

Advantage Valley
Corridor:

*STRATEGIC
IMPLEMENTATION
PLAN*

2011

*Prepared by
Thomas P. Miller
and Associates and
the Center for
Economic Options*

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INTRODUCTION

Throughout 2010 and 2011, the Advantage Valley Corridor has been undergoing a strategic planning process for the tri-state region. The project was made possible through a Regional Innovation Grant (RIG) awarded to the region by the U.S. Department of Labor. The geographic area covered under the grant involves twelve counties in three states: Boone, Cabell, Clay, Kanawha, Lincoln, Mason, Putnam, and Wayne counties in West Virginia; Boyd, Carter and Greenup counties in Kentucky; and Lawrence County, Ohio.

Thomas P. Miller and Associates (TPMA) was hired in 2010 by Workforce West Virginia on behalf of the Advantage Valley Corridor to develop a regional strategic plan to help guide leadership and create long term sustainable growth and employment opportunities. A key goal of the effort was to better coordinate economic development, workforce development, and education resources, while positioning the region with the skilled workforce for growing and targeted industry clusters.

Through analysis of quantitative and qualitative research about the region, the project steering committee developed specific recommendations and action steps that regional leaders could undertake in light of changing economic conditions and workforce needs.

In addition to the development of the regional strategic plan, the project also called for updated information on various social, economic, and workforce demographic characteristics of the region. A scan of recent data including general demographics, labor force and income data, employment and wage data, and education data is included as an appendix to this plan.

The project was led by a steering committee of business, education, and government leaders from throughout the Advantage Valley Corridor. WorkForce West Virginia administered the grant on behalf of the region.

The overall project included these components:

- Stakeholder interviews and facilitated input sessions
- Review and update of regional data and existing assets
- Employer engagement
- Action plan for regional collaboration

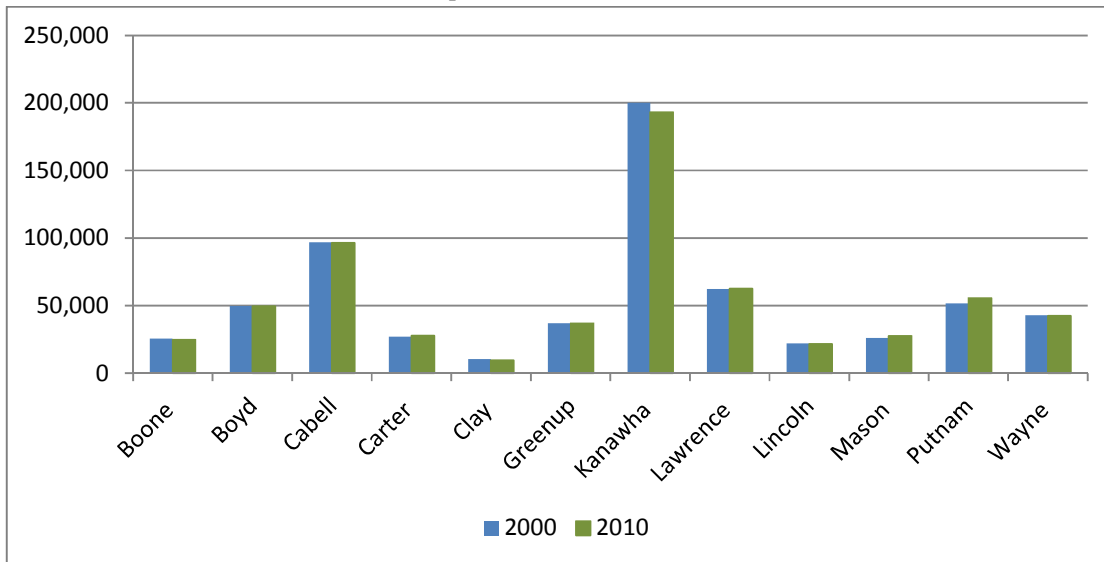
To assist in the project development and implementation, TPMA engaged the Center for Economic Options (CEO), a non-profit organization based in Charleston, West Virginia committed to development that is socially, economically and environmentally sustainable.

QUANTITATIVE ANALYSIS

Population

In 2010, the Advantage Valley Corridor's population consisted of 647,030 individuals. The region's population declined from 2000 to 2010 by .57%, a drop of 3,704. Kanawha County had the largest population (193,063) while Clay County had the smallest (9,386) in 2010. Only five of the twelve counties saw their populations increase over the past ten years: Putnam County (8.32%), Mason County (5.27%), Carter County (3.09%), Lawrence County (.21%) and Greenup County (.05%). The populations in the other seven counties decreased: Boyd County (-.42%), Cabell County (-.48%), Wayne County (-.98%), Lincoln County (-1.76%), Kanawha County (-3.50%), Boone County (-3.55%), and Clay County (-9.14%).

