

# WIOA and Sector Partnerships

## **Introduction**

The promotion of sector partnerships - industry-driven partnerships that align the efforts of education, training, economic development and other organizations - is a key new component of the new Workforce Investment and Opportunity Act (WIOA). In fact, two of the six stated purposes of the bill address the need to align and improve workforce development, education and economic development.<sup>i</sup>

More importantly, WIOA mandates the use of and support of sector partnerships at the state, regional and local level. The following primer outlines those requirements.

## **Definition of Sector Partnerships**

WIOA defines an industry or sector partnership as *a workforce collaborative, convened by or in partnership with a State board for 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.*

The partnership must include representatives of multiple employers in the industry cluster, at least one labor representative, and at least one representative of a postsecondary institution or provider of education and training that supports the industry cluster. The law identifies several other organizations that may participate including, but not limited to: State and local economic development agencies, a State workforce agency or other entity providing employment services, and business or trade associations.<sup>ii</sup>

## **State Requirements**

The State board is required to assist the Governor in the development and expansion of strategies for meeting the needs of employers, workers and jobseekers, particularly through industry or sector partnerships related to in-demand industry sectors and occupations.<sup>iii</sup>

Funding reserved by a Governor must be used to provide assistance to local areas by providing information on and support for the effective development, convening, and implementation of industry and sector partnerships. Funds must also be used to share information on best practices regarding working with employers.<sup>iv</sup>

Funding may be used to implement strategies designed to meet the needs of all employers in the State, which may include sectoral and industry cluster strategies and implementation of industry and sector partnerships. Funds may also be used to improve coordination of workforce investment activities with economic development activities.<sup>v</sup>

### **Local Requirements**

The regional planning process conducted by local boards and chief elected officials in each planning region, must result in the development and implementation of sector initiatives.<sup>vi</sup>

The local board must lead efforts to engage employers in order to develop and implement proven or promising strategies for meeting the employment and skill needs of workers and employers, such as the establishment of industry or sector partnerships.<sup>vii</sup>

The local plan must include a description of the strategies and services that will be used in the local area to facilitate engagement of employers and better coordinate workforce development programs and economic development, which may include the implementation of industry and sector strategies.<sup>viii</sup>

Local funds must be used to develop, convene, or implement industry or sector partnerships.<sup>ix</sup>

### **Performance Accountability**

Among the new primary indicators of performance is at least one measure of effectiveness in serving employers that will be determined by the Secretaries of Labor and Education prior to PY 2016.<sup>x</sup>

## Relevant WIOA Citations

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### <sup>i</sup> SEC. 2. PURPOSES.

(2) To support the alignment of workforce investment, education, and economic development systems in support of a comprehensive, accessible, and high-quality workforce development system in the United States.

(3) To improve the quality and labor market relevance of workforce investment, education, and economic development efforts to provide America's workers with the skills and credentials necessary to secure and advance in employment with family-sustaining wages and to provide America's employers with the skilled workers the employers need to succeed in a global economy.

### <sup>ii</sup> SEC. 3. DEFINITIONS.

(26) The term "industry or sector partnership" means a workforce collaborative, convened by or acting in partnership with a State board or local board, that —

(A) organizes key stakeholders in an industry cluster into a working group that focuses on the shared goals of human resources needs of the industry cluster and that includes, at the appropriate stage of development of the partnership—

(i) representatives of multiple businesses or other employers in the industry cluster including small and medium-sized employers when practicable;

(ii) 1 or more representatives of a recognized State labor organization or central labor council, or another labor representative, as appropriate; and

(iii) 1 or more representatives of an institution of higher education with, or another provider of, education or training that support the industry cluster; and

(B) may include representatives of—

(i) State or local government;

(ii) State or local economic development agencies;

(iii) State boards or local boards, as appropriate;

(iv) a State workforce agency or other entity provide employment services;

(v) other State or local agencies;

(vi) business or trade associations;

(vii) economic development organizations;

(viii) nonprofit organizations, community-based organizations, or intermediaries;

(ix) philanthropic organizations;

(x) industry associations; and

(xi) other organizations, as determined to be necessary by the members comprising the industry or sector partnership.

