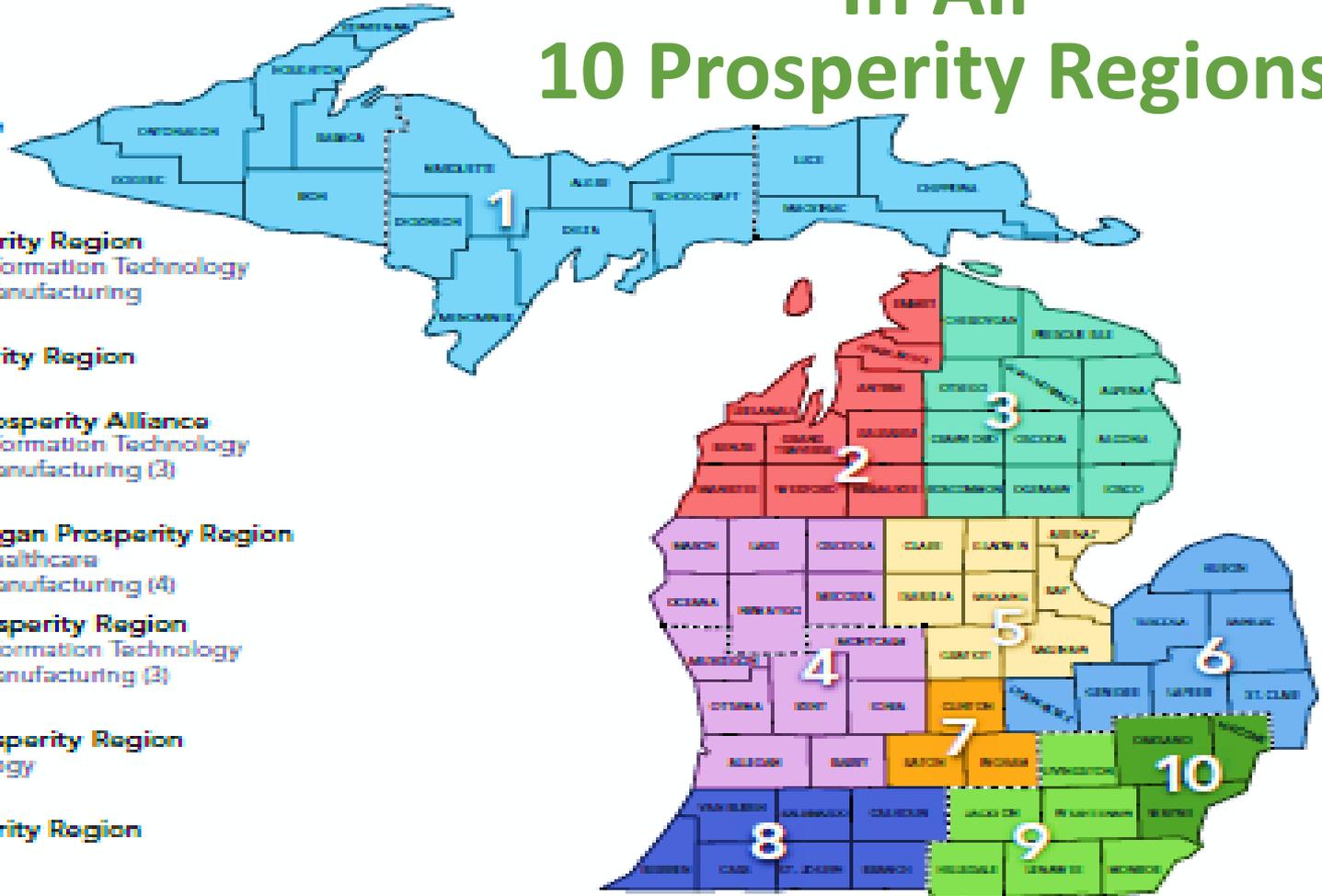
| Identifying Information - Enter in column to the right   | Data Entry Column<br>(all items)   |
|--|--|
| MWA submitting information   |  |
| Cluster name (if applicable)   |  |
| Industry sector or cluster   |  |
| Geographic area or coverage of cluster   |  |
| Contact person   |  |
| Email address  |  |
| <b>Which best describes this cluster? Enter 1, 2, 3, 4 or, for "other," your description, in column to the right. <i>Select one only.</i></b>                            |  |
| 1. MWA is the convener   |  |
| 2. Cluster convened by consortium of MWAs  |  |
| 3. Non-MWA convener but MWA engaged  |  |
| 4. Cluster convened by WDA or other state agency   |  |
| <b>Other - briefly describe to the right</b>   |  |
| The following shows the first two items in a completed format (arrow for instructional purposes only):   |  |
| <b>EXAMPLE ASSESSMENT</b>  | <b>Enter the numeral 1, 2, 3, or 4 only in this column across from the selected item</b> |
| <b>Cluster Governance/Decision-Making Structure</b>  |  |
| 1. Cluster has yet to establish a governance and decision-making structure   |  |
| 2. Cluster is in the early stages of developing a governance and decision-making structure   | 2  |
| 3. Cluster has a basic governance and decision-making structure in place   |  |
| 4. Governance and decision-making structure has been operational for over a year and is periodically evaluated by convener and partners through a regular review process |  |
| <b>1. Employers have yet to assume the lead role on governance and decision-making activities for the cluster</b>  |  |
| 2. Leadership roles for employers relative to governance and decision-making are being developed   |  |
| 3. Lead roles for employers relative to governance and decision-making are specified and recently became operational   | 3  |
| 4. Lead roles for employers relative to governance and decision-making have been in place for at least one year  |  |

