# SECTOR INITIATIVES FOR COLORADO'S LONG-TERM HEALTHCARE INDUSTRY

**June 2007**

By **Jack Mills**

# BACKGROUND

## NATIONAL ECONOMIC DEVELOPMENT AND LAW CENTER

Founded in 1969, the National Economic Development and Law Center is a national research, consulting and legal organization dedicated to building economic health in vulnerable communities. We develop and promote innovative solutions that help people and communities become, and remain, economically secure. NEDLC works in collaboration with foundations, nonprofits, educational institutions, government and business to support programs that lead to good jobs; strengthen early care and education systems; and enable people and communities to build financial and educational assets.

## NATIONAL NETWORK OF SECTOR PARTNERS

The National Network of Sector Partners (NNSP) is a project of the National Economic Development and Law Center. NNSP is the national membership association for organizations that implement sector initiatives and their supporters. NNSP's goals are to expand the commitment of public and private resources to industry-specific workforce development; increase awareness of the benefits of sector initiatives; increase the quality, capacity, and number of partners in the field; achieve enactment of supportive policy; and provide information and resources to those working in the field.

## ABOUT THE AUTHOR

Jack Mills directs the National Network of Sector Partners.

## ACKNOWLEDGEMENTS

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# EXECUTIVE SUMMARY

The purpose of this report is to assist organizations to develop sector initiatives for the long-term healthcare industry in Colorado.

Several factors are driving increased demand for long-term healthcare in Colorado and across the country. These include unprecedented increases in the elderly population and in the number of people with chronic medical conditions, as well as a decrease in the number of family members who provide care, especially due to demographic changes.[1] Additionally, like a number of states, Colorado's long-term healthcare industry will have increasing demand for long-term healthcare that can meet the healthcare, linguistic and cultural needs of Hispanics.

While these factors and others are driving massive growth in the demand for workers in the long-term healthcare industry, at the same time retirements, large numbers of workers who leave long-term healthcare occupations, and other factors are restricting the supply of those workers, exacerbating the shortage.[2]

Meanwhile, across the country, the industry's direct care workers face a litany of problems including inadequate training; poor public image; low pay; insufficient benefits; inadequate job orientation and lack of mentoring; little or no opportunity for continuing education and development; poor supervision; emotionally and physically hard work; workplace stress and burnout; personal life stressors, such as problems with housing, child care, and transportation; lack of respect from residents' families; and short staffing.[3] The good news is that many long-term healthcare providers have overcome these challenges, often through their involvement with sector initiatives.

Sector initiatives are effective in meeting industry and worker needs because they incorporate strategies for workforce development, as well as strategies to change industry practices, public policies and public institutions with which the industry and its workers interact.

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[1] Harris-Kojetin, Lauren, et al. (2004). "Recent Findings on Frontline Long-term Care Workers: A Research Synthesis, 1999-2003," *prepared for the Office of Disability, Aging, and Long-Term Care Policy, Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services*, pages 1-2. National Center for Health Workforce Analysis. (2006). "What is Behind HRSA's Projected Supply, Demand, and Shortage of Registered Nurses?" *Health Resources and Services Administratio*n, page 1.

[2] Harris-Kojetin, Lauren, et al. (2004). Page 6. National Center for Health Workforce Analysis (2006). Page 1.

[3] Harris-Kojetin, Lauren, et al. (2004) Page 7.

Sector initiatives are customized responses to the needs of an industry and the workforce within a regional labor market. Therefore, they vary in many aspects. For instance, some sector initiatives this report describes work solely with long-term healthcare providers, while others work with providers of both long-term and acute healthcare. Additionally, while many sector initiatives provide services to long-term healthcare providers and workers, others provide services to seniors and others who receive long-term healthcare.

However, sector initiatives all share three principles. They create regional partnerships that work with multiple employers within an industry to articulate those employers' specific skill and labor needs, address obstacles and develop solutions. They identify existing and potential labor pools, analyze and overcome barriers to employment in good jobs and provide workers with enhanced training and employment opportunities. And they work for systems change—in industry, public policy, and/or public institutions.

The National Network of Sector Partners (NNSP), the national association of sector initiatives and organizations that support them,[4] defines sector initiatives as having four characteristics:

- They target a specific industry, customizing workforce solutions for multiple employers in that industry, community, and region.
- They are led by a workforce intermediary that has deep knowledge of the target industry.
- They provide training and career pathways that benefit low-income and other disadvantaged individuals.
- They promote systems change that benefits both workers and employers, crafting win-win solutions for communities.

Sector initiatives produce benefits for workers and the long-term healthcare industry. Examples include better wages and career ladders, increased retention, improved quality of care, and team approaches to staffing and other types of workplace culture change.

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[4] For more information about the National Network of Sector Partners, see *www.nedlc.org/nnsp*

# INTRODUCTION

The long-term healthcare industry faces enormous challenges in Colorado and across the country. Sector initiatives provide an industry-focused approach to regional workforce and economic development. Because sector initiatives incorporate strategies for workforce development, as well as strategies to change industry practices, public policies, and public institutions with which the industry and its workers interact, sector initiatives provide an effective means of responding to the industry's challenges.

A sector initiative for the long-term healthcare industry begins by conducting research on a regional labor market in order to analyze the underlying causes of issues facing the industry and its workers. It conducts focus groups with long-term healthcare providers and workers in order to gain a depth of knowledge about the problems they face. By doing so, the sector initiative develops credibility and support. Having analyzed challenges and their causes, the sector initiative designs and implements strategies to address them. For instance, depending on the issues, an initiative tackling a nursing shortage could begin by selecting among a variety of strategies:

- Increasing the number of local nursing education slots and working with healthcare providers to expand the nurse educator staff.
- Increasing the number of clinical training opportunities and using simulations to broaden the range of clinical training settings.
- Providing businesses with resources for career ladder training and working with them to revise job descriptions so that completion of each step of the training results in a wage- and job-level increase.
- Establishing basic healthcare courses in high schools to create a pipeline for Certified Nurse Assistants, Licensed Practical Nurses, and Registered Nurses.
- Improving shifts for nurses in long-term healthcare facilities.
- Increasing articulation and expanding support for Licensed Practical or Vocational Nurses to become Registered Nurses.
- Creating child-care availability in the community during typical nursing shifts.

