



Governor's Office of Workforce Transformation

Governor's Executive Workforce Board

2013 Annual Report

*Creating a Unified Workforce System to Support Business
in Finding the Skilled Workers They Need*



Governor's Office of
Workforce Transformation

John R. Kasich, Governor
Tracy Intihar, Director



Governor's Executive Workforce Board

John R. Kasich, Governor of Ohio
R. Blane Walter, Chair

Governor's Executive Workforce Board

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International Union of
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Ohio Business Roundtable

David Whitehead (Retired)
FirstEnergy

Thomas F. Zenty III
University Hospitals

November 19, 2013

The Honorable John R. Kasich
Office of the Governor
77 South High Street, 30th Floor
Columbus, Ohio 43215

Dear Governor Kasich,

I am pleased to share this report with you to summarize the work of the Office of Workforce Transformation and to highlight our accomplishments for 2013.

The Office of Workforce Transformation has clear focus on three strategic priorities allowing us to identify achievable, worthwhile projects. Our strategic priorities are to:

- Identify and summarize business workforce needs;
- Align these needs with education and training; and
- Reform our current workforce system.

The purpose of this report is to provide an overview of our work and accomplishments. Some of our achievements this year include:

Identifying Ohio's Most In-Demand Jobs

Understanding Ohio's most urgent workforce needs allows us to prioritize and focus on critical shortages.

Inventories of Ohio's Education and Training Programs

Coupled with a summary of job needs, Ohio is building a robust inventory of training and education programs to allow for a thorough discussion about workforce supply and demand.

Industry Sector Partnerships

Industry is best positioned to lead a conversation about the gaps in the system that are creating workforce supply shortages. Supporting sector partnerships presents an opportunity to improve workforce development in Ohio.

Aligned Performance Metrics

The value of clear workforce performance measures for key workforce programs allows the state to identify and replicate what works best in putting individuals to work.

Veterans

Improving how we give credit for military training and experience for occupational licenses and college credit has been a critical priority in 2013.

Incumbent Worker Training Voucher

Ohio invested \$20 million in Fiscal Year (FY) 12 and \$30 million in FY 13 to allow Ohio companies to increase their competitive edge by providing training to their existing workforce.

Career Connections

Expanding the talent pipeline includes creating opportunities for students to learn more about career pathway opportunities. In 2013, Ohio created a plan to give teachers better tools to have these conversations within existing lesson plans.

OhioMeansJobs

Ohio has invested in enhancements to our online job matching tool to provide supports and assistance to job seekers and businesses looking for talent.

With a common-sense approach and a business-centric focus, we are making important reforms to our workforce system that will help businesses find the workers they need more easily and help workers find good careers that provide sustainable wages to support their families.

We are excited about our work to improve the workforce and education system and look forward to our priorities and projects in 2014.

Sincerely,

Tracy D. Intihar
Director

Blane Walter
Chairman

Why Workforce Transformation?

A Commitment to Growing Jobs and Ohio's Economy

Growing jobs and Ohio's economy drives almost every policy decision and reform priority in Governor John Kasich's Administration. Understanding the critical connection between jobs and economic growth, Governor Kasich's made workforce transformation a top priority and created the Office of Workforce Transformation to focus on this specific reform agenda. The Governor also restructured and prioritized the Governor's Executive Workforce Board, an advisory board of business, academic and community leaders to provide a common-sense perspective to the priority reforms. The goal of the Office of Workforce Transformation is simple: to create a unified workforce system that supports businesses in finding the skilled workers they need. This report will outline a number of important initiatives designed to close the gaps creating critical workforce shortages hampering businesses' ability to grow and expand.

174,800 new private sector jobs have been created since January of 2011

What We Do

Re-envisioning the Ohio Workforce System

The Office of Workforce Transformation has identified three strategic priorities to guide our work:

Strategic Priority 1

Identify businesses most urgent job needs:

Workers and education and training institutions do not have a reliable, consistent method for identifying the most in-demand jobs or skills that industries need. By summarizing the workforce needs of an industry, we can better align qualified workers with the needs of employers in order to create a more efficient and organized workforce.

Strategic Priority 2

Align the skill needs of employers with the training programs offered in the education system:

Businesses in Ohio struggle to connect with qualified people to fill high-demand job openings. We are missing critical opportunities to expose and inform students of Ohio's most in-demand jobs. With a directionally accurate summary of businesses most urgent job needs, our local workforce, education and training systems will be in a better position to fill the gaps.