# MICA Commitments In All 10 Prosperity Regions

## REGIONS

- 1** **Upper Peninsula Prosperity Alliance**  
Construction (2)  
Healthcare  
Manufacturing (3)
- 2** **Northwest Prosperity Region**  
Agriculture  
Healthcare  
Hospitality  
Information Technology  
Manufacturing
- 3** **Northeast Prosperity Region**  
Agriculture
- 4** **West Michigan Prosperity Alliance**  
Agriculture  
Construction  
Energy (2)  
Information Technology  
Manufacturing (3)
- 5** **East Central Michigan Prosperity Region**  
Agriculture  
Energy  
Healthcare  
Manufacturing (4)
- 6** **East Michigan Prosperity Region**  
Agriculture  
Energy  
Healthcare  
Information Technology  
Manufacturing (3)
- 7** **South Central Prosperity Region**  
Information Technology  
Manufacturing
- 8** **Southwest Prosperity Region**  
Healthcare (2)  
Manufacturing
- 9** **Southeast Michigan Prosperity Region**  
Energy (3)  
Healthcare (3)  
Information Technology (2)  
Manufacturing (5)  
Retail/Service
- 10** **Detroit Metro Prosperity Region**  
Agriculture  
Energy (7)  
Healthcare (4)  
Information Technology (5)  
Manufacturing (4)

 Service Delivery Regions



## Phase II: Partnership Mobilization

- Gather occupation specific employment data on local priority clusters
- Conduct skill supply & demand research
- Develop local High Demand Occupation list
- Convene employers to verify skill gaps & training needs
- Develop local training & recruitment plans

- Conduct outreach & recruitment per recruitment & training plan
- Screen candidates for training
- Conduct training
- Evaluate successes & cluster impact

**Cluster Workforce Analyses**  
**Cluster Guidelines**  
**Readiness Index**  
**Progress Index**  
**Technical Assistance**  
**Web Portal**  
**Strategic Training Fund**