Total Population, 2000 and 2010



Source: U.S. Census Bureau, 2000 Census, 2010 Census

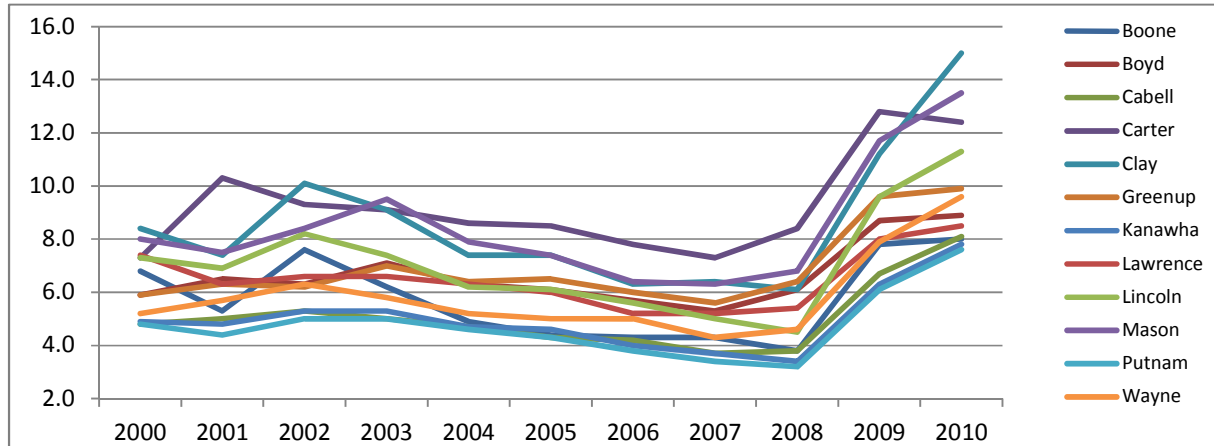
Compared to Kentucky, Ohio and West Virginia, the Advantage Valley Corridor has a higher percentage of its population that is past prime working age and a lower percentage of its population that will be entering the workforce. A total of 16.1% of the population is 65 years or older. The 65 and older population is lower in Kentucky (13.3%) and Ohio (14.1%); in West Virginia, 16.1% of the population is 65 and older. On the other end of the spectrum, young adults aged 15 to 24 account for 12.0% of the regional population. In Kentucky, Ohio, and West Virginia, this segment of the population is higher (13.5%, 13.8%, and 12.8% respectively). The median age in each of the twelve counties ranged from 42.4 years old in Kanawha County to 38.7 years old in Cabell County.

Labor Force and Income Rates

As a region, the Advantage Valley Corridor's labor force consisted of 287,933 individuals in 2010. Clay County had the smallest labor force with 3,482 individuals. Kanawha County had the largest with 88,238 individuals in its labor force.

Over the last ten years, Putnam County has had the lowest annual average unemployment rates in the twelve-county region, reaching 7.6% in 2010. Clay County has had the highest annual average unemployment rate in the region, with a monthly rate as high as 15.0% in 2010.

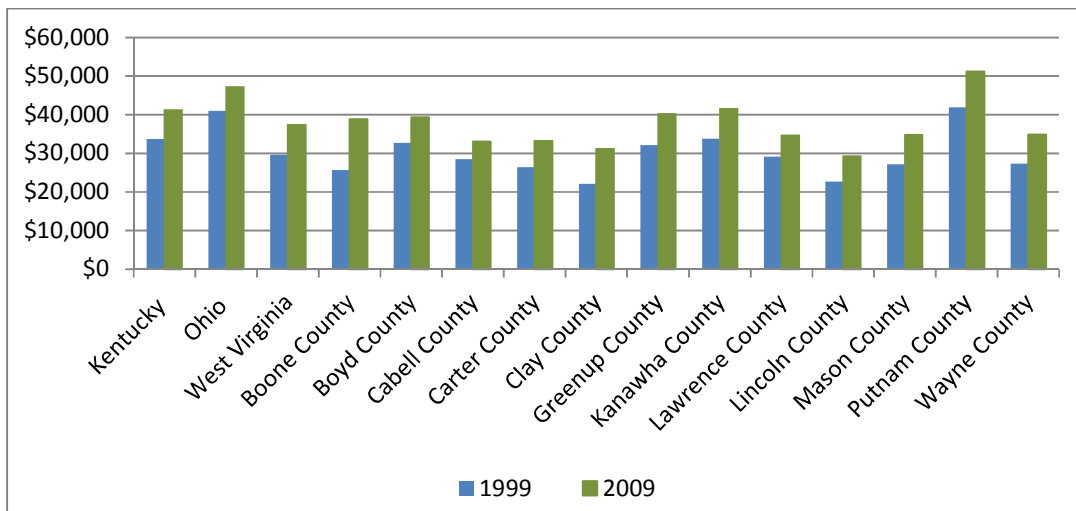
Annual Average Unemployment Rates



Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics. Note: not seasonally adjusted.

In 2009, median household income in the region ranged from \$29,291 in Lincoln County to \$51,186 in Putnam County, a difference of more than \$20,000.

Median Household Income



Source: U.S. Census Bureau, 2000 Census and 2005-2009 American Community Survey 5-Year Estimates. Note: 2009 data are in 2009 inflation-adjusted dollars.

Employment and Wages

Currently, the three largest industry sectors in the Advantage Valley Corridor are Health Care and Social Assistance, Government, and Retail Trade. Between 2006 and 2011, Health Care and Social Assistance added 6,133 jobs (13%) and Government jobs increased by 2% (983 jobs). The Retail Trade sector declined by 8% or 3,211 jobs.¹

The industry sectors projected for the highest percentage growth over the next five years in the region are Mining, Quarrying and Oil and Gas Extraction (13%, 1,933 jobs), Real Estate and Rental and Leasing (11%, 997 jobs) and Health Care and Social Assistance (10%, 5,190 jobs). Construction is also expected to add 1,184 jobs (6%).

In 2011, 50,755 jobs in the region are considered Office and Administrative Support occupations; this is the largest occupational group. Sales and Related occupations (39,233 jobs) and Management occupations (24,429 jobs) are the second and third largest occupational groups. Between 2011 and 2016, Health Care support occupations are projected to grow by 12% or 1,271 jobs and Health Care Practitioners and Technical occupations are expected to add another 2,356 jobs (10%).