Having implemented some of these (or other) strategies, the sector initiative evaluates their success. It also continually updates its understanding of the issues affecting the industry and the labor market. Based on ongoing analysis of these information sources, the sector initiative then revises its strategies.

This report begins by providing information on the dynamics of the long-term healthcare industry across the U.S. and in Colorado that provides the context in which long-term healthcare sector initiatives operate.

The report then describes sector initiatives; their key characteristics; their results; and how those results are produced.

The report then describes the development of sector initiatives, beginning with information on convening a partnership; partnership roles; and the role of champions. The section continues by describing the role of the workforce intermediary in leading the sector initiative. A description of research and analysis tasks follows.

The report continues by discussing the design of sector initiatives, addressing services for long-term healthcare providers; services for workers; and systems change.

Next, the report describes the management of sector initiatives, including use of a project management approach; establishment of a charter; and development of Memoranda of Agreement.

The report ends by identifying key areas for technical assistance to long-term healthcare sector initiatives, based on a survey of long-term healthcare sector initiatives as well as initiatives that work in long-term and acute healthcare. These areas may benefit from special attention by long-term healthcare sector initiatives in Colorado.

# SECTION 1:
# THE LONG-TERM HEALTHCARE
# INDUSTRY CONTEXT

Several factors are driving increased demand for long-term healthcare in Colorado and across the country. These include unprecedented increases in the elderly population and in the number of people with chronic medical conditions, as well as a decrease in the number of family members providing care, especially due to demographic changes.

Between 2002 and 2012, direct care worker occupations are predicted to be some of the fastest growing, and among those with the largest growth, among health occupations nationally. The industry will add an estimated 888,000 additional direct care worker jobs nationwide, an increase of about 34 percent. Over 1.2 million new direct care workers will be needed over the first decade of the 21st century, including these new jobs and replacement jobs for retiring workers and those who leave direct care occupations. This combination of forces will produce an estimated 56 percent increase in demand for home care and personal care aides and an estimated 61 percent increase in demand for home health aides. Long-term healthcare providers and state agencies responsible for long-term care services are reporting unprecedented vacancies and turnover rates among direct care workers, ranging from 45 percent to over 100 percent annually for nursing homes.[5] Meanwhile, there will be surging demand for nurses, and marked shortages, over the next two decades.[6]

Additionally, like some other states, Colorado will have increasing demand for long-term care that can meet the health care, linguistic and cultural needs of Hispanics. Colorado's Hispanic population is projected to comprise one-quarter of the state's overall population by 2020.[7] While much of that growth will be among individuals who do not need long-term care, Hispanics currently represent 9.7 percent of Coloradoans who are 65 and older, and 10 percent of state residents who are 60 and older.[8]

While these factors and others are driving massive growth in the demand for workers in the long-term healthcare industry, at the same time retirements, large numbers of

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[5] Harris-Kojetin, Lauren, et al. (2004). Page 1

[6] National Center for Health Workforce Analysis. (2006). Page 1.

[7] Colorado Health Institute. (2005). "Health and Health Care in Colorado," *Colorado Health Institute*, Page 4.

[8] 2005 American Community Survey: Tables for Colorado. (2005). "Characteristics of the Population 60 and Older, and Characteristics of the Population 65 and Older," *U.S. Department of the Census.*

workers who leave long-term healthcare occupations, and other factors are restricting the supply of those workers, exacerbating the shortage. [9]

Factors related to these problems include inadequate training; poor public image of the long-term healthcare/direct care workforce; low pay; insufficient benefits; inadequate job orientation and lack of mentoring; little or no opportunity for continuing education and development within the position; poor supervision; emotionally and physically hard work; workplace stress and burnout; personal life stressors, such as problems with housing, child care, and transportation; lack of respect from residents' families; and short staffing. [10]

These challenges create deep concerns for seniors and others who are already hard-pressed to find long-term healthcare, as well as for family members who often want to provide care and need assistance to do so. Sector initiatives make it possible for long-term healthcare providers and workers to respond to these concerns.

Just as low pay affects the supply of direct care workers nationally, it affects direct care and other long-term healthcare workers in Colorado. Some jobs in Colorado's long-term healthcare industry pay enough for workers and their families to make ends meet; others do not. The cost of living varies among Colorado's counties, but one measure is provided by the 2005 self-sufficiency standard in Denver County, based on three household types: a single adult; a family with one adult and one preschooler; and a family with one adult, one pre-schooler, and one school-age child. The table below shows average wages in 2004 for Coloradoans in a variety of long-term healthcare occupations, and whether they make it possible to achieve economic self-sufficiency [11]

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[9] Harris-Kojetin, Lauren, et al. (2004). Page 6. National Center for Health Workforce Analysis (2006). Page 1.

[10] Harris-Kojetin, Lauren, et. al. (2004) Page 7.