<http://www.michigan.gov/wda>  
Business & Industry Tab



PURE MICHIGAN

## Michigan Industry Cluster Approach (MICA)

### GUIDELINES

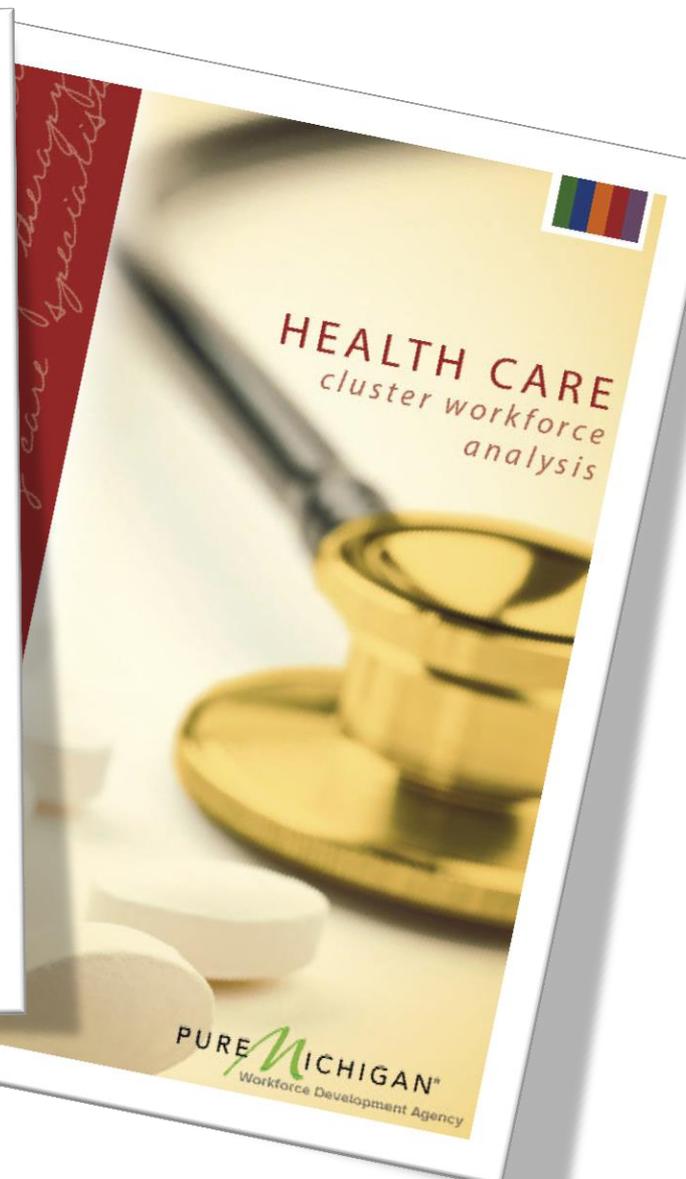
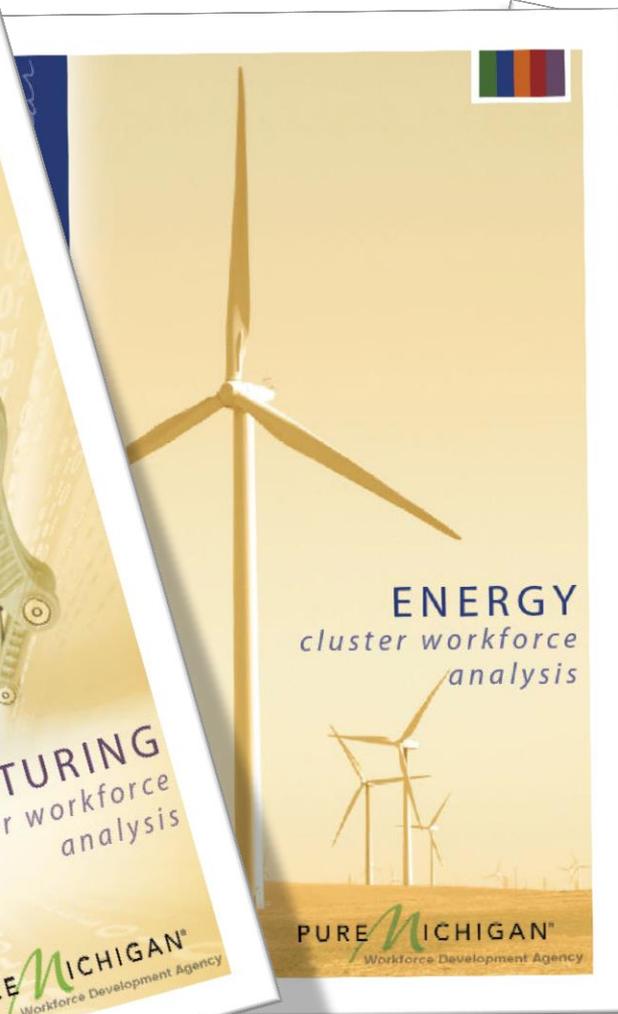
July 26, 2012

Christine Quinn, Director  
Workforce Development Agency, State of Michigan



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The WDASOM is an equal opportunity employer/program. Auxiliary aids, services and other reasonable accommodations are available upon request to individuals with disabilities.

# Cluster Workforce Analyses



<http://milmi.org/>

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- Overview
  - Discussion – Statutory Interpretation and Data Requirements
  - Exercise – Gathering, Analyzing, and Critiquing Regional Data
  - Feedback

# The Bureau of Labor Market Information and Strategic Initiatives

- We are the official source for high quality demographic and labor market information for the state of Michigan and its regions.
- We administer the state's federal-state cooperative programs with the Bureau of Labor Statistics (BLS) and the Census Bureau and produce high-quality information and analysis through grants from the U.S. Department of Labor and from partner agencies in the state of Michigan.
- We provide our national, state, and local partners and customers with **a**ccurate, **o**bjective, **r**eliable, **t**imely, **a**ccessible, and **t**ransparent information and insights.