Of the twelve counties, Boone County had the highest average wage per job; in 2009, the county's average annual wage per jobs was \$51,500. Carter County had the lowest average, \$26,318.²

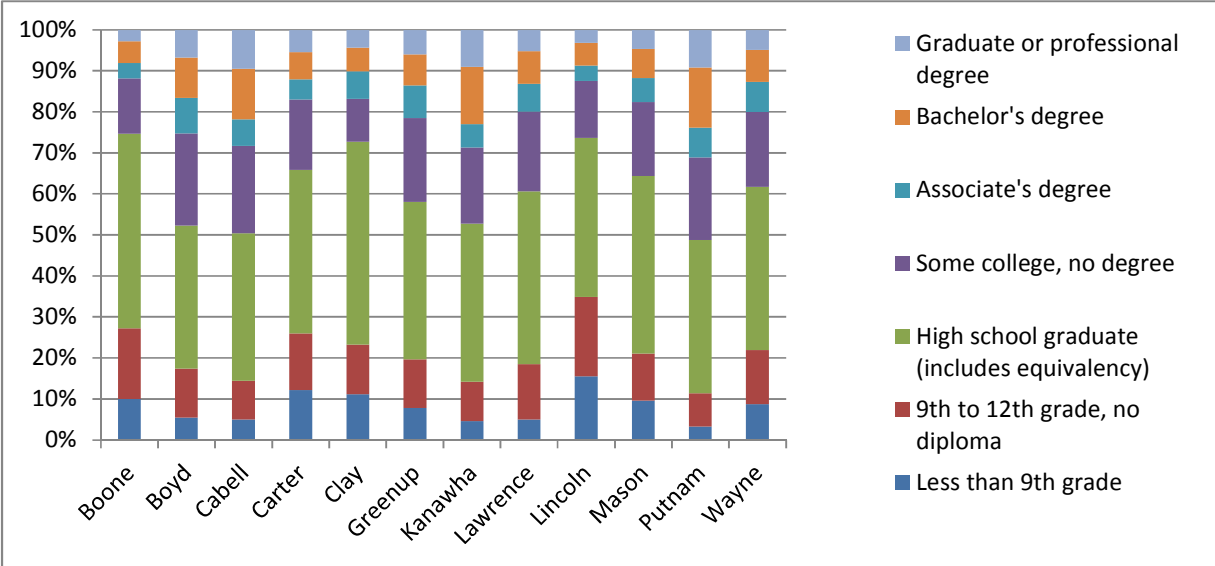
¹Source: Industry and occupation data are from EMSI Complete Employment – 2011.2.

²Source: U.S. Bureau of Economic Analysis, 2009.

Educational Attainment

A total of 82.4% of Advantage Valley residents 25 years and older have a high school diploma or the equivalent, compared to 81.6% in the state of West Virginia, 86.8% in Ohio, and 80.3% in Kentucky in 2009. The region’s percentage of individuals 25 years and older with a bachelor’s degree and higher is 18.1%. This is lower than Kentucky (20.0%) and Ohio (23.6%), but higher than West Virginia (17.1%).

Educational Attainment, 2009



Source: U.S. Census Bureau, 2005-2009 American Community Survey 5-Year Estimates

Of the twelve counties, Putnam County has the largest percentage of individuals aged 25 or older with a bachelor’s degree or higher (23.9%). Lincoln County’s educational attainment lags behind the other counties; only 65.1% of the county’s population had a high school diploma or the equivalent in 2009.

QUALITATIVE ANALYSIS

Stakeholder Interviews

In order to gain an understanding of the local perspectives on workforce development and regional collaboration, a series of interviews was conducted with stakeholders from the Advantage Valley Corridor. Stakeholders were identified by the RIG Core Leadership team and included representatives from Workforce Investment Boards, local Chambers of Commerce and economic development officials, education and training providers, government agency officials, workforce partners and other community leaders from the region.

The interviews helped provide a better view of and insight into what has taken place in the region economically, what needs or obstacles need to be overcome, and helped establish a baseline understanding of the region and its unique assets and challenges. The interviews revolved around these questions and discussion points:

- 1) What trends are taking place in the local economy that need to be addressed from a training, education, or workforce development perspective?
- 2) What workforce issues or challenges exist in the region?
- 3) What does the term “workforce system” mean to you when we use the term?
- 4) Are we serving employers and jobseekers well? Are there gaps in service delivery? What are the system’s strengths and weaknesses?
- 5) How could a regional platform serve you best? What should be done regionally?
- 6) What else would help provide better service by the workforce/economic development system and regional collaboration?

Over the course of the interviews, several key themes were heard from stakeholders repeatedly. These theme lines are explored below.

The Case for Regionalism

Marketing the Twelve Counties as One Region

Stakeholders are challenged by the “numbers game” when marketing their individual counties to employers or others looking to invest in the area. The labor force in the individual counties ranges from 88,238 at its largest (Kanawha County) to 3,482 in Clay County. Marketing the twelve counties as *one* region – with a combined labor force of 287,933 – gives employers a better idea of the much larger commuting workforce they can draw from.

Doing More with Less: Leveraging Limited Resources

With nearly everyone facing budget cuts or limited funding, doing more with less has become a daily mantra for community leaders. One way to do that, according to the stakeholders interviewed, is to align and leverage resources for regional initiatives. By aligning resources toward common goals and initiatives, local dollars can be stretched farther to maximize the impact on the Advantage Valley Region. As federal grant programs increasingly are directed toward regional initiatives, “having its regional act together” better positions the region for increased funding opportunities.

On the Move: Urban Sprawl and Commuting Patterns

Huntington’s population is moving east. Charleston’s population is moving west. In Putnam County, where the sprawl is converging, the county’s population grew by nearly 8 percent from 2000 to 2009.³ Stakeholders indicated that traditional commuting patterns have changed: it is not uncommon to see commuters from the same household travelling in opposite directions each morning – one individual working in Huntington and another travelling to a job in Charleston. Workers in the region will commute across state borders if the jobs exist. This is especially true for the Huntington MSA. With a labor force willing to travel considerable distances to work and with the increased development of the corridor between Huntington and Charleston, a regional approach becomes more and more necessary.

