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The Critical and Emerging Role of Workforce Investment Boards: How Federal Policy Can Incite Workforce Innovation

Corporation for a Skilled Workforce

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Executive Summary

Today, there are few areas of public policy more important to the nation's economic competitiveness than the skills, ingenuity, and health of its 139-million person workforce.

But workforce development is diffuse – resources, expertise and experience are the domain of colleges and universities, industry leaders, private placement firms and public programs. Workforce leaders in communities must collaborate across multiple sectors, organizations and systems, convening the right stakeholders for the right reasons, at the right times around strategies that help people and firms thrive – all guided by thoughtful public policy.

The reauthorization of the Workforce Investment Act (WIA) provides an opportunity to reflect on a decade of experiences and consider changes that will encourage results we all want: innovative policy, programs, and practices capable of meeting evolving community needs and contributing to the overall prosperity of our nation.

The following brief is offered from the collective experiences of the Workforce Innovators Network,¹ a community of practice comprised of Executive Directors from local Workforce Investment Boards across the country convened by the Corporation for a Skilled Workforce.

We challenge the notion that local WIBs' primary role is to manage WIA grants. In our communities we are valued organizers of people who care about developing talent– with a decade's worth of experience developing proven strategies to address talent needs. Federal policy could help us do this better and more systemically.

Using WIA as a foundation, future legislation should clearly articulate the role of local WIBs as strategic policy boards working as catalysts and coalition builders; this is among the most important work we do. While many Boards already convene stakeholders around common economic strategies, changes to federal legislation could help make this standard practice.

Additional policy changes that could make a dramatic difference and provide useful tools for greater impact in service of people, firms, and communities include:

- ▶ Aligning federal level agencies around a common goal of increasing economic competitiveness and community prosperity;
- ▶ Enabling more effective community-focused Boards;
- ▶ Creating a national data system accessible and transparent to the public;
- ▶ Mandating coordinated funding streams across state systems; and
- ▶ Transforming the state five-year plans into a strategic planning document.

These recommendations are not meant to supplant or displace the work or formal submissions of public interest groups or individual WIBs. We support their efforts and their recommendations for specific changes to the law. Yet we also believe that Congress, the Administration, and other law and policy makers would benefit from the context and broader picture we provide. The stakes are high. Investing well – in support of an effective, innovative, and transparent system that can adapt to future challenges – will pay dividends far into the future.

¹ Please refer to page 10 for a full list of member Boards.



Big Changes at Work

When the Workforce Investment Act (WIA) was enacted in 1998, the world was a much different place. Though we were beginning to recognize the impact of globalization, technology, and demographic change on jobs and workers, these and other socioeconomic trends have since wrought profound changes on our communities and our nation.

- **Growth Minus Jobs.** While economists debate the causes and implications of the trend, job growth following the last two recessions has been far lower than what was expected. In our current “job-less recovery,” the seven million private sector jobs lost in the 20 months between December 2007 and August 2009 are returning at a lackluster pace, while the labor force continues to grow by 1.3 million people per year.
- **Generations Collide.** For the first time in our history, it is commonplace for three or four generations to occupy the workplace at the same time, challenging traditional hierarchies, management practices, and raising serious equity issues as baby boomers delay retirement and firms resist taking on new (younger) full-time employees who are far more racially, ethnically, and linguistically diverse than their seniors.
- **Life-long Learning.** The demand on all workers to develop new and more diverse skills throughout their working lives – as the baseline required for good jobs increases – raises complex challenges for employers and government, difficult decisions for workers, and disrupts assumptions about what it means to be a student.

These demographic and economic shifts represent only a subset of those currently in motion. Many are accelerating and will likely alter their course dramatically over time, resulting in significantly different implications for workers and businesses. Coming health care legislation, for instance, has the potential to lure baby boomers into retirement, reversing the second trend cited above, and produce a shortage of experienced and skilled talent.

These trends also serve as a backdrop for the critical challenge of growing prosperity, which depends on our ability to employ key environmental, physical, financial, and intellectual assets productively. Communities that invest in policies, practices, and platforms that emphasize talent –people with the knowledge, skills, and capacity to adapt – and continuous learning will thrive in an evolving and increasingly knowledge-based economy.

None of the fundamental challenges that communities face are the charge of the workforce system alone. Workforce development, economic development, and education systems do not (and should not) act in isolation. In addition to stabilizing federal funding for workforce development, much can also be accomplished through the re-alignment of federal resources from the U.S. Departments of Labor, Health and Human Services, Commerce, Education, and individual programs like those provided under Title I of the Workforce Investment Act. Federal systems must move away from siloed budgets and programs to an integrated model with common eligibility requirements and definitions supported by statute.