# Our Role in WIOA

- We believe WIOA represents a sea change not only for federal workforce policy, but also for labor market information offices like ours. We are taking advantage of this opportunity!
- Our role:
  - ▣ Providing thought leadership and statutory interpretation regarding the Act.
  - ▣ Ensuring federal-state cooperative programs are producing the types of information required by the Act.
  - ▣ Aligning bureau products and services to the information needs of our customers. You!

# Discussion – Statutory Interpretation of and Data Requirements in WIOA

Workshop Goal:  
“An in-depth discussion of the types of data gathering and analysis required for local and regional planning.”

H.R. 803

One Hundred Thirteenth Congress  
of the  
United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Friday,  
the third day of January, two thousand and fourteen*

An Act

To amend the Workforce Investment Act of 1996 to strengthen the United States workforce development system through innovation in, and alignment and improvement of, employment, training, and education programs in the United States, and to promote individual and national economic growth, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) **SHORT TITLE.**—This Act may be cited as the “Workforce Innovation and Opportunity Act”.

(b) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.  
Sec. 2. Purposes.  
Sec. 3. Definitions.

**TITLE 1—WORKFORCE DEVELOPMENT ACTIVITIES**

**Subtitle A—System Alignment**

**CHAPTER 1—STATE PROVISIONS**

Sec. 101. State workforce development boards.  
Sec. 102. Unified State plan.  
Sec. 103. Combined State plan.

**CHAPTER 2—LOCAL PROVISIONS**

Sec. 106. Workforce development areas.  
Sec. 107. Local workforce development boards.  
Sec. 108. Local plan.

**CHAPTER 3—BOARD PROVISIONS**

Sec. 111. Funding of State and local boards.

**CHAPTER 4—PERFORMANCE ACCOUNTABILITY**

Sec. 116. Performance accountability system.

**Subtitle B—Workforce Investment Activities and Providers**

**CHAPTER 1—WORKFORCE INVESTMENT ACTIVITIES AND PROVIDERS**

Sec. 121. Establishment of one-stop delivery systems.  
Sec. 122. Identification of eligible providers of training services.  
Sec. 123. Eligible providers of youth workforce investment activities.

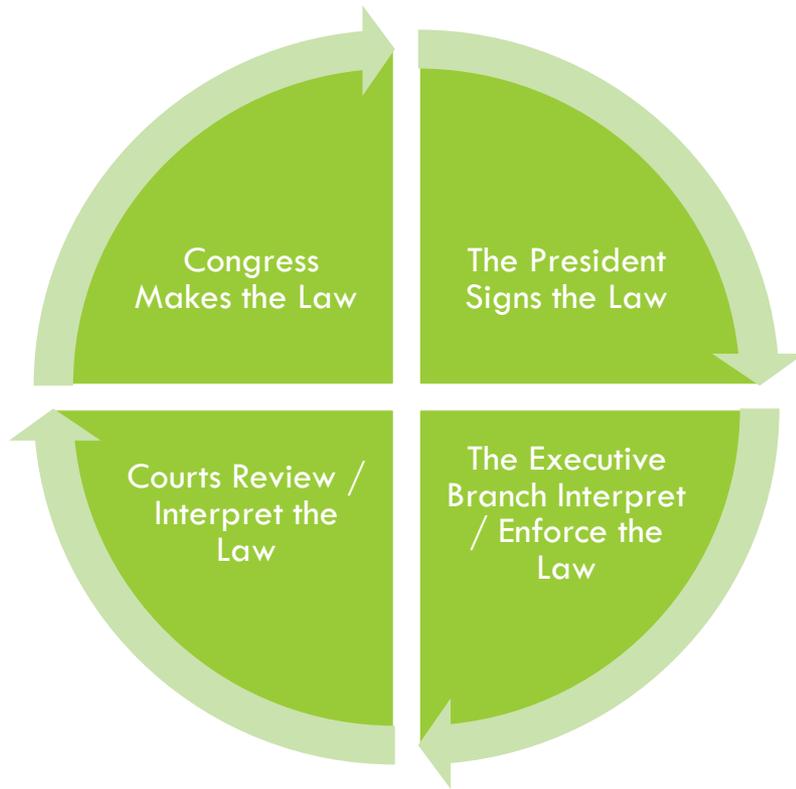
**CHAPTER 2—YOUTH WORKFORCE INVESTMENT ACTIVITIES**

Sec. 126. General authorization.  
Sec. 127. State allotments.  
Sec. 128. Within State allocations.  
Sec. 129. Use of funds for youth workforce investment activities.

