ACT Work Ready Communities common criteria: A developmental history

The intent of the ACT Work Ready Communities criteria

The ACT Work Ready Communities initiative provides states, regions, and communities with the data, tools, and processes that create an ecosystem to link education and workforce development, aligned to economic development at the local and state levels.

The criteria for certification centers on using a common tool—the ACT National Career Readiness Certificate™ (ACT NCRC®)—in certifying the foundational work skills of the emerging, transitioning, and current workforce. The system's building blocks are individuals earning the ACT NCRC and businesses recognizing it at the county level.

Policymakers are also able to use data from these key demographic groups as a road map in their efforts to address potential skill gaps in their state or region. ACT data help to create an ecosystem that links, matches, and aligns the workforce at the local level in a consistent manner, enabling states to leverage the resulting data as an economic development resource.

History

In June 2011, ACT charged an internal task force with developing the draft policy for certifying counties as ACT Work Ready Communities. Criteria from Georgia and Oklahoma served as the starting point for discussion.

As a starting point, the task force developed six guiding principles and five business rules:

Guiding principles:

- ACT NCRCs would be a fundamental tool.

- Current, emerging, and transitioning workforce would earn the ACT NCRC.

- Some measure of business engagement is necessary.

- Goals are aggressive but achievable.

- There will be a statistically significant sample size.

- Data are easily measured and reported monthly.

Business rules:

- The county would be the basic building block.

- Criteria would be a common, consistent, and minimum standard.

- States could establish additional parameters.

- Draft criteria would be shared with and validated by the first participating states.

- Criteria would become the basis for building a national reporting system for all ACT Work Ready Communities.

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Phase 1: Developing the criteria

Using the guiding principles and business rules as a baseline, the task force then examined two state programs that were seeing early adoption success: Georgia and Oklahoma. Among the findings:

- The criteria focused on the emerging, transitioning, and current workforce earning ACT NCRCs.

- The community recertification criteria in Georgia added a business recognition component.

- The criteria in Georgia included applying ACT NCRC earn rates as a percentage of the workforce in each workforce segment to ensure that all workforce subgroups were included. Workforce segments (as defined by Georgia) included ACT NCRC goals for high school, college, unemployed, adult education/GED, employed public, employed private, and business engagement.

- The granular criteria also aligned to easy data collection to apply the percentages—one year of data in each demographic group served as the base number to apply the percentages.

- In addition, case studies and presentations provided by Georgia[1] and Oklahoma[2] showed that the criteria were valued by economic developers and were supported by counties.

- Data from Georgia showed that the criteria resulted in creating an ecosystem that had 50% brand recognition, with 97% of businesses and 93% of certificate holders recommending use of the ACT NCRC to others.

Georgia and Oklahoma chose to incorporate high school graduation rates—and increases in those rates—in their state initiatives. The task force discussed including graduation rate data in the common criteria but determined that it would be a challenge to:

- collect these data by county

- ensure the calculation was made consistently from county to county

- set policy concerning threshold graduation rates and acceptable increases over time.

For these reasons, the task force agreed to allow each participating state to decide whether the integration of high school graduation rates would be included in its state-specific criteria to attain certified status for each county.

The task force agreed these models were a good starting point for building a county-based initiative that included the entire workforce.

As part of Phase 1, the task force agreed on these population numbers to differentiate county size:

PHASE 1 COUNTY CATEGORIES	
Small	Less than 25,000
Medium	25,000–100,000
Large	100,000–500,000
Very large	More than 500,000

Once agreement was reached on the approach for evaluating criteria, five states with widely different geographies and populations—Arkansas, California, Georgia, New Jersey, and South Dakota—were selected to apply the criteria and evaluate the results.

1. www.act.org/workforce/case/georgia.html
2. www.workforceinvestmentworks.com/workforce_board_info.asp?st=OK

Phase 2: Testing the draft criteria

ACT collected data for various demographic groups from the five selected test states. Early analysis revealed that consistent data, for a consistent timeframe, for a consistent set of individuals, from all five of the selected test states, would be a challenge.

Therefore, counties of varying populations were selected in each of the five states where data for all categories were available. This subset group of counties was used to evaluate the criteria. The objective was to evaluate whether the potential goals for all counties across all states would meet the guidelines established by the task force. It became clear that the requirements were overly focused on the current workforce and overlooked high school students and recent high school graduates as important segments of the emerging workforce.