[11] Based on comparison of November 2004 data from the "Occupational Employment Statistics Survey" conducted by the *US Department of Labor Bureau of Labor Statistics* and the income required during 2005 to provide economic self-sufficiency in Denver County, based on "The Self-Sufficiency Standard for Colorado 2004: A Family Needs Budget," by Diana Pierce, Ph.D with Jennifer Brooks, prepared for the *Colorado Fiscal Policy Institute*.

| Long-Term Healthcare in Colorado: Wages and Economic Self-Sufficiency | | | | |
|---|---|---|---|---|
| | Avg. 2004 hourly wage for CO[12] | Denver County 2005 Self-Sufficiency Standard | | |
| | | Single adult | One adult, one pre-schooler | One adult, one preschooler, one school-age child |
| | | $9.09 | $16.74 | $20.21 |
| Certified Nurse Assistant/Aide | $11.44 | Yes | No | No |
| Home Heath Aide | $9.42 | Yes | No | No |
| LPN/LVN | $17.99 | Yes | Yes | No |
| Occupational Therapy Aide/Assistant | $17.32 | Yes | Yes | No |
| Occupational Therapists | $24.05 | Yes | Yes | Yes |
| Physical Therapy Aide/Assistant | $16.28 | Yes | No | No |
| Physical Therapist | $26.16 | Yes | Yes | Yes |
| Registered Nurse | $26.45 | Yes | Yes | Yes |
| Respiratory Therapists | $21.61 | Yes | Yes | Yes |
| Speech/Language Pathologist | $26.24 | Yes | Yes | Yes |
| Surgical Technologists | $17.66 | Yes | Yes | No |

Improving compensation and creating career paths can address this issue for workers and improve retention. Some long-term-care sector initiatives do so, especially for occupations like Home Health Aides and Nurses Assistants. For instance, Genesis Eldercare's Geriatric Nursing Assistant Specialist program has proven to be an effective retention tool and has improved workers' motivation. The program establishes step-by-step wage increases for certified nursing assistants (CNAs), provides a career ladder for them and trains them to work with Medicare patients.[13]

Many sector initiatives leverage the overlap of long-term and acute healthcare occupations in order to expand scale, meet a broader range of industry needs, and provide more extensive career paths. Examples of occupational overlap among home healthcare providers, nursing homes, hospitals, and ambulatory/outpatient facilities include Registered Nurses, Licensed Practical Nurses, Certified Medical Aides, and Home Health Aides. Depending on regional labor market conditions, these overlaps may

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[12] For economic self-sufficiency standards of all Colorado counties, see "The Self-Sufficiency Standard for Colorado 2004: A Family Needs Budget." Note that while wages for these occupations are increasing over time, the increases are too small to change the occupations' family economic self-sufficiency rating, especially accounting for cost of living increases. For instance, May 2006 Occupational Employment Statistics data from the Bureau of Labor Statistics of the Department of Labor show that Home Health Aides' wages increased to $10.44/hour and Certified Nurses Assistants wages increased to $11.59/hour.
[13] See http://www.directcareclearinghouse.org/practices/r_pp_det.jsp?res_id=47210, accessed June 29, 2007.

provide the basis for a sector initiative that addresses providers of long-term and other health care. For instance, in San Diego, California, the Golden Care Academy provides training programs to primarily low-income, minority people that readies them for jobs as Certified Nurse Aides, Home Health Aides, and Acute Care Certified Nurse Aides.[14]

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[14] See http://www.gcwi.org, accessed June 29, 2007.

# SECTION 2:
# WHAT SECTOR INITIATIVES ARE

Sector initiatives are industry-focused efforts that benefit workers; the industry in which they work; and their communities. Sector initiatives accomplish this by improving skills and employment opportunities, especially for low-income individuals, and by changing industry practices, related public policies, and public institutions with which workers and the industry interact.

Sector initiatives create regional partnerships that work with multiple employers within an industry to articulate the specific skill and labor needs of those employers; address obstacles; and develop solutions. Sector initiatives also identify existing and potential labor pools; analyze and overcome barriers to employment in good jobs; and provide workers with enhanced training and employment opportunities.

## Key Characteristics of Sector Initiatives

The National Network of Sector Partners defines sector initiatives as having four characteristics:

- They target a specific industry, customizing workforce solutions for multiple employers in that industry, community, and region.
- They are led by a workforce intermediary that has deep knowledge of the target industry.
- They provide training and career pathways that benefit low-income and other disadvantaged individuals.
- They promote systems change that benefits both workers and employers, crafting win-win solutions for communities.

## How Sector Initiatives
## Improve Opportunities for Workers and
## Overcome Industry Challenges

**Business involvement**: A key to sector initiatives' effectiveness is their involvement of business partners. Long-term healthcare industry sector initiatives have a variety of forms, but all of them emphasize business involvement. For instance, some long-term-care sector initiatives are long-term healthcare providers themselves, and operate as social enterprises. They also involve other long-term healthcare providers in

governance; provision of financial support; collaboration on program design; and publicizing the sector initiative. Other sector initiatives work with long-term and acute healthcare providers, and typically involve businesses in governance; provision of in-kind support, collaboration on program design, and publicizing the partnership. In addition, many receive financial support and staff support from businesses.

**Improving opportunities for workers:** Sector initiatives take two approaches to improving opportunities for workers. They may increase job seekers' and workers' access to good jobs. Or, they may improve the quality of the jobs themselves.

For example, Workforce Development Inc. (the Workforce Investment Board for Southeast Minnesota) operates a sector initiative that increases access for low-income individuals to good jobs. Its healthcare academy[15] has changed the way workers are trained.

Quality Care Partners is a sector initiative that improves the quality of long-term healthcare jobs. A non-profit social enterprise in New Hampshire, Quality Care Partners provides a laboratory for the creation of quality healthcare jobs for direct care workers. Workers receive orientation, peer mentoring, and continuing education, and the company encourages promotion from within. It also involves workers in governing the company.[16]

Often, sector initiatives combine efforts to increase access to good jobs with efforts to improve job quality.

**Services to workers:** Sector initiatives provide a variety of services to job seekers and workers. Those that work with long-term and acute healthcare providers typically provide worker services such as orientation and training for job seekers, career counseling and management, assistance in obtaining employment, peer mentoring and training for incumbent workers, case management, and support services.

Examples of services provided by sector initiatives that have produced benefits for workers and long-term healthcare providers include:
- Use of peer mentoring by experienced Certified Nurses Aides (CNAs) to acquaint new CNAs with the customs, resources and care values of a nursing home, supplementing their usual training.
- An apprenticeship-based career ladder program that provides training and career development through the CNA, LPN, and RN levels.
- An incumbent worker training program that includes clinical, interpersonal, and communication skills, as well as bonuses or wage increases.