Strategic Priority 3

Reform Ohio's workforce delivery system:

We are focused on reorganizing and reforming more than 90 workforce programs across 13 state agencies in order to make necessary updates and ensure better connections between businesses and workers. Currently, it is a common complaint that Ohio's workforce system is fragmented, confusing, and misaligned; however, the Office of Workforce Transformation and the Governor's Executive Workforce Board are committed to improving these programs to ensure better coordination with a commitment to putting people to work.

2013 Accomplishments

The Office of Workforce Transformation has prioritized work on the following important projects that fall within our three strategic priorities:

In-Demand Jobs Report

Ohio is identifying our most urgent job needs using three important data sources: state labor market statistics and projections, job posting trend data and results from an online job forecasting tool. Deploying the job forecasting tool to 1,800 companies tied to industries driving Ohio's economy is a significant priority and accomplishment in 2013. The tool asks companies to share the top five occupations they believe will be hardest to fill in the near future. Information provided by Ohio companies will provide an important picture of Ohio's most critical workforce needs anticipated in the next five years. Summarizing the data for job seekers, businesses, local workforce partners and the education community will be an important component of the work to expand the talent pipeline.

Ohio Rated Most Improved Business Climate in the U.S. Rated by CEO's in Chief Executive Magazine

Inventory of Ohio's Education and Training Programs

Matching education supply with employer demand to determine where gaps exist is key to Ohio's workforce development efforts. To supplement a summary of our most urgent workforce needs, Ohio is building an inventory of all education and training programs in our state. In

Ohio's public colleges, universities and adult education programs serve almost 600,000 students

2013, the Ohio Board of Regents has been building this inventory with data from our public higher education institutions. The state will work to add other education providers in 2014.

Industry Sector Partnerships

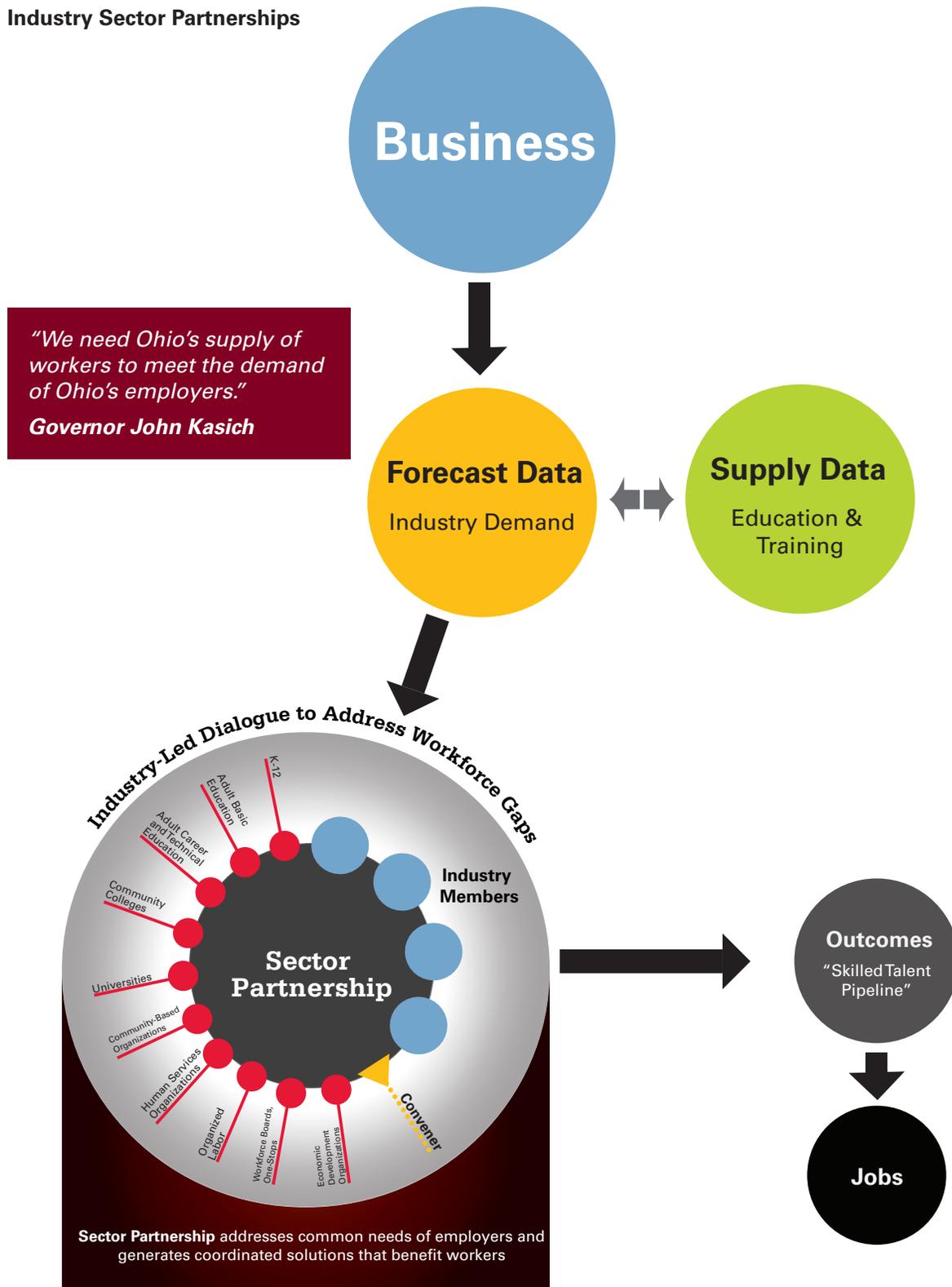
Our office is excited about industry sector partnerships as a vehicle to address critical workforce shortages. We believe sector partnerships have been established as a best practice in the workforce development space, not only in Ohio but across the country. The value of the partnership is to have an industry-led dialogue to begin to address the challenges businesses face in finding the workers they need. Data regarding workforce shortages takes us only so far in our workforce reform work. A sector partnership allows an industry to work collaboratively with education and training partners, local workforce, unions and other workforce partners to devise solutions to address workforce shortages and help grow the talent pipeline.