**CHAPTER 3—ADULT AND DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES**

Sec. 131. General authorization.

# A Review from High School Civics . . .



- Bicameralism and Presentment: the role of Congress and the President.
- The Executive Branch and Agencies.
- The Judicial Branch and Judicial Review.

# Statutory Interpretation: Some Basics

- Plain Meaning
  - ▣ Statutory Definitions
  - ▣ Administrative Regulations
  - ▣ Case Law
- Secondary Sources
  - ▣ Dictionaries
  - ▣ Legislative histories
  - ▣ Intent
  - ▣ Purpose
  - ▣ Imaginative Reconstruction

# Statutory Interpretation: Some Basics

- Is the term defined in the Act?
- Is the term defined in the definitions of the Act?
- Is the term defined in the administrative regulations?
- Is the term interpreted by case law (courts)?

If not, then . . .

- Interpret the term consistent with its plain meaning
- Interpret the term consistent with legislative history
- Interpret the term consistent with legislative intent
- Interpret the term consistent with legislative purpose
- Imaginative reconstruction

# Example: WIOA Section 102 – State Plan

## (1) Strategic Planning Elements –

The unified State plan shall include strategic planning elements consisting of a strategic vision and goals for preparing an educated and skilled workforce that include

(A) an analysis of the economic conditions in the State, including:

(i) existing and emerging in-demand industry sectors and occupations; and;

(ii) the employment needs of employers, including a description of the knowledge, skills, and abilities, needed in those industries and occupations;

(B) an analysis of the current workforce, employment and unemployment data, labor market trends, and the educational and skill levels of the workforce, including individuals with barriers to employment (including individuals with disabilities), in the State

# Getting Started . . . (in-demand, existing, emerging, occupations)

Let us walk you through our interpretation of “existing and emerging in-demand ~~industry sectors and~~ occupations”

- For each term, is it . . .
  - ▣ defined in the Act?
  - ▣ defined in the definitions section of the Act?
  - ▣ defined in the administrative regulations?
  - ▣ interpreted by case law (courts)?

# Defining: “Occupation”

- Occupation – We believe this refers to Standard Occupational Classification (SOC) occupations.
- Since other parts of the Act specifically refer to “Occupational Clusters,” we believe Congress intended in this section to refer to pure occupations.
- **Note:** Alternative definitions may exist for occupation, but be careful!

# Defining: “In-Demand”

- In-Demand – “An occupation that currently has or is projected to have a number of positions (including positions that lead to economic self-sufficiency and opportunities for advancement) in an industry sector so as to have a significant impact on the State, regional, or local economy, as appropriate.”
- **Note:** We picked-up (at least) two more terms, “economic self-sufficiency” and “opportunities for advancement.”

# Digging Deeper into In-Demand . . .

- Economic Self-Sufficiency – Interpretation: we believe this refers to high-demand, high-wage positions.
- Opportunities for Advancement – Interpretation: we believe this has to do with career pathways, since the concept is discussed in other parts of the Act. (Another application of the whole act rule.)

# Defining: Existing and Emerging

- Existing – Given the purpose of the Act, we believe “existing” refers to current in-demand occupations.
- Emerging – Given the purpose of the Act, we believe “emerging” refers to future in-demand occupations.
- **Note:** It is important to consider alternative takes on “emerging.” What thoughts do you have?
- **Note:** We must also define “current” and “future.” Happily, we have data that can help . . .

# Data Sources: Existing and Emerging In-Demand Occupations

- Existing = Current = Short-Term Projections (2015), Real-Time Demand (Today)
- Emerging = Future = Long-Term Projections (2022)
- High Growth = Short-Term Projections (2015), Long-Term Projections (2022)
- High Wage = Occupational Employment Statistics (2014)

# Methodology: “Existing . . . In Demand Occupations”

1. Eliminate occupations showing below average growth over the short term.
2. Eliminate occupations showing below average real-time online job advertisements.
3. Eliminate occupations with an hourly wage below the statewide average.
4. Rank remaining occupations by short-term growth, real-time online job advertisements, and hourly wage.
5. Score occupations evenly across the three variables.