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[15] See http://www.gwdc.org/sector_workshop_materials/Thofson.ppt, accessed June 29, 2007.
[16] See http://www.qualitycarenh.com/default.aspx, accessed June 29, 2007.

**Services to businesses:** Sector initiatives typically assist long-term-care providers by meeting hiring needs; providing customized training; improving human resource practices; creating culture change; and empowering direct healthcare workers. Sector initiatives that are long-term healthcare employers themselves demonstrate the success of alternative human resource and management practices to the industry.

Examples of other successful types of services to businesses include:

- Training CNAs; connecting wage increases and career ladders to the CNA training; and training nurse managers and charge nurses in their roles as leaders, team builders, care role models, and gerontological clinical experts.
- Use of participatory management, interdisciplinary teams, self-management of work assignments, and organization-wide recognition events. These practices are supported by hiring staff that support them and by providing ongoing training regarding the organizational culture. Additionally, all staff are cross-trained as CNAs, and CNAs receive better-than-average wages.
- Blending CNA responsibilities with those of cooking and housekeeping co-workers; team decision-making; and career ladders though which workers gain pay increases by completing various levels of training.

# Systems Change

Sector initiatives change three systems in order to produce broad impact: they may make changes in the industry; in institutions such that provide workforce, economic, and skill development services to the industry; and/or in public policies. Examples include:

**Changing industry:** The District 1199c Training and Upgrading Fund in Philadelphia has changed the way that workers are hired and promoted by implementing a new career ladder in behavioral health for entry-level and incumbent workers. This ladder is linked to for-credit post-secondary course work and credentials.[17]

**Changing public institutions:** Located in Aptos, California, The Health Careers Partnership involves a consortium of healthcare, education, workforce development, and social-service providers that have established a "marketplace" for education and training, making it possible to provide the mix of health occupation programs needed to meet current and future healthcare workforce needs.[18]

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[17] See: http://www.1199ctraining.org,accessed June 29, 2007.
[18] See: http://www.lhc.ca.gov/lhcdir/CTE/PfotenhauerApr07.pdf, accessed June 29, 2007.

**Changing public policy:** The Southern Good Faith Fund's work with state officials brought about allocation of millions of TANF funding to support the community college Career Pathways Initiative.[19]

Sector initiatives that provide services to long-term and acute healthcare providers typically bring about systems changes that establish new ways in which workers are trained, promoted, and/or retained, and also modifies the workforce development system's connection to workers and the industry. Additionally, they also often work to change public policy.

Social enterprises that operate long-term healthcare sector initiatives work to change systems by demonstrating the success of alternatives to typical industry practices, such as changes to the way workers are promoted, redefining job descriptions, and identifying career ladders. They, too, often work to change public policy.

# The Results of Sector Initiatives

Low-income workers benefit from sector initiatives. For example, a survey conducted by the Aspen Institute of participants in six sector initiatives across the U.S. showed that the share of respondents who worked at some point during the year increased from 74 percent before training to 94 percent after training. Among the 94 percent of respondents who worked post-training, median personal earnings rose from $8,580 at baseline to $14,040 in the year following training, and to $17,732 in the second year after training. Furthermore, 48 percent of participants moved out of poverty based on earnings alone.[20]

Employers also benefit from sector initiatives. For instance, a third-party evaluation of sector initiatives in Massachusetts showed that there was a 41% reduction in turnover and a 23% reduction in customer complaints. In addition, 100% of companies reported that partnerships with other companies were valuable.[21]

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[19] See http://www.southerngff.org/_pdf/pub_pp/pp_v27_6_06.pdf, accessed June 29, 2007.
[20] Rademacher, I., "Working with Value: Industry-Specific Approaches to Workforce Development, A Synthesis of Findings of the Sector Employment Development Learning Project," *The Aspen Institute,* 2002
[21] Uvin, J., "BEST Benefits: Employer Perspectives Research and Evaluation Brief;" Volume 2, Issue. 4, Commonwealth Corporation, 2004

Considering results from long-term healthcare sector initiatives, self-reported systems changes brought about by Massachusetts' Extended Care Career Ladders Initiative (ECCLI) included:

- analysis by long-term healthcare providers of their processes and environment in order to increase productivity and efficiency;
- provision of career ladder training to employees and marketing of career-ladder opportunities;
- revision of job descriptions based on career ladder training so that completion of each step of the career ladder results in a wage- and job-level increase;
- incorporation of train-the-trainer modules and peer mentoring; and
- new partnerships through which long-term healthcare providers access resources from Workforce Investment Boards, Career Centers, community-based organizations, and community colleges.[22]

More generally, the potential benefits of sector initiatives for employers include:

- sharing the costs and risks associated with developing skills-training programs across an industry and within a region;
- increased availability of skills-training that responds to the actual and shared workforce needs of regional industries;
- guidance on ways to improve human resource practices, including the application of technology and other productivity-enhancing measures, to improve quality, efficiency, and output; and
- Reduced turnover as a result of improved working conditions or expanded opportunities for career advancement.

Sector initiatives' benefits for workers include:

- increased availability of jobs offering decent wages, benefits and/or opportunity for advancement;
- improved working conditions for entry-level and low-skilled workers;
- expanded supply, accessibility, and coordination of work supports for low-income workers that lead to better job retention; and
- increased opportunities for education and training for high-demand occupations, including literacy, language, and job-skills development programs.

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[22] Communication to NNSP, 2005.

Finally, for communities, sector initiatives can:
- close skill gaps and worker shortages in the labor market;
- enhance a community's ability to attract and retain higher-wage employers;
- support the retention and expansion of local industries;
- address poverty and unemployment challenges;
- increase community cooperation; and
- use public resources more efficiently and effectively.

# Comparing Sector Initiatives to Other Workforce Development Programs

Sector initiatives differ from many other workforce development projects.