Building on Connections to Create Jobs

Stakeholders reflected that some collaboration does take place on certain issues or initiatives, sometimes connecting two seemingly unrelated assets. In Mason County, for example, there has been an effort to connect the local greenhouse to a local manufacturer of molded containers. Within the twelve counties, there are countless other assets that can benefit from similar connections. Most collaborative efforts, however, have been based on personal relationships. A regional platform for information sharing and networking would allow for a more formal network that doesn’t rely on pre-existing relationships.

Barriers to Regionalism

Drugs: A Regional Concern

In every stakeholder interview, drug use was identified as a major challenge for workforce development. While many potential workers generally possess strong work ethics, the reluctance of many to even take, or pass, drug screening tests pose serious workforce

³ US Census Bureau, Population Estimates Program, 2009 Population Estimates, 2000 Census.

challenges for the region's employers and the overall economy. One stakeholder recounted that some of their smaller employers have stopped drug testing because they fear not enough of their employees will pass and they will be left without a workforce.

Regional Competition: State Borders, County Lines, and City Limits

Some stakeholders were hesitant about how well the region could work together considering that there are three state borders, twelve counties, and two major cities – Charleston and Huntington – that often have varying interests. Several stakeholders commented on the competitive relationship between Huntington and Charleston. While many of these same stakeholders shared that the two cities were crucial to any regional agenda, they were skeptical about how realistically the two will work together.

Workforce Development: Clearing up the Confusion

The workforce system is not viewed as the “go-to” source for employers in need of hiring or training assistance. This lack of confidence was due to the view that the workforce system is a large federal bureaucracy and does not reflect a lack of confidence in the local Workforce Investment Boards. Stakeholders reported that the requirements and performance measures that the WIBs are required to report on have created a cumbersome system that is not easily navigated.

In addition, there is generally some confusion about the public workforce system and the services it is able to offer. Still sometimes referred to as “the unemployment office,” there is a lack of clarity around the roles and responsibilities in the workforce system. For example, in West Virginia, the Governor's Guaranteed Work Force program was cited as a good effort, but there was concern that this program and the WIBs were duplicating services.

Addressing the “Mailbox Mentality”

Stakeholders commented that many individuals have taken advantage of various government support programs such as food stamps, unemployment insurance, disability insurance that are available and live off the system, rather than finding a job. The problem was referred to by one as “the mailbox mentality” where individuals rely on getting a disability or unemployment check in the mail.

Low Skill Levels

The need to increase skill levels of the regional workforce was also expressed as a topic of concern. Many employers in the region have job openings that are going unfilled; applicants often lack the education and training needed to fill these jobs, according to stakeholders.

Others interviewed commented that basic skills were often lacking in such areas as math and communication skills. Other soft skills such as attendance and tardiness were cited as lacking among many in the workforce.

Pulled in Different Directions

When asked about other collaborative efforts or existing planning tables, stakeholders identified many initiatives that are pulling the region in several directions. Some initiatives are industry-specific regional groups such as the Polymer Alliance Zone or Chemical Alliance Zone. Others are focused on a geographic location, such as Create Huntington. Yet other partnerships encompass much larger geographies than the twelve Advantage Valley counties, such as the Ohio River Heritage Trail, which stretches nearly the entire length of West Virginia’s western border. As a result, the attention and resources of many organizations are pulled in many different directions. A regional workforce development platform must be reflective of these competing demands and agendas, and stay focused on its primary mission.

Advantage Valley Stakeholder Engagement & Planning Meeting

During the spring of 2011, several regional initiatives in the Advantage Valley Corridor, including the RIG project, were individually in need of input from community leaders. Next steps under the Regional Innovation Grant were aimed at gathering input from a larger audience of community leaders. The region's response to the Trade Adjustment Assistance Community College and Career Training (TAACCCT) grant program necessitated information gathering from education, workforce development and economic development partners. Also, West Virginia's GREEN UP project was planning to do further outreach to promote awareness about opportunities. As a way to further spur regional collaboration, as well as efficiently use stakeholders' time, one regional planning meeting was held to address the needs of and engage partners on three interrelated initiatives.

Approximately 25 representatives from the economic development, workforce development, community colleges, and business were gathered to gain additional input into the needs, trends and other issues affecting the economy and workforce community. When focused on the RIG project, participants were asked to identify what assets they bring to a regional collaborative as well as what they need from a regional partnership. Discussion highlights are outlined below.

- ***Drug issues are a structural problem*** – Current West Virginia law does not encourage testing. In order to make an impact, drug tests should be enforced before candidates are hired or come to work. Data such as the number of candidates disqualified because of drugs or the impact abuse has on wages would help quantify the negative impact drugs have on the region's workforce.
- ***Small versus big business*** – The needs of small business vary greatly from those of large companies. Recognizing this, the region should consider ways to be responsive and proactive to both.
- ***Sustainability*** –The region can think “outside the box” regarding funding; grant opportunities cannot be the only source of funding for sustaining our efforts.
- ***The three-legged stool*** – Successful regional economies require the three-legged stool of workforce development, economic development, and education all working with business.
 - Communication is key for this collaborative, 3-legged stool.
 - Important partners also include K-12 education, community-based organizations and the WIBs' Youth Councils.
 - Given the large geography of the region and the number of meetings community leaders attend, the Advantage Valley Corridor should look for ways to share information virtually.

- **Regionalism on the right issues** – Recognizing that a regional approach isn't best for everything, leadership should determine what regional agenda makes the most sense and what topics are better addressed locally. According to participants at the planning meeting, regionalism is key for leveraging funding and avoiding duplication of services.

