

TRANSMITTAL # 5

MEMORANDUM

March 13, 2013

TO: Workforce Development Council

FROM: Roger Madsen, Director

Roger B. Madsen

SUBJECT: New "Industry Sector Grant" program for the Workforce Development Training Fund

ACTION REQUESTED: Adopt proposed grant program for WDTF

BACKGROUND:

In response to requests to more aggressively meet the needs of industry training throughout the state and encouragement from the subcommittees of the Educational Attainment Taskforce, we are proposing a new "Industry Sector Grant" program using Workforce Development Training Funds (WDTF) that could be used in addition to the current WDTF approach of assisting Idaho employers create new jobs.

The goal is to use the current ongoing, unused balance of the WDTF more effectively to encourage educational institutions to build partnerships with industry that are more responsive in meeting industry employee skill shortage needs.

PROPOSAL:

Idaho public post-secondary institutions would be eligible to apply for a two-year WDTF grant for up to \$1,000,000 if they partner with multiple businesses within a single, qualified industry to provide identified training to develop a pipeline of skilled workers for the industry.

It is anticipated that funds from this grant program would be awarded competitively through a periodic Request for Proposal (RFP) process. If approved by the Council, criteria and RFP guidelines would be developed along the following concepts:

- The industry partnership would be required to provide at least a twenty-five (25) percent cash match (Note: Employee wages would not count as match).
- The current WDTF requirements of targeting industries that sell their services or products outside the area and which provide jobs that pay \$12+ an hour with employer supported benefits would apply to this program.

- Training could be provided to develop a pipeline of workers for the industry involved to help the industry grow.
- The fiscal agent for the grant would be the public school in the partnership.
- Administrative costs could not exceed 5% of the grant amount.
- A labor market analysis of the industry sector would be required as part of the grant application to demonstrate the need for the training, including information from the businesses about how many they have hired over the past year and how many openings remain unfilled. The Department's Regional Labor Economists could assist in this analysis.

PROS:

This program would:

- Give industries access to workforce training resources that are specifically targeted to meet their workforce needs while encouraging them to invest in their workforce;
- Facilitate the state's "sector strategy" approach by providing a financial incentive for businesses in our targeted industry sectors to build partnerships with public education to provide workforce pipelines to meet identified industry workforce needs;
- Provide a financial incentive to encourage educational institutions to be more responsive to industry training needs;
- Leverage these WDTF grant funds by making schools with these funds that are applying for federal training grant more competitive;
- Promote the WDC goal of growing high wage/high skill jobs in Idaho and increasing industry recognized credentials;
- Increase the use of currently unused WDTF resources; and
- Improve Idaho workforce skills to better attract new businesses to the state.

STAFF RECOMMENDATION:

Adopt the proposed "Industry Sector Grant" program for the Workforce Development Training Fund.

Contact: Dwight Johnson (208) 332-3570 x 3335
 Jenny Hemly (208) 332-3570 x 3480