One key difference is sector initiatives' goal of achieving systems change. Their efforts to change industry practices, public policy, and public institutions with which long-term healthcare providers and workers interact make it possible for them to have broader impact than a workforce development project that merely conducts job placement, training, and/or support services activities.

More generally, workforce development projects are typically time-limited, and usually adopt a single approach to address a specific aspect of a workforce problem in one company or workplace. Sector initiatives can evolve from such smaller projects. Through these discrete projects, organizations can build relationships with long-term healthcare providers, service delivery partners, and other stakeholders. Organizations begin to develop a common understanding of the local industry's problems, as well as the problems of current and potential workers. The partnerships begin to consider solutions, such as career advancement training, that require a multiyear effort and benefit from working across the industry. In addition, one partner emerges as the workforce intermediary. Transitioning from a project to an initiative is best done consciously, in partnership with the other organizations in or affected by the industry. No institution can build a sector initiative alone. By their very nature, these initiatives require the active engagement of the sector/employer community, partners who will help bring or support the workers in the effort, and others who can help sustain the effort. The transition to a sector initiative requires:
- research and planning based on deep understanding of the sector, its challenges and the needs of current and potential employees;
- the capacity to maintain close contact with a group of long-term healthcare providers and service-delivery partners, and to manage a complex marketing and service-delivery system;
- a range of services for job-seekers, workers, and providers;
- diversified financing and the appropriate and effective use of various kinds of funding; and

- different staffing expertise than is required for a short-term project.

*A collaborative team must be built from a strong foundation, not from a loose list of advisors, in order to make the initiative work and ensure it achieves its goals.*

# SECTION 3:
# SECTOR INITIATIVE PLANNING AND DEVELOPMENT

Conducting a rigorous planning and development process is critical to launching an effective long-term healthcare sector initiative. This phase is characterized by strong partnership development, comprehensive design, and rigorous research and analysis.

## Convening the Partnership

Sector initiatives start by creating a partnership among industry, community colleges, workforce investment boards, economic development and social services—all of whom are deeply engaged in the design and implementation of the sector initiative. At best, the partners will begin with the understanding that the sector initiative's success depends upon each of them succeeding in their own areas of responsibility as well as their encouragement and support of other partners' success. The sector initiative's development process must strengthen this understanding. It is important for partners to participate in goal-setting and strategy development, contributing resources, and implementing aspects of the sector initiative. A *workforce intermediary* facilitates the partnership, ensuring that each partner is actively engaged in the planning process and holding partners accountable to their roles. It is also very helpful to involve governmental agencies that finance and regulate the industry and those that are responsible for workforce development, economic development, education, and work-related human services.

The specific role of each partner will vary depending on the needs of workers and the industry, and on the specific objectives of the sector initiative. The sector initiative's success depends on partners' capacity to carry out their roles, and these roles may shift from region to region depending on organizational experience and capacity. Still, the following list outlines common roles for each of the partners within a sector initiative:

**Employers:** Identify skill needs and critical occupation vacancies; identify hiring requirements; set objectives for training; participate in design of curriculum and training programs; agree to hire sector initiative participants; and contribute resources to initiative.

**Community Colleges:** Sometimes act as the intermediary; work with industry to develop curriculum; create alternative class scheduling and training delivery models; deliver occupational and basic skills training; deliver ESL, case management and career advising; and redirect educational resources to the initiative.

**Local Workforce Investment Boards:** Sometimes act as the intermediary or fiscal agent—especially when WIA funding is the primary funding source; set local policy to direct WIA formula funding to sector initiative; and set policy to align local workforce and one-stop activity to priority industries.

**Organized Labor:** Represent employees' interests; serve as training partner; recruit new trainees; and utilize training funds for project.

**One-Stop Career Centers:** Recruit, screen and assess participants; provide labor market and career information; determine eligibility for services; and provide case management.

**Community Based Organizations**: Sometimes play intermediary role; identify needs and barriers to training and employment success among the existing and potential labor pool; and provide outreach and recruitment, basic skills instruction, and case management.

**Industry Associations:** Represent interests of multiple employers; identify trends in employer needs especially related to skills and shortages; recruit employer partners; conduct policy advocacy; and carry out fundraising.

**Economic Development Agencies:** Align initiative with local economic development objectives; negotiate with firms in the industry that are expanding and those that may potentially locate in the region.

**Social Service and Human Service Agencies:** Conduct outreach and recruitment; and provide social services.

*As a sector initiative takes steps to convene the partnership, it will need to determine whether a sufficient group of long-term healthcare provider representatives and others are interested in solving the problems that research on workers and the industry will identify. These other potential partners may include: industry association representatives; providers of education, training and other services; potential funders; and representatives of relevant policy-making bodies.*

Consider: Is there a core leadership group? Are there several long-term healthcare providers whose executives will participate in the development of the initiative? Are they willing to work with others they might consider to be competitors? Are they willing to look at solving workforce problems over a multiyear period, devoting key staff and some direct resources, and making potential policy and practice changes themselves? Are education, training, economic development, and human services providers willing to make similar commitments? Do funders indicate willingness to provide significant start-up capital? Would sector initiative service providers and the

agency that manages Medicaid and Medicare—as well as other policy-making bodies that oversee the industry—consider making changes to support the sector initiative's goals? Is there a feasible strategy for building from the current level of support to the level required for addressing crucial issues?

# Identifying Project Champions

In addition to identifying design and implementation roles for partners, an equally important goal of partnership development is to identify one or more champions to lead the initiative. If possible, identifying more than one champion is best; they can draw upon each other's strengths when the going gets tough. Project champions share key characteristics:

- they are determined to succeed;
- they make things happen;
- they are optimistic by nature;
- they refuse to let obstacles such as red tape, difficult personalities, and other perceived barriers stop them from moving the initiative forward; and
- they have a passion for the well being of others.