“We need to make sure we focus
– we can't do everything.”

*Participant at the March Planning
Meeting*

- **Entrepreneurship** – Participants reported that local entrepreneurs typically stay in the area and the jobs they create typically stay in the area. “Growing our own” can serve both economic development goals and retains talent in the region.
- **Employer-Developed Training** – A model at Mount West Career and Technical College exists that gives college credit for employer-developed training. The process has been formalized and validated and credit is given to workers at no cost to them or the employer.
- **Limited or No Internet Access** – In the rural counties, the infrastructure does not exist for internet access. This places limitations on distance education as well as entrepreneurship.
- **GREENUP and the RIG** – The GREENUP Council has the ability to sustain the Advantage Valley RIG collaborative if we develop a methodology for employer/ private sector engagement.

Employer Input Sessions

Those actually doing the hiring in the Advantage Valley Corridor – the employers – were invited to share their input at several listening sessions. Three listening sessions specifically designed for employers and employer groups/ associations were conducted throughout the Corridor and were hosted by local economic development organizations and facilitated by the consulting team.

Organizers of these meetings promoted the opportunity to a wide audience and for some areas even included information in the local newspaper and on community events calendars. Unfortunately, participation was very low. This may suggest several things: the employer community is either disconnected from regional workforce and economic development activities or that they have been asked to share time and information repeatedly by fragmented initiatives.

While attendance at these three sessions was low, the consulting team was able to talk to several employers, as well as representatives from employer groups, such as the Chamber of Commerce and local economic development organization staff members. In addition, representatives from area community colleges again participated in these discussions.

Overall, many of the findings and discussion points that were identified in the stakeholder interviews were confirmed in the listening sessions with employers. In addition, several employers were not aware of the business industry and training services offered by the region's community colleges, and had not previously looked to them as a potential solution for some of their training and staffing needs.

Employers connected with each other through specific industry groups or through general business networking opportunities. When in need of help or information, they often looked to their peers as resources.

RECOMMENDATIONS FOR ACTION

With changes occurring throughout the past year in the Advantage Valley organization, leadership in the twelve-county region is still working to define a regional agenda. In other words, what should regional partners collaborate on and what should be addressed at the local level. Information from stakeholder interviews, data, the regional planning meeting and employers suggest organizing around several action items outlined below.

The Corridor’s Identity Challenge: Marketing

Stakeholders repeatedly stated that individually, the twelve counties loose at the “numbers game.” Populations and local labor forces are not nearly large enough to support a major or even mid-sized employer who is looking for a workforce with a certain skill set. Everyone acknowledges, however, that the regional workforce is mobile and willing to commute considerable distances for the right job. Marketing the Advantage Valley Corridor as one region allows the localities to “look bigger than they are.” Plus, if an employer locates in one part of the region, it provides jobs for individuals throughout the Corridor.

Marketing the regional collaboration internally to employers that are already located in the Corridor can help to connect them to services or resources that they may not have been aware of. Being an information hub for employer services including where they can find talent or access training resources can serve the region well.

Spotlight On: Region 2000

Virginia’s Region 2000 Partnership is an interwoven network of organizations with a centralized vision to provide regional development leadership within the 2,000 square miles that surround Lynchburg, Virginia. Region 2000 provides a single point of contact to the public and private sector for regional planning services, economic development, marketing, and workforce training.

The Region 2000 Partnership is dedicated to implementing and coordinating regional services that will improve the quality of life and build opportunities for success. The Partnership will serve as a voice of the region and as a focal point for regional policy development. The Partnership serves as a valued resource to local governments, businesses, educational institutions, and the non-profit community that recognize themselves as partners, and not competitors, in achieving regional goals

www.region2000.org

Creating the “Virtual Valley:” Connecting the Corridor’s Assets

The twelve counties that make up the Advantage Valley Corridor each have unique assets. Often these are institutional assets such as education or economic development organizations. However, human capital that drives the connection of these assets is equally important. The Corridor stands to benefit from better connection of its assets – particularly its human capital.

Stakeholders shared that current regional connections are made based on existing personal relationships. This reality poses the question: how should community leaders connect with each other if the relationship doesn’t already exist? Transforming the networking structure to a virtual platform would offer a venue for information sharing, networking, and would reduce the number of meetings for community leaders. On the virtual platform, regional stakeholders could engage in dialogue on challenges they are facing, learn how others may be addressing similar obstacles and even connect for solutions by jointly addressing issues.

A “Virtual Valley” platform would serve in a way that does not create a new bureaucracy and does not require staff time, but does result in a closer connection of assets. Once ideas and relationships are formulated, stakeholders can collaborate on the region’s response to opportunities or threats. It provides a space to share the knowledge-base and then collaborate around the action-base.

A “Virtual Valley” platform could take many forms. An initial consideration may be through a Monster.com supported networking platform such as the Green Jobs Green Business Accelerator.

Spotlight On: Green Business Green Jobs Accelerator

The Green Accelerator is specifically designed to help entrepreneurs start and expand sustainable businesses, create jobs, and contribute to the health and wealth of their communities.

By providing a virtual platform for networking and making connections, the Accelerator provides many opportunities to connect with other business owners and groups that best fit regional businesses such as:

- Artisan Products
- Building & Renovation
- Clothing & Textiles
- Community Food Security
- Cultural & Eco Tourism
- High School Students
- Higher Education Students
- Renewable & Sustainable Energy
- Sustainable Agriculture

<http://www.thegreenaccelerator.com/main/summary>

Addressing Skills Shortages: Middle-Skill Jobs via STEM Education

The skills deficit challenges facing American and Advantage Valley employers have been well-documented in recent national and state reports. As the nation's economy continues its slow but steady emergence from the "Great Recession," employers are having difficulty finding workers with the right skills sets for jobs in the 21st Century. This set of circumstances is playing out in cities, towns and states throughout the nation, and in the very industries that experienced significant layoffs over the last five years. According to stakeholder interviews and input sessions, this is particularly true in the Advantage Valley Corridor. Simply put, in many instances, the skill sets of employees who have been laid off in recent years are not adequate for emerging job opportunities.

