

Testimony: October 8, 2008  
“Midwest Jobs Picture: Strategies to Rebuild communities”  
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5 Thank you Senator Brown for inviting me to testify this afternoon on the “Midwest Jobs Picture: Strategies to Rebuild Communities”. On behalf of the Regional Workforce Transformation Consortium I would like to thank you personally – Senator Brown – for your deep commitment to the future prosperity of this region.

10 The Dayton Region has a window of opportunity to effect workforce transformation within the next three years if we can identify a strategy and lay the foundations necessary to meet both the needs of the employers and the skills of the employees. The region has seen significant disruptive changes that are impacting both employers and workers in the Dayton region. Downsizing and plant closures have left many workers unemployed with few resources dedicated to assisting their transition into new  
15 industry sectors with similar skill set requirements. At the same time, the Base Closure and Realignment (BRAC) process will create highly skilled job opportunities by 2011, but currently the region does not have the talent pool of experience required to fill every key position.

A 2006 job vacancy study commissioned by Montgomery County also identified a short term demand for employees with more advanced skills that are needed within existing businesses as they  
20 strive to remain competitive and grow. The study revealed more than 21,000 job vacancies; however, the skill sets needed for the majority of these positions disqualified most, if not all, of the 26,000 unemployed at the time e. This “skills gap” between the workforce-needs of employers and the available workforce revealed the root problem the region must solve in order to recover from the disruptive changes on the horizon as a result of downsizing, BRAC and current demand.

25 Today, I would like to provide high level details on the actions that have already been taken, a strategic plan for future implementation, and recommendations as to how the Federal government could support the region as it goes through this transformation.

In the fall of 2007 a sector strategy was launched by Montgomery County. This sector approach to workforce development for the Dayton region is organized into three parts—strategic industries, core  
30 industries, and infrastructure industries—each of these three industry areas have unique workforce needs. A summary highlighting workforce demand in each industry area along with a full report is attached in Appendix A.

There has also been a consolidation of interest and of capabilities between the academic, public, and industry sectors through the development of the **Regional Workforce Transformation**  
35 **Consortium**. A detailed description can be found in Appendix B, but simply stated, the mission of this organization is to develop capabilities that allow for the affected redeployment, revitalization and rebuilding of workforce on both the supply and demand side. The consortium provides a collaborative environment where strategic initiatives can guide the effective use of individual group funds for a collectively agreed upon goal, this results in the entire group’s ability to leverage investments rather than  
40 operating in an environment of competition. Additionally the Ohio Skills Bank initiative has been leveraged as part of the region’s strategic framework.

Now that the framework and network has been developed through the Consortium, the strategic plan for regional workforce transformation is being developed based on a disaster recovery model. This model for recovery recognizes that there are a number of stages necessary to achieve the ultimate  
45 reestablishment of prosperity or activity that existed prior to the disaster, and is the short term solution. The five stages: respond, recover, restore, rebuild, and redevelop, are used as a framework for defining specific workforce outcomes, actions, and recommendations.

Our first stage is to respond. Within the first six weeks, the strategy must focus on the ability to align displaced workers with existing demand within the region’s businesses. Funding is needed in  
50 transition centers to provide tools that can assess workforce skills at the individual level and translate these skills into existing employer demand.

The second stage is to recover. This is a six month outlook, and requires every effort to bolster the capacity of the existing business and industry infrastructure to absorb displaced workers. The 2006 job vacancy study identified a significant number of openings within existing industries that require high skills and provide a high wage. This issue might be alleviated by subsidizing education and training, including soft skills, management and supervisory skills, of incumbent lower skilled workers in an effort to prepare them for higher skilled, high wage jobs that meet the need of the employers. This strategy would also create vacancies in entry level positions for workers with appropriate skills. Our focus for this strategy would be to fund the target sectors of the regional economy. In this way dollars are focused within infrastructures that can best provide for employment in the long-term.

These short term strategies could be funded with federal dollars that are already allocated to deal with the dislocation events and unemployment. Some of the local, longer term issues facing dislocated workers, however, link directly to the difficulty accessing and qualifying for the federal funds that are already in place to support obtaining the skills needed by employers.

The third stage is to restore. Within one year, programs and efforts focused on the long term realignment of skills to the workforce development priorities of the region must be well-established. These programs broaden the capacity of workers to take on jobs within new businesses. However the development of such programs depends on a clear understanding of the regional education and training assets, a dynamic knowledge of the key demand areas within the region, and funding to maintain and improve these efforts.

The fourth stage is rebuilding. This is a longer range strategy that will impact the region within the next three years. Within the Dayton region it is our view that long term stability requires the development of small and medium-size businesses in the targeted industries that tie closely with the mission of the Wright Patterson Air Force Base. Education remains a significant factor in this stage. Creating and sustaining a high skilled workforce that meets the ever-changing demands of existing

employers requires that employees are constantly presented with options to increase their skills so that continuous learning is the norm rather than the exception in business and industry.

80 The final stage, redevelopment looks beyond the next three years. The long term prospects for prosperity within the Dayton region will depend on the development of an infrastructure that is adaptive to the increasing rate of change within the global economy and the ability to capitalize on natural advantages in the region – including the low cost of living, a stable supply of water and power, a hub of research and development activity and expertise in the Wright Patterson Air Force Base and the existence of a strong education system.

85 These five stages are the framework for regional stability. If executed correctly, employment pathways will provide both a near and longer term view to employer demand at the occupational level, and will provide a lattice of opportunities that could lead to multiple strategic industries. A focus on the individual's transferrable skills provides the region with the opportunity to manage a system that allows for fluid movement from one industry to another based on the regional demand.