Ohio Insurance Workforce Council

This Sector Partnership launched in 2011. As a result of this partnership:

- University of Cincinnati has launched a program, Kent State has developed a degree program, and Columbus State Community College is launching Insurance Foundations I Certificate in the fall of 2013 and Insurance Foundations Certificate II in fall of 2014. Westfield Insurance has provided funds to pay for scholarships for the first Columbus State class.
- Insurance businesses have provided an estimated \$266,000 in 2012 to develop a statewide Insurance Careers Campaign
- OhioMeansInsuranceJobs launched in early summer 2013

Industry Sector Partnerships

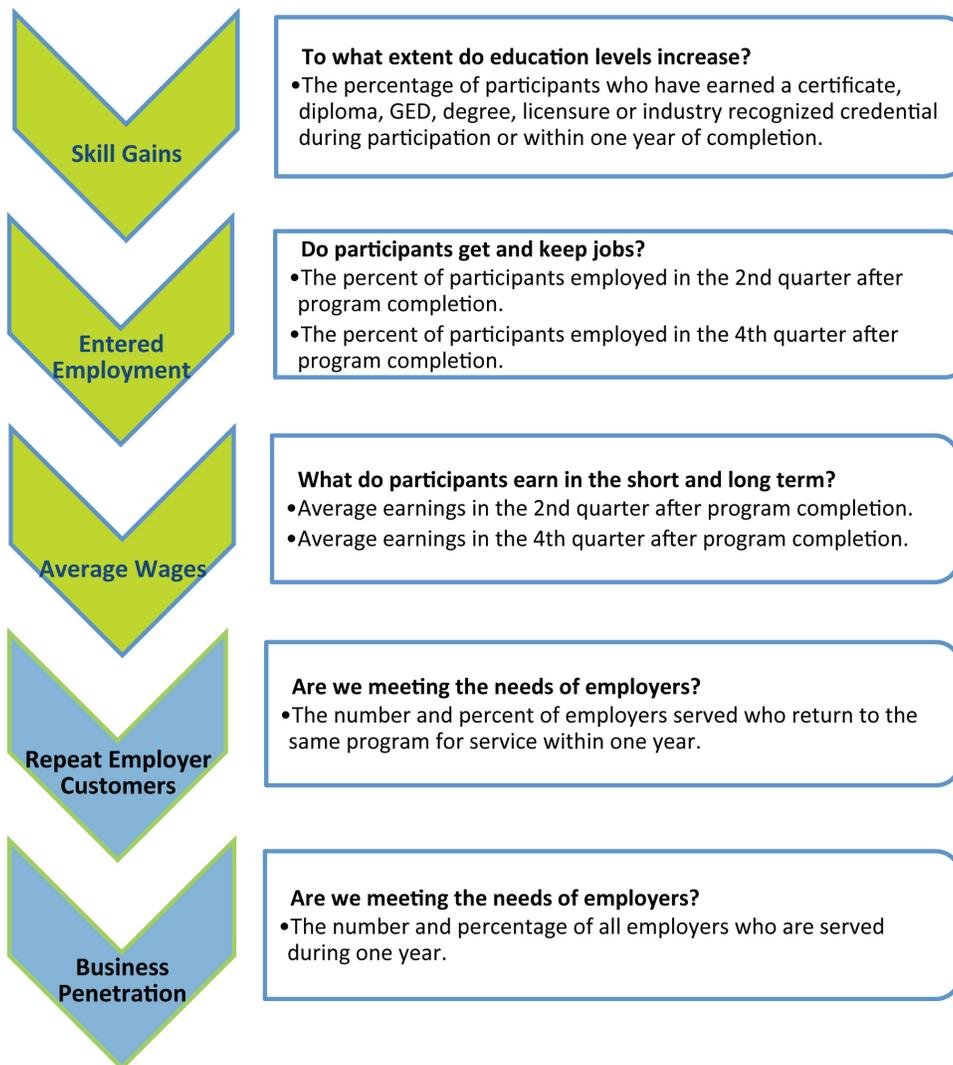


Career Connections

Now more than ever, students need to be exposed to careers available in the 21st century. By 2018, 63 percent of all U.S. jobs will require education and training beyond high school. Students need to see a link between what they are learning in the classroom and their future career opportunities. In 2013, the Ohio Department of Education developed grade-level strategies to connect learning with real-world jobs. By providing young people in Ohio's schools career pathway information and opportunities, we will help students prepare for and connect to meaningful jobs while providing businesses access to a viable talent pool to fill their job needs.

Aligned Performance Metrics

Ohio's tax-funded training workforce programs often operate with inadequate and inconsistent performance measures. The Office of Workforce Transformation is leading the effort to identify a set of basic workforce measures to track the results of our programs in preparing Ohioans for employment, increasing their earnings and increasing access to industry credentials.



Prioritizing Veterans as a Ready Workforce