A good illustration of the dilemma facing the Corridor can be seen in the work of the National Skills Coalition, and their "Forgotten Middle Skill Jobs" report⁴. Middle-skill jobs are those that require more than high-school, but less than a four-year degree. All too often, employers are unable to find enough sufficiently trained workers to fill these jobs. As the National Skills Coalition points out in a Report Brief on West Virginia⁵, the skills mismatch or gap in the state is significant. In 2009, about 54 percent of West Virginia's jobs were in middle-skill occupations, but only 45 percent of the state's workers were likely to have the appropriate training for these jobs.

These jobs have been and will continue to be a cornerstone of the nation's and Corridor's economic growth. Middle-skill jobs provide a pathway to middle America. These jobs used to require only a high school diploma. But due primarily to advances in technology, these jobs require additional skill sets such as mathematical and computational skills, computer technology, team building and others. Many of these are also known as STEM (science, technology, engineering and math) skills.

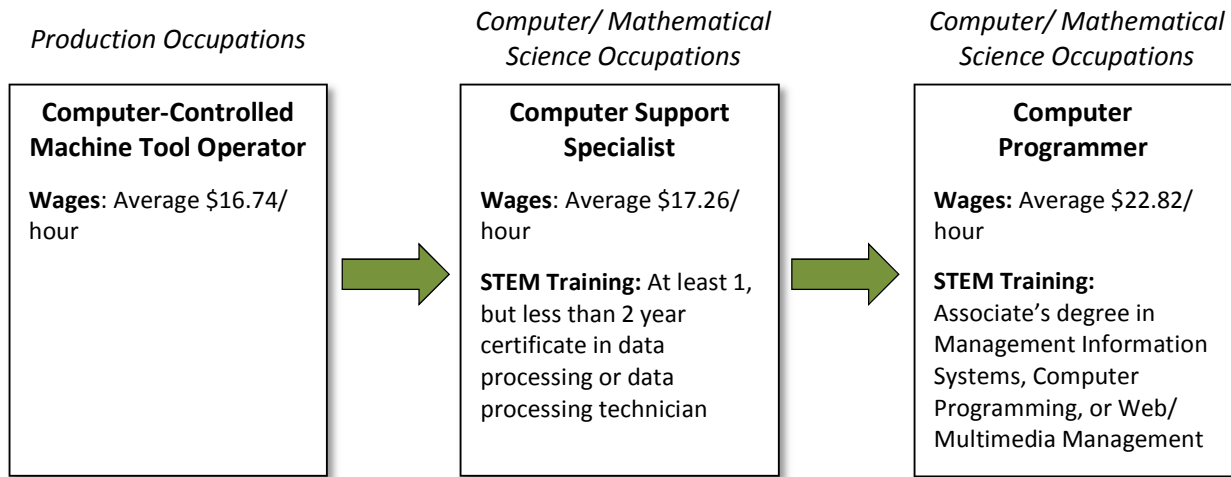
Transitions to Science, Technology, Engineering and Math (STEM) Jobs

Over the past five years (2006 -2011) in the Advantage Valley Corridor, the Manufacturing sector lost 2,211 jobs. The Construction industry declined by 15% or 3,276 jobs and Transportation and Warehousing decreased by 2,062 jobs. In just these three industries, 7,549 jobs disappeared. A portion of these workers probably have either not found other employment or are underemployed. Helping these individuals further develop their STEM skills gives them a greater chance at securing not only future employment, but higher wage jobs.

⁴ Source: Holzer, Harry and Robert Lerman. "America's Forgotten Middle Skill Jobs: Education and Training Requirements in the Next Decade and Beyond," National Skills Coalition, 2007.

⁵ Source: National Skills Coalition, "Middle-Skill Jobs State-by-State: West Virginia," www.nationalskillscoalition.org/resources/fact-sheets/state-fact-sheets/

Depending on their previous education and work experience, these dislocated workers will have some STEM skills or at least “pre-STEM” skills such as how to accurately measure fabricated parts or what angles to use when framing a doorway. Assessing individuals for these skills and then connecting them to the region’s community and technical colleges will help dislocated workers transition into more high growth, high wage industries. An example is provided below:



By creating career pathways for dislocated workers that build on their previous skills and abilities, employers will have quicker access to talent and individuals will have stepping stones that provide them with stackable employment opportunities.

The Twelfth and Thirteenth Years

In order to ensure that employers have steadily available talent to meet their needs, the region can ensure that its pipeline is constantly full of young talent. The twelfth and thirteenth years of education – in other words, seniors in high school and the first year of post-secondary education – become vitally important to maintaining this pipeline. As the National Skills Coalition research points out, middle skills jobs require at least some education or training beyond a high school diploma.

In the twelfth year, students can better prepare for their post-secondary education or training by focusing on:

- Academic preparedness – For those students who are not academically prepared, remediation in post-secondary education often discourages students from completing a certificate or degree program or burdens students with an unnecessary semester(s) of debt. If possible, this remedial work can be moved to the twelfth grade or students should not be encouraged to “take a year off” especially in regard to math.

- Dual Enrollment or Career-focused Education – Academically-ready students can take fuller advantage of their twelfth year to complete college-level or career-focused courses via dual enrollment or programs such as Project Lead the Way.