Champions of a long-term healthcare initiative are likely to believe that the community needs high-quality health care, which requires a high-quality workforce. It is easiest if project champions are known and respected within the community. A good project champion is a born salesperson and leader, capable of identifying and stimulating interest among relevant community stakeholders. Champions can sell stakeholders on the long-term benefits of the initiative's partnership, and can convince them to participate.

# Establishing a Strong Intermediary

Sector initiatives are, by definition, collaborations that bring together key partners to achieve an industry wide impact. A workforce intermediary plays a leadership and coordinating role in bringing the key stakeholders and partners to the table and keeping the stakeholders on task in order to meet the needs of both workers and long-term healthcare providers. The workforce intermediary must understand the needs of the workers and have a deep knowledge of the industry and of employers within it.

Intermediary functions include:

- Recruiting key partners and facilitate partnership.
- Assigning tasks and responsibilities to partners and monitoring their progress.
- Providing in-depth expertise in the target industry and the target population.
- Building and maintaining partnerships with industry employers and other key stakeholders.
- Developing and monitoring contracts and agreements with partners.

- Assuming responsibility for managing day-to-day tasks of the sector initiative.
- Tracking initiative outcomes for both the target industry and target population.
- Leading efforts to develop financial resources to support the sector initiative, and managing them.
- Providing overall leadership to the sector initiative.

*In considering the responsibilities involved with the intermediary role, it is necessary to determine whether staff have a deep-enough understanding of the long-term healthcare industry to convene long-term healthcare providers and other stakeholders.*

Building credibility with long-term healthcare providers and other stakeholders is a process that includes demonstrating workforce development expertise and requires a deep understanding and knowledge of the intricacies and challenges of the sector. If the initiative's lead organization does not already have this credibility, consider bringing on an industry specialist as a consultant to help build the organization's capacity, and to build credibility for staff over time. Staff must be able to approach problem-solving as insiders, knowledgeable about the constraints on the industry and about potential entry-level workers available in the community.

All of the following types of organizations have successfully led long-term healthcare initiatives:
- local Workforce Investment Boards;
- community based organizations;
- healthcare industry associations;
- healthcare employee unions; and
- educational institutions that provide healthcare training.

*In considering the responsibilities of the intermediary role it will be necessary to determine whether the organization has the ability to raise initial start up money to plan the initiative, develop a long-term sustainability plan, and manage funds from a variety of sources.*

The capacity to raise funds from multiple sources is essential to the long-term success of an initiative. Most successful initiatives receive money from multiple sources, including public agencies, foundations, and long-term healthcare organizations.[23] Additionally, developing a long-term sustainability plan is a key component of creating and implementing a sector initiative. Sometimes one of the partner organizations may contribute these skills if the workforce intermediary lacks this capacity. Having financial management skills to administer the funds is equally important.

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[23] Mangat, Ravi. (2007). "Sector Snapshots: A Profile of Sector Initiatives, 2007." *National Network of Sector Partners, a project of the National Economic Development and Law Center*. Page 15.

# Research and Analysis

Sector initiative design is guided by rigorous research. Research includes wage analysis, labor market information analysis that identifies growth occupations in targeted industries, and skill requirements for employment entry and advancement in the industry. Regional multi-employer focus groups are also a key component of sector-based research in order to clarify employers' specific workforce needs, map their hiring practices, and identify the challenges they face in securing a prepared workforce. Information also must be gathered about potential workers by identifying any barriers that they may have to training and employment within the target industry. Analysis of the workforce-preparation and social service infrastructure can identify what these institutions need to do in order to support workers in training and in securing employment within the target infrastructure.

A key question to answer is whether simply funding more training slots is sufficient to improve workforce development for the long-term healthcare industry and to increase opportunities for workers in the regional labor market, or whether a broader sector strategy is needed.

Listed below are key research questions and the decisions they guide:

**Demographic analysis:** Identify the characteristics of the target population, such as age, gender, language, educational attainment, immigration and naturalization status, unemployment rate, transportation access, and household size. This provides information to assess barriers and other circumstances that the program design may need to address.

**Industry Employment Analysis:** Identify the characteristics of employment projections over a horizon of five years to 10 years, including industry wide job growth; industry accessibility (growth over time in entry-level jobs requiring few skills); potential for advancement; and availability of family sustaining wages. Identify any skill shortages or persistent vacancies that persist with employers. This information provides guidance to select target industries and/or to determine occupations within these industries to target through the sector initiative.

**Requirements for Entry:** Identify the skill level, educational attainment, and other requirements (no criminal record, negative substance abuse test, citizenship) required for entry. Is there a pipeline of motivated potential workers to fill the jobs and/or receive occupational training? If educational and training institutions are having difficulty recruiting new trainees in these fields, are there barriers that affect recruitment and retention? Are there immigration issues? If a sufficient number of people are being trained, do new trainees have barriers that slow down their ability to move into employment? Matched against demographic information, this provides

information on the gap between the characteristics of the local population and requirements of entry into a target industry. Further, it provides guidance in shaping the nature of the training programs and support services.

**Requirements for Advancement and Career Paths:** Map advancement paths and education requirements for each level of advancement. This provides guidance on how ongoing training components can tie to advancement in the industry.

**Human Resources Challenges:** Interview major long-term healthcare providers in the regional labor market to gauge workforce shortages, their impact, and their causes. Which are of greatest concern? If there is a high rate of turnover, what organizational and work factors are causing the churn? What about work culture, supervisory and leadership issues? Identify gaps in employers' capacities to recruit, assess, hire and manage a qualified pool of employees. This information provides guidance in shaping the nature of human resources and/or management services and training.

**Training and Education System Analysis:** Assess the availability of training and education in key occupational areas, and determine any circumstances that may reduce access such as eligibility requirements, cost, location, scheduling or length. This includes assessing how well existing training components build upon each other to create a seamless training pathway, and how well each component prepares participants for the next level of training as well as a next job. It also includes identifying any need for transition or bridge programs to expedite advancement into and between the training components. This information will demonstrate the need for new training and may guide the redesign of existing training to increase access in key areas. A final aspect of this analysis is determining the capacity of training providers to provide counseling and other support services to improve success rates among students, particularly those from low-income populations. (Many training providers lack this capacity.)