Public policy, like the economy, must change with the times. Policies, programs, and practices must be sensitive to global and regional economic and social changes.



Community Systems Respond – and Evolve

The Workforce Development System, comprising nearly 600 Workforce Investment Boards, together with 50+ State Employment Agencies, and a network of hundreds of public and private colleges and training providers, labor unions, and community- and faith-based organizations, is the U.S. Department of Labor's field operation. In the past ten years, it has weathered at least three major economic cycles, the most recent of which has generated greater economic hardship than at any time since the great depression.

The system's strengths lie in its ability to organize assets and resources around distinct, diverse, and changing regional needs and community priorities. But the size and scale of need varies from community to community, as do the availability of resources and quality of community partnerships, making it difficult to characterize the system as a whole.

The workforce system demonstrates varying levels of coherence across the country, in part as a result of the silence in WIA around local WIBs' responsibility for policy creation. In some areas, we stepped into a catalytic role to invest in and organize innovative approaches to human capital, industry, and community challenges that inform policy development moving into the next decade. Our focus on state and local public policy decisions has led to the creation of innovative and effective programs that enhance the community's capacity to meet larger policy goals.

The Workforce System is not in one business, but many. Despite what appeared to be an impossible task, many of us have slowly, diligently, and effectively built relationships with industry, education, and economic development and now play key roles in developing and facilitating a range of public policies intended to help our communities prosper. In partnership with networks of public programs, colleges, and community-based organizations, we:

- ▶ **Organize responses to industry needs:** addressing hiring needs, skills gaps, downsizing, and a whole range of training and professional development needs.

Since 2006, the **Central Pennsylvania Workforce Investment Board** has engaged over 260 employers in Industry Partnerships supported by \$3.25M in state grants. Convened by WIB staff and directed by industry, these Partnerships focused initially on their own training needs, but now play a broader stewardship role, encouraging collaboration among member firms aimed at strengthening the region's key industries and creating employment and advancement opportunities for students and workers.

- ▶ **Help people transition out of old jobs and into new ones.** In good economic times, the focus tends to be on placement; in a downturn, it's training, because a tight labor market often requires laid-off workers to increase their skills to compete for jobs that do exist and, increasingly, helping workers who want to start their own businesses find the resources they need to become entrepreneurs.

The **Northwest Michigan Workforce Development Board** saw a problem: large numbers of adults lacked basic math, reading, and communications skills, limiting their economic mobility. Board staff connected workforce and education agencies, engaged business representatives, and co-invested in a network of community-based Learning Labs, expanding access to development opportunities in their ten-county rural area. Today, 2,000 people



annually access the flexible, no-fee learning modules – many of them together with post-secondary education and occupational training.

- ▶ Engage with economic development, education and other partners in **helping cities, regions, and states recruit new firms and grow new industries (or new specialties in existing industries)**. From renewable energy to bioinformatics to open-source web-platforms, industries exist today that were not even dreamed of a decade ago. Each community is home to a unique combination of such industries, and we aim to help them continue to grow.

Though San Diego had a thriving life sciences industry, many K-16 students living in the area were not able to break into that work. Through a deep relationship with BIOCOM (one of the largest regional life sciences associations in the world), **San Diego Workforce Partnership** created programs to expose students and teachers to practical, hands-on laboratory experience and inform guidance counselors of career opportunities. To date, up to 40,000 students have been touched by the internship program, industry-driven curriculums, and guidance counselor boot camps. While initiated through DOL leveraged funding, the program is now sustained with industry partner and philanthropic funds and operated with virtually no WIA funding.

- ▶ **Engage communities on a myriad of workforce-related priorities** that shift with time (and with local elections), convening partners around: high school graduation rates, K-12 school reform, career pathways, curriculum development, sector-based strategies, adult basic skills development (e.g., bridge programs), ESL or workplace ESL program development, workplace-based skills development, green jobs, prosperity and competitiveness studies, resource development, neighborhood-based employment strategies, tax-increment financing (TIF) programs, prisoner reentry programs, migrant and seasonal farm worker supports, substance abuse recovery, public housing workforce supports, community development programs, transportation policy (e.g., ensuring bus routes connect jobs and workers), apprenticeships, internships and externships, teacher-training, STEM skills development, enterprise and entrepreneurship – and more.