Focusing on STEM education from K-12 education through post-secondary training will ensure that the region has the talent pipeline necessary for the middle-skill and high-skill jobs of the global economy.

Spotlight On: Project Lead the Way

PLTW, a 501(c)(3) non-profit organization, is the nation's leading provider of rigorous and innovative Science, Technology, Engineering and Mathematics (STEM) education for middle schools and high schools. PLTW's comprehensive curriculum, which is collaboratively developed by PLTW teachers, university educators, engineering and biomedical professionals, and school administrators, emphasizes critical thinking, creativity, innovation, and real-world problem solving – all important skills for students to develop in today's 21st century global economy. The hands-on, project-based program engages students by showing them how what they are learning in math and science class applies to real-world challenges. The program exposes students to areas of study that they typically do not pursue and provides them with a foundation and proven path to college and career success in STEM related fields.

www.pltw.org

Advocacy on Drug Issues and their Workforce Implications

One of the most consistent themes heard during the course of interviewing stakeholders, employers and others was that the state has a drug problem. In every stakeholder interview, the issue of drugs came up, as it did during subsequent meetings and discussions held throughout the course of our input-gathering. This has serious workforce implications.

This issue has been extensively discussed in several recent reports by the West Virginia Partnership to Promote Community Well Being. This Partnership is the state's substance abuse prevention and early intervention planning body, established by Executive Order in 2004.

In a report released in February of 2011, the Partnership indicated that the financial impact of drug and alcohol abuse on the state's workforce sector was more than \$12 million. This report was limited in scope, however, to the cost of worker absenteeism: existing workers and the effects of absenteeism, which was defined as the extra days substance-using workers are absent compared to non-users. The report noted that this financial impact was only one of several costs accruing for substance abuse, and that the true costs would be much higher when such issues as lower productivity, increased turnover, workplace accidents and higher health insurance costs are factored in.

It is important to note that there are another series of costs that are dragging down West Virginia's economy as well: the costs to employers to administer drug tests and other screening measures to prospective employees, as well as the added recruitment costs associated with high levels of disqualifications of potential employees as they fail these drug tests.

When only 2 of 10 prospective employees are able to pass a drug test, (as one welding company executive in Advantage Valley told us) the economy loses out in several ways. For one, the recruitment costs borne by the company will continue to increase, as these employers must interview many more additional employees to fill their vacant positions. The economy also loses in that available jobs will take longer to fill, and the economic output of the company (and its workers) is stifled or reduced. This problem is also compounded, as in the case of the Advantage Valley welding company, when the two individuals who do pass the drug test do not possess the right skills or work ethic for the job.

And then there is the cost borne by the state and federal governments and ultimately taxpayers, in this example, of having 8 of 10 individuals remain unemployable. It is likely that various public welfare, food stamps, and unemployment programs are bearing the costs for these individuals.

While this problem is not endemic to West Virginia alone, the workforce implications of the drug use by its residents need to be confronted more directly by state policy makers.

Other states have begun to address these issues in several ways. Some states are considering legislation that would require unemployed residents to pass a drug test before collecting jobless benefits. Others require applicants for unemployment benefits to state under penalty of perjury that they will refrain from drug use during the period the applicant is receiving unemployment benefits. Other variations on this theme would permanently suspend an individual's unemployment benefits if they fail a drug test, or at least suspend unemployment benefits on a week to week basis.

While many of these proposals have not yet made it into statute, several states have already taken action and enacted new procedures and laws to help stop what is being perceived as serious policy flaw in their state unemployment system. In addition, the precarious nature of many state unemployment trust funds has forced policy makers to re-examine eligibility standards for unemployment insurance. Perhaps the Advantage Valley Corridor's leadership can start to advocate for policy changes to address this issue. Showing regional concern by collaborating on white papers or op-eds is an actionable first step to finding a solution to the drug issues facing the region.

In addition, there can be an education or awareness campaign aimed at Advantage Valley residents on the consequences of failing a drug test. The region's drug-using residents need to be made aware that they will be unable to get a job if they continue to illegally use drugs. They need to know that most employers use drug screens as part of their employment process.

Spotlight On: Indiana Department of Workforce Development

In July 2011, the Indiana Department of Workforce Development (DWD) began mandatory drug testing for all clients who enroll in outside training paid for by the Workforce Investment Act.

All clients who receive outside training paid for by the Workforce Investment Act are tested. This policy includes on-the-job training and individual training plans, which allow Indiana residents to go back to school. This policy does not apply to in-office WorkOne services such as career counseling, resume writing, or outside training provided by Trade Adjustment Assistance (TAA) and Adult Basic Education (ABE).

To receive outside training, clients must bring a certificate, indicating a negative result to the WorkOne as soon as possible, but in any event it will be valid for 90 days. Clients who test positive cannot enroll in a training program for 90 days.

www.in.gov/dwd/

Opportunities to Align with WIA Reauthorization

Draft language for WIA reauthorization was recently released. While there will be changes and revisions made to this, there are a few priorities that will most likely be included. Aligning regional efforts now around these priorities, will serve the region well in the near-future.

- ***Stronger regional planning*** – the work that has been done under the Regional Innovation Grant has created a foundation for regional planning in the Advantage Valley Corridor. Now, regional leadership can build on that foundation to start operating certain approaches or initiatives on a region-wide scale.
- ***Career Pathways*** – a prime target of Department of Labor, the Advantage Valley region can identify common industries and occupations in which to develop or further define career pathways.