# Just 10 Results: “Existing In-Demand Occupations”

| Occupation   | Real Time Ads | Short Term Growth | Wage (Per Hour) |
|--|---------------|-------------------|-----------------|
| Mechanical Engineers                               | 3,080         | 1,880             | \$ 42.67        |
| Industrial Engineers                               | 4,157         | 1,390             | \$ 37.96        |
| General and Operations Managers                    | 988           | 1,560             | \$ 43.67        |
| Computer Systems Analysts                          | 1,771         | 770               | \$ 38.46        |
| Software Developers, Applications                  | 1,677         | 920               | \$ 37.74        |
| Registered Nurses                                  | 6,045         | 770               | \$ 31.47        |
| Accountants and Auditors                           | 1,251         | 1,020             | \$ 29.67        |
| Sales Representatives, Wholesale and Manufacturing | 1,727         | 1,710             | \$ 25.44        |
| Management Analysts                                | 1,224         | 580               | \$ 36.73        |
| Sales Managers                                     | 956           | 340               | \$ 51.36        |

# Methodology: “Emerging . . . In Demand Occupations”

1. Eliminate occupations showing below average employment in the long term.
2. Eliminate occupations showing below average growth in the long term.
3. Eliminate occupations with an hourly wage below the statewide average.
4. Rank remaining occupations by long term employment, long term growth, and hourly wage.
5. Score occupations evenly across the three variables.

# Just 10 Results: “Emerging . . . In-Demand Occupations”

| Occupation   | 2022<br>Projected<br>Employment | Long-term<br>Growth | Wage<br>(Per Hour) |
|--|---------------------------------|---------------------|--------------------|
| General and Operations Managers                    | 57,020                          | 5,410               | \$ 43.67           |
| Mechanical Engineers                               | 35,020                          | 3,900               | \$ 42.67           |
| Registered Nurses                                  | 104,730                         | 10,740              | \$ 31.47           |
| Industrial Engineers                               | 28,060                          | 3,640               | \$ 37.96           |
| Accountants and Auditors                           | 33,890                          | 3,530               | \$ 29.67           |
| Sales Representatives, Wholesale and Manufacturing | 58,700                          | 4,710               | \$ 25.44           |
| Computer Systems Analysts                          | 16,510                          | 3,040               | \$ 38.46           |
| Software Developers, Applications                  | 18,050                          | 3,170               | \$ 37.74           |
| Farmers, Ranchers, and Other Agricultural Managers | 35,310                          | 2,640               | \$ 31.12           |
| Lawyers  | 18,730                          | 1,340               | \$ 45.92           |

# Exercise – Gathering, Analyzing, and Critiquing Regional Data

*Workshop Goal:  
“validate market  
trends and make  
informed decisions to  
identify key sectors  
and successfully drive  
sector  
programs/initiatives”*



# Determining In-Demand Industry Sectors or Occupations

- Determination – "The determination of whether an industry sector or occupation is in-demand under this paragraph shall be made by the State board or local board, as appropriate, using State and regional business and labor market projections, including the use of labor market information."
- So . . . Let's take a look at Section 108!

# Exercise: Section 108 – Local Plan

The local plan shall include—

(A) A description of the strategic planning elements consisting of—  
an analysis of the regional economic conditions including—

**(i) existing and emerging in-demand industry sectors and occupations;** and

(ii) the employment needs of employers in those industry sectors and occupations;

(B) an analysis of the knowledge and skills needed to meet the employment needs of the employers in the region, including employment needs in in-demand industry sectors and occupations;

(C) an analysis of the workforce in the region, including current labor force employment (and unemployment) data, and information on labor market trends, and the educational and skill levels of the workforce in the region, including individuals with barriers to employment;

# Exercise: Review Your Regions Existing and Emerging In-Demand Occupations . . .

- Observations:
  - ▣ What is your impression of the list provided?
  - ▣ What are some themes in your region's occupations?
  - ▣ Does this appear to be hitting the mark? If not, how could it be improved?
- **Note:** These are preliminary data based on old data. Updated data will be made available to you this fall.

# Other Feedback . . .

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- Regarding interpretations . . .
- Regarding data elements . . .
- Regarding methodology . . .
- Regarding anything else?

# Regional Contacts

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