### <sup>iii</sup> SEC. 101. STATE WORKFORCE DEVELOPMENT BOARDS.

(d) FUNCTIONS.—The State board shall assist the Governor in—

(3) the development and continuous improvement of the workforce development system in the State, including—

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(D) the development and expansion of strategies for meeting the needs of employer, workers, and jobseekers, particularly through industry or sector partnerships related to in-demand industry sectors or occupations;

<sup>iv</sup> **SEC. 134. USE OF FUNDS FOR EMPLOYMENT AND TRAINING ACTIVITIES.**

(a) STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—

(2) REQUIRED STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—

(B) STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—Funds reserved by a Governor under sections 128(a)(1) and 133(a)(1) and not used under paragraph (1)(A) (regardless of whether the funds were allotted to the States under section 127(b)(1)(C) or paragraph (1)(B) or (2)(B) of section 132(b) shall be used for statewide employment and training activities, including—

(i) providing assistance to—

(III) local areas by providing information on and support for the effective development, convening, and implementation of industry or sector partnerships;

(iv) disseminating—

(III) information on effective outreach to, partnerships with, and services for, business;

<sup>v</sup> **SEC. 134. USE OF FUNDS FOR EMPLOYMENT AND TRAINING ACTIVITIES.**

(a) STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—

(3) ALLOWABLE STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—

(A) IN GENERAL.—Funds reserved by a Governor under sections 128(a)(1) and 133(a)(1) and not used under paragraph (1)(A) (regardless of whether the funds were allotted to the States under section 127(b)(1)(C) or paragraph (1)(B) or (2)(B) of section 132(b) shall be used for statewide employment and training activities, including—

(i) implementing innovative programs and strategies designed to meet the needs of all employers (including small employers) in the State, which programs and strategies may include incumbent worker training programs, customized training, sectoral and industry cluster strategies and implementation of industry or sector partnerships, career pathway programs, microenterprise and entrepreneurial training and support programs, utilization of effective business intermediaries, layoff aversion strategies, activities to improve linkages between the one-stop delivery system in the State and all employers (including small employers) in the State, and other business services and strategies that better engage employers in workforce investment activities and make the workforce development system more relevant to the needs of State and local businesses, consistent with the objectives of this title;

(vii) activities—

(I) to improve coordination of workforce investment activities with economic development activities;

<sup>vi</sup> **SEC. 106. WORKFORCE DEVELOPMENT AREAS.**

(c) REGIONAL COORDINATION.—

(1) The local boards and chief elected officials in each planning region described in subparagraph (B) or (C) of subsection (a)(2) shall engage in a regional planning process that results in—

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(C) the development and implementation of sector initiatives for in-demand industry sectors or occupations for the region;

<sup>vii</sup> **SEC. 107. LOCAL WORKFORCE DEVELOPMENT BOARDS.**

(d) FUNCTIONS OF LOCAL BOARD.—

(4) EMPLOYER ENGAGEMENT.— The local board shall lead efforts to engage with a diverse range of employer and with entities in the region involved—

(D) to develop and implement proven or promising strategies for meeting the employment and skill needs of workers and employers (such as establishment of industry and sector partnerships), that provide the skilled workforce needed by employers in the region, and that expand employment and career advancement opportunities for workforce development system participants in in-demand industry sectors or occupations.

<sup>viii</sup> **SEC. 108. LOCAL PLAN.**

(b) CONTENT.— The local plan shall include—

(4) a description of the strategies and services that will be used in the local area—

(A) in order to—

(i) facilitate engagement of employers, including small employers and employers in in-demand industry sectors and occupations, in workforce development programs;

(ii) support a local workforce development system that meets the needs of businesses in the local area;

(iii) better coordinate workforce development programs and economic development; and

(iv) strengthen linkages between the one-stop delivery system and unemployment insurance programs; and

(B) that may include the implementation of initiatives such as incumbent worker training programs, on-the-job training programs, customized training programs, industry and sector strategies, career pathways initiatives, utilization of effective business intermediaries, and other business services and strategies, designed to meet the needs of employers in the corresponding region in support of the strategy described in (1)(F).

<sup>ix</sup> **SEC. 134. USE OF FUNDS FOR EMPLOYMENT AND TRAINING ACTIVITIES.**

(c) REQUIRED LOCAL EMPLOYMENT AND TRAINING ACTIVITIES.—

(1) IN GENERAL.—

(A) ALLOCATED FUNDS.—Funds allocated to a local area for adults under paragraph (2)(A) or (3), as appropriate, of section 133(b), and funds allocated to the local area for dislocated workers under section 133(b)(2)(B), shall be used—

(v) to develop, convene, or implement industry or sector partnerships.

<sup>x</sup> **SEC. 116. PERFORMANCE ACCOUNTABILITY SYSTEM.**

(b) STATE PERFORMANCE ACCOUNTABILITY MEASURES.—

(2) INDICATORS OF PERFORMANCE.—

(A) PRIMARY INDICATORS OF PERFORMANCE.—

(i)(VI) the indicators of effectiveness in serving employers established pursuant to clause (iv).

(iv) INDICATORS FOR SERVICES TO EMPLOYERS.—Prior to the commencement of the second full program after the date of enactment of this Act, for purposes of clauses

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(i)(VI), or clause (ii)(III) with respect to clause (i)(IV), the Secretary of Labor and the Secretary of Education, after consultation with the representatives described in paragraph (4)(B), shall jointly develop and establish, for purposes of this subparagraph, 1 or more primary indicators of performance that indicate the effectiveness of the core program in serving employers.