# Program Design

During the program-design phase, the partnership weaves together a package of direct services, and develops systems change strategies.

Key considerations regarding program design include:

**Marketing to, Outreach to, and Recruitment of Potential Program Participants:** Partner with organizations that have visibility and credibility within the local community to reach out to untapped populations. Explore traditional and new

communication methods to reach the target populations. Develop a campaign to market high-demand occupations, the training they require, and the sector initiative.

**Pre-screening and Assessment.** Screening for prerequisites, interest and job requirements. Also utilize self-selection methods that allow potential participants to express interest or non-interest.

**Training Design:** Develop training to meet needs of employers *and* workers. Tie training to local industry skill demand. Assess occupational skill requirements, and consider doing so by using a method that also makes it possible to assess sector initiative participants' skill assets and deficits. Develop training modules that are accessible (cost, location, schedule) and that seamlessly provide skills needed to enter and advance in the target industry. Articulate various training modules to allow for ongoing training tied to advancement in industry. Develop any transition or bridge programs to expedite transitions into and between training modules.

**Counseling and Support Services:** Provide adequate counseling to support participants during training and provide career advice. Provide or broker key services that reduce barriers to completion of training or retention in employment. This is a particularly important program-design component given the emphasis sector initiatives place on training and employment opportunities for lower-income populations, people who often require access to counseling and support services in order to be successful in training and employment.

**Placement:** Work with employers to place program participants in occupations with significant numbers of vacancies.

**Retention and Advancement:** Provide support services and counseling during early stages of employment. Design ongoing training that is tied to industry advancement.

**Business Services:** Continue an open dialogue with long-term healthcare providers to identify ongoing needs that may provide guidance on program design. Consider auditing human resource and management policies and practices.

**Systems Change:** Develop strategies for changing industry practices, public policy, and public institutions with which the industry and workers interact (such as Career Centers and community colleges. Consider what changes would make it easier to meet worker and industry needs. Then identify leverage points that the sector initiative can use to bring about these systems changes. Another important step is to determine how to influence decision-makers.

# SECTION 4:
# MANAGING A SECTOR INITIATIVE

Sector initiatives aim to benefit workers and solve industry problems. These initiatives involve a variety of partners, each of whom has its own agenda. They require multiple funding sources, each of which has its own requirements. Several management tools can contribute to a sector initiative's success in addressing this complex environment: a charter, a Memorandum of Agreement, and a project management approach.

## A Project Management Approach

Sector initiatives require individuals from multiple organizations to be responsible for tasks and activities. A project manager can play a crucial role in organizing the initiative's tasks, managing activities, developing and managing Management Information Systems, and facilitating other communication among partners. The project manager role is crucial in maintaining momentum and ensuring the partnership's goals are realized. The project manager role can be a full-time job even early in an initiative's start-up phase. The sooner the project can afford to fulfill this basic requirement, the more certain partners can be that the project will meet its goals and address issues related to project scope, time, cost, risk and quality.

A job description for a project manager would include the following:
- ability to manage a cross-organizational team;
- experience dealing with business clients;
- experience managing complex projects with multiple goals, partners, and activities;
- excellent verbal and written communication skills;
- strong attention to detail;
- ability to create project task charts, schedules, and budgets; and
- experience meeting identified requirements.

Using a project management approach provides an important additional benefit: Since it is used extensively in business, it provides a framework for communications that is familiar and respected by private-sector partners.

# Developing a Charter

A charter is a written document that defines the vision for success partners share, the mission of the sector initiative in achieving that vision, the high-level goals the initiative will work toward, and mutual expectations (such as resources) that partners will provide. Charters should clarify:
- What the sector initiative will do.
- For whom the sector initiative will do it.
- If the sector initiative is successful, what will happen as a result.

In addition to a description of the initiative, the charter also serves to establish the roles of the sector initiative's governance group and the intermediary. The charter must provide sufficient authority and resources to accomplish the stated objectives. A charter is an agreement among the participants and must be signed by all involved. They should be thoroughly vetted with sponsors and other interested stakeholders before the initiative gets under way.

Charters should be publicized and widely disseminated among interested parties.

# Developing a Memorandum of Agreement

A Memorandum of Agreement (MoA) is used to establish the roles and responsibilities of sector initiative partners. Some items suggested for any MoA include:
- name of the project or initiative;
- name of the workforce intermediary and the partner(s) that are joining in the MoA;
- statement of purpose (i.e., the goal) and a description of the constituency of workers and employers the initiative aims to benefit;
- ground rules for the sector initiative, such as how decisions are made
- statement of objectives (and those objectives must be measurable);
- the activities the partner(s) signing the MoA will carry out; specific tasks, timelines, and responsibilities; and
- resources and how they will be provided (specific budgets and allocation of resources to tasks, and those responsible for each task).

See Appendix A for a model Memorandum of Agreement.

# SECTION 5:
# ASSISTANCE OF INTEREST TO
# HEALTHCARE INITIATIVES

Sector initiatives across the country that have worked with long-term care and acute-care providers offer lessons for others who want to develop long-term healthcare sector initiatives in Colorado.

Among sector initiatives that work with long-term and acute healthcare providers, there is significant interest in gaining assistance with raising funds from philanthropic sources and also fee income from employers, products or services from the workforce development field, or other enterprises. Workforce development programs generally are very interested in developing financial support from businesses, so it is notable that many sector initiatives in the long-term healthcare industry also receive financial support from businesses, as noted above.

There is a moderate level of interest among these sector initiatives in assistance with managing multiple sources of funding, as well as with technology (e.g., management information and financial management systems).