With a directive from Governor Kasich in an executive order signed in June 2013, our office has been working closely with the Ohio Board of Regents and state agencies, boards and commissions that grant occupational licenses to evaluate and offer recommendations to ensure veterans receive credit for their military education, training and experience. Our office has worked to identify best practices and road blocks for veterans and will issue a report with recommended reforms for the state in December 2013.

Nearly 900,000 veterans currently reside in Ohio – the sixth largest population of veterans in the U.S.

OhioMeansJobs

OhioMeansJobs (OMJ) is Ohio's online job matching tool. Enhancements are currently being built for OhioMeansJobs that will move the tool beyond a basic job matching tool to a virtual career planning tool. Including data on the in-demand jobs in a region will allow a job seeker or a student planning next steps to see what careers present the best opportunities.

"OhioMeansJobs is a great online tool that provides a benefit to both businesses looking for workers and people looking for jobs."

Tracy Intihar, Director, Governor's Office of Workforce Transformation

Where are they most likely to find a job? What is the average salary? Where are the education and training programs in the area? How long are those programs and what do they cost? What schools can offer me the training I need?

The tool enhancements were deployed in a four county pilot in December with a statewide rollout planned for the first quarter of 2014.

Incumbent Worker Training Voucher

Resources for workforce training are typically only available to workers who have lost their jobs. The Ohio Incumbent Workforce Training Voucher Program was created to fill a gap in the current workforce system by providing needed training dollars to Ohio's incumbent workforce through unique public-private partnerships. The program works with businesses to identify and provide training before jobs losses occur so workers can maintain or upgrade their current skill sets and businesses can remain competitive in the global economy. The first round proved to be highly successful with 477 companies receiving \$20 million across 12 industries. An additional \$30 million of funding for the second round was announced in September 2013.