Spotlight On: NEO HealthForce

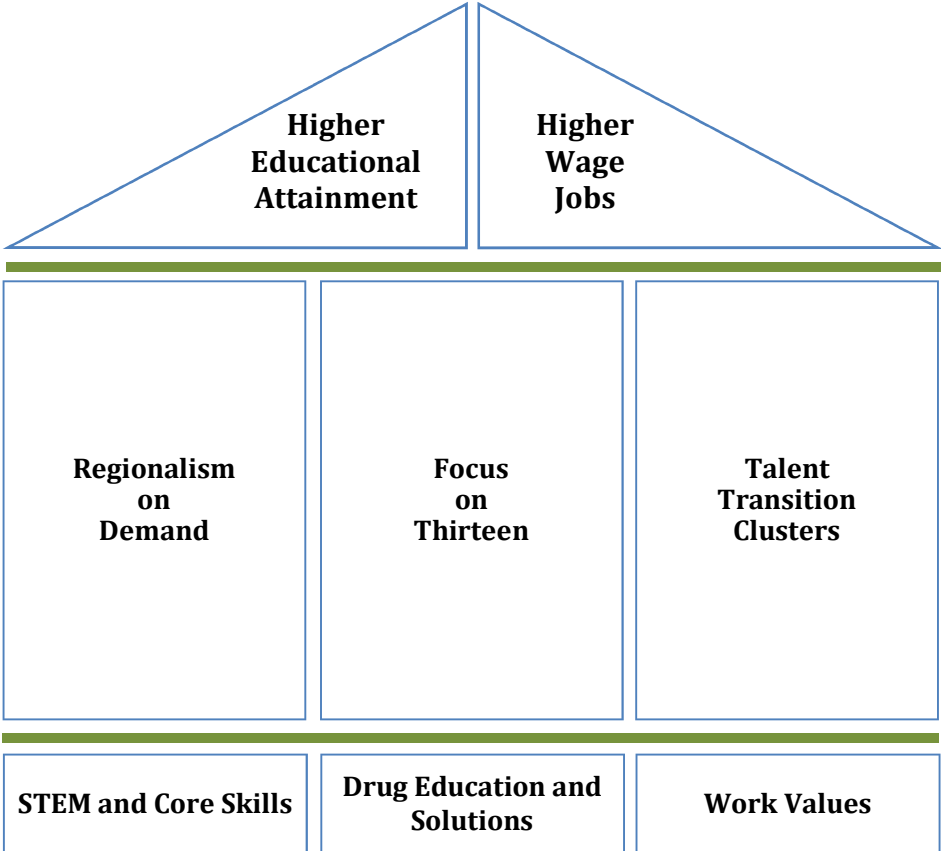
The Northeast Ohio HealthForce employment network serves as an industry model for effective regional workforce development, training and implementation by:

- Identifying common issues, challenges and opportunities facing individual healthcare employers and collectively addressing the priority needs of the industry.
- Creating an industry-focused response team to design action plans and implement solutions.
- Communicating industry priorities to policy makers and workforce development partners, enabling them to design service delivery systems that are responsive to the needs of employers and the workforce.
- Developing innovative solutions, realigning current employment and training funding and services, and identifying and generating additional financial resources to meet the training and development needs of healthcare workers and employers.

www.neohealthforce.org

MAJOR THEMES FOR MOVING FORWARD

With regional action focused on the priorities identified previously, the mission for a regional workforce and economic development collaborative for the Advantage Valley Corridor becomes clearer. The ultimate outcomes that we are aiming for are higher educational attainment and higher wage jobs throughout the region, leading to prosperity and improved quality of life for regional citizens. Moving forward, these outcomes will only be achieved if we have focused initiatives built from a strong foundation of core employability standards.



Foundations:

1. **STEM and Core Skills** – In order to advance the Advantage Valley Corridor’s regional workforce, individuals need to possess the core skills required of any 21st Century job. As post-secondary credentials become more and more important to success, individuals must be equipped with a base of core skills (critical thinking/ problem solving, customer service, communication) as well as STEM skills to build upon.

2. **Drug Education and Solutions** – As one of the most common challenges faced by regional employers, educators, and community stakeholders, the Advantage Valley Corridor can serve an advocacy and education role in the region’s efforts to address drug issues. While not one organization will be able to solve the problem, the Corridor of partners can champion innovative programs and/or legislation aimed at finding solutions.
3. **Work Values** – Work values must be instilled in the portion of the region’s workforce that subscribes to the “mailbox mentality” or relies on unemployment insurance, disability or welfare checks. The Advantage Valley Corridor and its partners can explore ways to incentivize good work ethic, rather than incentivizing not working. Like the drug issue, motivating a significant portion of the workforce will not be solved overnight. But, convening partners for a dialogue around the issue will be a step in the right direction.

Initiatives:

1. **Regionalism On Demand** – Laying the groundwork for regional collaboration through periodic in-person meetings as well as a virtual platform that allows 24/7 connectivity will provide the Corridor with the means to come together as a region on projects that require more “collective clout” or more information sharing, while working individually on local concerns. Having a connective tissue among the various partners will help the region paint better pictures for business prospects; the region will be able to boast that it has the talent, pipelines and relationships to meet their needs.
2. **Focus on Thirteen** – Increasing evidence shows that everyone is going to need at least some post-secondary education or training for quality jobs. Therefore, it is critical that regional partners in workforce development, education and economic development team together to identify the education and training that employers are seeking and the most efficient methods of equipping the regional workforce with these credentials.
3. **Talent Transition Clusters** – Services to dislocated workers can be combined and focused on targeted growth clusters in the region. With workforce development and economic development collaborating on what clusters to target, both business and jobseekers needs will be addressed: workers will transition into higher growth clusters and secure employment and employers will have access to the talent they need.



Thomas P. Miller and Associates

Prepared by:

Thomas P. Miller and Associates
1630 N. Meridian Street, Suite 430
Indianapolis, IN 46202

www.tpma-inc.com