These sector initiatives are highly interested in gaining assistance with engaging interest of and participation by businesses. The initiatives are moderately interested in getting assistance in identifying what businesses want (even though these sector initiatives had a good deal of business participation and many received fee income, in-kind income, or staffing, as noted above).

Interest is high among these sector initiatives in assistance with tracking outcomes and benefits for job seekers, workers, and business customers.

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# APPENDIX A:
# MODEL MEMORANDUM OF AGREEMENT

**Introduction**
Include the names of the parties (the manager of the sector initiative and participating [or "signing"] organizations), say what they'll be called in the rest of the agreement, and say that, by signing the agreement, the parties agree to its terms as of the signing date.

**"Whereas" Section**
Identify the things that lead to the parties' decision to establish the agreement, such as: the goals agreed to; the problems to be solved; the particular capacity/expertise of each organization to solve those problems; the funds that have been made available; and other information.

**Section 1**
Identify desired system outcomes/outputs regarding benefits to employers, benefits to workers/job seekers, and systems changes that participating organizations agree to work together to achieve.

**Section 2**
List the rules about the way the sector initiative will operate in order for participating organizations to work together to achieve the desired outcomes/outputs, such as: ways decisions will be made; management and data-collection systems that will be used; reports that will be made of information about those who receive services; the services they receive; the outcomes/outputs resulting from those services; and commitments to participate in evaluation processes, marketing activities, etc.

**Section 3**
Identify particular outcomes/outputs that the signing organizations will achieve.

**Section 4**
Identify the employers, workers and/or job seekers the signing organizations will work with to achieve the outcomes/outputs it is responsible for.

**Section 5**
List activities the signing organizations will carry out, and/or the capacity the signing organizations will commit; describe the scale of activities/capacity; and provide other important information about the activities (for example, assess the skills of X number of job seekers and Y number of workers per quarter, and assist Z number of employers to improve human resource practices per quarter).

**Section 6**
Identify funding and other resources and benefits the signing organizations will receive as a result of participating in the sector initiative.

**Section 7**
Identify a process for revising the sector initiatives' desired outcomes/outputs.

**Section 8**
Identify a process for changing the agreement.

**Section 9**
Identify the term of the agreement and the process for ending or extending it.

**Section 10**
Technical provisions, if any—e.g., "boilerplate" language required to enforce the agreement, protect intellectual property, provide required notices, assure that discrimination doesn't occur, provide access to records, identify governing law, provide indemnification, etc.

**Section 11**
"In witness thereof…": Provide names of the sector initiative manager and the organizations signing the agreement, including names, dates and space for signatures of organizations' signatories.

# APPENDIX B: RESOURCES

**National Clearinghouse on the Direct Care Workforce Provider Practice**
database: http://www.directcareclearinghouse.org/practices/index.jsp

**Better Jobs Better Care Demonstration Projects**
This Web site provides information on Better Jobs Better Care demonstration projects in Iowa, North Carolina, Oregon, Pennsylvania and Vermont.
http://www.bjbc.org/page.asp?pgID=114

**Flint Healthcare Employment Opportunities Project**
By Linda Dworak-Munoz and Amy Blair
Dworak-Munoz and Blair profile Flint Healthcare Employment Opportunities Project, and explore how long-term care and acute care providers, nonprofit organizations and community and private colleges collaborated on planning, management and implementation of this sector initiative.
http://www.aspenwsi.org/publications/06-021.pdf

**The CAEL/DOL Healthcare Lattice Program**
This Web site describes the Nursing Career Lattice Program Initiative, a career lattice program model to increase the number of Certified Nursing Aides (CNAs), Licensed Practical Nurses (LPNs), and Registered Nurses (RNs), and provides links to a guidebook and program descriptions.
http://www.cael.org/healthcare.htm

**The Cost of Frontline Turnover in Long-Term Care**
By Dorie Seavey
Arguing that the cost of front-line turnover is higher than many realize, Seavey makes a case for developing more accurate measures. The direct cost of turnover is at least $2,500 per front-line worker, which adds up to nearly $2.5 billion in extra costs for taxpayers. http://www.paraprofessional.org/publications/TOCostReport.pdf

**Descriptions of High-Growth Training Initiative Long-Term-Care Grants:**
*Developing Partnerships and Initiatives to Resolve Long-Term Care Workforce Challenges*, a grant to the American Health Care Association Foundation, provides a practical "How To" or "Cookbook" for nursing home managers and administrators combating the nursing shortage in long-term care. The information can be used to spearhead the formation of partnerships across the country.
http://www.doleta.gov/BRG/pdf/Healthcare_AHCA_ResolvingLongTermCareWorkforceChallenges_4.pdf

***Health Care Career Ladder Program***, a grant to the Council for Adult and Experiential Learning, builds the pool of new healthcare workers through the development of an apprenticeship-based career ladder training program. The program provides training and career development through the CNA, LPN, and RN levels.
http://www.doleta.gov/BRG/pdf/Healthcare_CAEL_NursingCareerLattice_7-05.pdf

***Healthcare Career Lattice: A Model for Enhanced Learning***, a grant to Evangelical Lutheran Good Samaritan Society (ELGSS), addresses the need to attract and retain more youth and other alternative labor pools into healthcare occupations, including non-nursing occupations. The project, which operates in North Dakota, South Dakota and Minnesota, will also build the capacity of education providers.
http://www.doleta.gov/BRG/pdf/Healthcare_GoodSamaritanSociety_HealthCareerLattice_3.26.pdf

***Recruitment and Retention of Direct-Care Workers,*** a grant to the Paraprofessional Healthcare Institute, focuses on multiple workforce challenges related to recruitment and retention of direct care workers in the long-term healthcare industry. The project, operating in New York, Pennsylvania, Michigan, and Indiana, demonstrates problem-solving training curricula and publishes a series of guidebooks and teaching manuals in both English and Spanish on effective paraprofessional workforce development practices.
http://www.doleta.gov/BRG/pdf/Healthcare_PHI_DirectCareWorkers_4.14.04.pdf