Overall, the requirements did not seem to yield goals that were consistently equal among all states and counties. Therefore, the committee adjusted the county categories in terms of population and established percentages for all segments of the current, transitioning, and emerging workforce. The results are shown in the table below.

Data sources for establishing goals:

- County size was determined by US Census data.

- "Current workforce" goals were based on US Census county-level employment data.

- "Transitioning workforce" goals were based on county-level data for unemployed and GED graduates provided by state.

- "Emerging workforce" goals were based on county-level data for community and/or technical college and high school graduates provided by state.

- "Employers supporting" goals were based on county-level data for business establishments.

PHASE 2 COUNTY CATEGORIES	
Small	Up to 29,999
Medium	30,000–99,999
Large	100,000–499,999
Very large	500,000–999,999
Mega	More than 1,000,000

DRAFT ACT WORK READY COMMUNITIES CRITERIA							
	Current workforce		Transitioning workforce		Emerging workforce		Employers supporting
County size	Private	Public	Unemployed	Adult ed.	College	High school	
Small	0.250%	0.250%	15%	15%	25%	25%	5%
Medium	0.150%	0.150%	12%	12%	25%	25%	5%
Large	0.050%	0.050%	10%	10%	15%	15%	2.5%
Very large	0.025%	0.025%	5%	5%	5%	5%	1%
Mega	0.010%	0.010%	2.5%	2.5%	2.5%	2.5%	0.5%

"Current workforce" consists of currently employed workers in the public or private sectors. "Transitioning workforce" consists of unemployed workers, adult education participants, or recent veterans. "Emerging workforce" consists of high school or college students or recent graduates.

Validating the criteria

ACT tested the concepts of the criteria along with its draft plan for implementing the ACT Work Ready Communities initiative by conducting surveys. Participants included approximately 50 senior state and local officials in workforce, economic development, education, and policy, plus private sector business leaders in 19 states. Based on the outcomes of the survey, ACT decided to move forward with the draft criteria and begin the process of engaging the first group of participating states to provide additional input in finalizing the criteria.

ACT received 2010 demographic data from the first group of participating states—Missouri, Oregon, and South Carolina—and developed county goals based on the draft criteria. The states reviewed the county goals and provided helpful feedback. ACT then adjusted the Phase 2 criteria, simplifying the workforce segments and revising participation goals for certification. The results are in the table below.

ACT then updated all participating state county goals and analyzed the feasibility of completing these goals within a two-year timeframe. ACT determined that if every county participated and achieved its goals, two states would need a moderate increase in their monthly ACT NCRC goals, while one state would be able to achieve the goals within a two-year timeframe.

Initially, the "employers supporting" criteria measured only employers with five or more workers under the rationale that the smallest employers (fewer than five) would not contribute significantly to hiring in the community. However, after requests from Missouri and Oregon to consider the role that very small employers can play in a local economy, ACT modified its "employers supporting" criteria in July 2013 as follows:

- "Small" employers (four or fewer employees) may indicate their support on the ACT Work Ready Communities website. Every four of these "small" employers will count as one employer toward the overall "employers recognizing" goal for the county. Also, this "small" employer category is limited to contributing a maximum of 25% toward the overall employer recognition goal.

- "Medium" employers (five to 99 employees) may select only the county where they have a physical location.

- "Large" employers (100 or more employees) may show support for all counties within 25 miles of their facilities.

The overall level of employer support required of a community to meet the common criteria has not changed.

Moving forward

In spring 2014, ACT conducted a review of the criteria as applied to more than 400 counties. This resulted in minor modifications, including adjustments to county population categories and the addition of caps. Working with the National Workforce Solutions Advisory Board, the adjustments were further analyzed and accepted as the best methodology to support a national best practice model.

VALIDATED ACT WORK READY COMMUNITIES CRITERIA

County size	Current workforce	Transitioning workforce	Emerging workforce	Employers supporting
Small	0.25%	15%	25%	5%
Medium	0.15%	12%	25%	5%
Large	0.05%	10%	15%	2.5%
Very large	0.025%	5%	5%	1%
Mega	0.01%	2.5%	2.5%	0.5%

For more information, visit workreadycommunities.org.