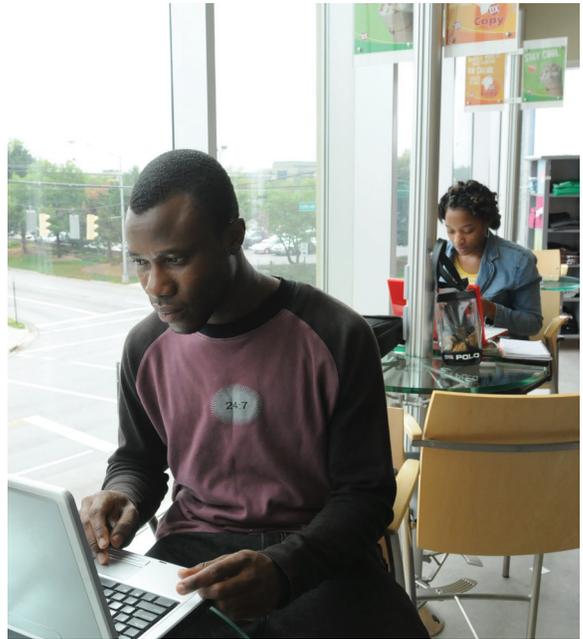


Local Workforce System Rebranding and Prioritizing OhioMeansJobs (OMJ) as the Statewide Job Matching Tool

In 2013, Ohio advanced policies to rebrand the 90 local One-Stop Offices with OMJ and to require the OMJ system as the statewide job matching tool. This effort will create a single point of entry for businesses and job seekers and is a good first step in creating consistency of services provided at the local level.

Connecting the Unemployed to Local Workforce Services

Connecting Ohioans receiving unemployment compensation benefits to the resources of the rebranded local OhioMeansJobs offices reinforces the state and local commitment to help the unemployed find work. After eight weeks of receiving benefits and still unable to find a job, an individual is required to have an active resume on OhioMeansJobs. Individuals registering for unemployment compensation will do so through the OhioMeansJobs website immediately familiarizing with the state's existing job search and training resources. Utilizing the technology of the OhioMeansJobs website, unemployment compensation claimants will receive weekly electronic notices of job openings based on their employment history, education and their interests. This effort will directly link the unemployed to employers, the workforce development system and to job opportunities that they might not have known existed.



Governor's Executive Workforce Board

Governor Kasich created the Governor's Executive Workforce Board to advise the Governor and the Governor's Office of Workforce Transformation on the development, implementation and continuous improvement of Ohio's workforce system. Chaired by Blane Walter, Chair of Talisman Capital Partners, the majority of the Board directly represents private-industry business.

The Board has identified its purpose and mission, which are outlined in the following key points:

1. Support the process of forecasting the skill needs of employers;
2. Ensure that the delivery and services of Ohio's workforce are streamlined; and
3. Provide guidance on performance measurements of the system.

In partnership with the Office of Workforce Transformation, the Board has established work groups to address the important initiatives we will move forward. The six work groups are summarized below:

Workforce Investment Board Chairs Work Group

The Governor's Executive Workforce Board expressed a clear commitment to engaging the local workforce system in its work. Chairman Blane Walter hosts a discussion quarterly with the business chairs of the local workforce investment boards to provide an update and get feedback on the Board's efforts and the work of the Office of Workforce Transformation.

Education and Training Work Group

The Education and Training Work Group is focused on how to better align education and training institutions with the needs of business. The group is working specifically on utilizing the data on Ohio's in-demand jobs list in the education community so that these providers can assist with developing new programs or enhancing existing programs where needed to begin addressing the gaps in the talent pipeline.

"We will help businesses and Ohioans succeed and, ultimately, improve the quality of life in Ohio."

Blane Walter, Governor's Executive Workforce Board

Business Engagement Work Group

This group has been tasked with providing feedback on efforts to summarize Ohio's in-demand jobs and our efforts to ask businesses to forecast their most urgent workforce needs.

Veterans Work Group

The Veterans Work Group is prioritizing the workforce needs of all veterans. The work group is supporting efforts to 1) support transitioning veterans 2) give credit for military training and experience, 3) attract veterans to Ohio, and 4) link employers to veterans.

Workforce System Reform Work Group

The Workforce System Reform Work Group is working to create aligned workforce performance metrics for all workforce programs, a basic set of measurements to evaluate our programs. The group will also consider other workforce reforms to improve, align and simplify our workforce system.

Youth Work Group

This work group is working to align and prioritize workforce programs that specifically relate to the youth population. The group is also advising on Career Connections efforts to prioritize career pathway education in the K-12 system.