In 1998, facing major construction projects and a dearth of skilled workers, Connecticut invested in The Hartford Jobs Funnel (HJF) – a training initiative led by the **Capital Workforce Partners** in collaboration with union, private-sector, and state and municipal leaders – as an alternative to outsourcing the work. Over a decade later, the program has helped over 2,000 hard-to-serve individuals acquire skills and certifications in the building trades and establish careers. Connecticut realized new roads and a skilled workforce.

In the mid-size city of Gary, IN, only 32 percent of 18-24 year-olds had a high school diploma or equivalent in 2007. In response, **The Center of Workforce Innovations** and the **Northwest Indiana Workforce Board** led in the development of a Federal *Multiple Education Pathway Blueprint* grant to turn around the disproportionately high drop-out rates and number of disconnected youth. As a result of a multi-stakeholder convening and planning process, the Blueprint serves as the city's strategic plan to reconnect youth to alternative learning environments, post-secondary education opportunities, and workforce preparation.



- ▶ **Aggregate data about our labor markets, make sense of it, and share the implications with communities** through publications, events, and specific engagements.

The **Chicago Workforce Investment Council (CWIC)** needed a better way to assess and improve its programs. Together with Chapin Hall (University of Chicago), they created CWICstats to collect, analyze, and disseminate information on the performance of the Chicago area workforce development programs. By matching program data with wage data, CWICstats reveals which programs and interventions were most effective with which individuals, helping stakeholders make better investment decisions and people find the programs and services most suited to them.

- ▶ **Leverage funding from a variety of public and private sources to reach hard-to-serve populations.** Not all funding is equal. We help leverage funding to apply flexible resources to bolster innovative programs.

“The key advantage we benefit from is the diversification of funding. Many WIBs, like ours, are not entirely dependent on Federal or State resources, so they can be more flexible and adjust to current needs. Government funding represents the “core” of WIB business, but the WIB will seek out what it needs to enhance that core, particularly in this challenged economy. As a result of leveraged funding from our industry partners, we nearly doubled the number of youth who were able to find summer jobs through the American Recovery and Reinvestment Act.”

-Thomas Phillips, President & CEO, Capital Workforce Partners

- ▶ **Experiment.** Each community faces at least one complex, intractable, and long-term problem for which a solution has not been found: for example, chronically high middle- and high-school drop-out rates, recurring homelessness, employment for ex-offenders, rural unemployment, broadband connectivity, etc. We look for solutions on a small scale that can inform change on a larger scale. This experimentation has led to countless innovations that communities now take for granted, like various Individual Development and Savings Accounts, Career Pathway Programs, and Sector Strategies.

Recognizing growing demand for transportation, health care, and manufacturing workers, the **NYC Workforce Investment Board** opened three sector-based one-stop career centers, bringing a sector initiative to scale. Staff works closely with companies to develop customized solutions to meet their hiring and training needs and connect incumbent workers to training opportunities to upgrade their skills. The deep relationships formed with industry have enabled the Center to exceed program goals despite the current economic challenges. Sector-based programs create a highly qualified pipeline of workers that make businesses in that sector more competitive.

Organizing partners, stakeholders, and resources around shared priorities, developing action plans, and holding each other accountable is important work; this is how positive change in communities happens. We are well-positioned to work with public and private systems simultaneously and can serve to build coalitions and connections across multiple entities. We can be catalysts for changing how communities do business – to integrate missions, allocate resources, and incite transformation to happen across public systems in a more effective, faster way.



While focused on our communities, we are also connected to each other. We work in rural and urban areas (sometimes simultaneously) in every state (and the territories). We have developed different specialty areas and conduct business in different ways. Some WIBs have not adopted the broader community-organizing mission that we see as our most important function – there are laggards in every sector. Although our specific priorities and approaches may vary, we share an unwavering commitment to the competitiveness of our key industries and firms, the talent, skills, and agility of our residents, and the prosperity of our communities.

We have learned much since WIA was introduced in 1998. Our experience could inform both the reauthorization of legislation guiding public investments in workforce, as well as the development of policies within the U.S Department of Labor and its partner agencies – Commerce, Education, and Housing in particular.

The **Ramsey County Workforce Investment Board (RCWIB)** in Minnesota launched a Healthcare Initiative so that low-skilled adults could qualify for entry-level jobs in a growing industry. Blended instruction emphasizing basic skills and those required for occupational certification have helped keep completion rates high. Now, low-income adults are building careers in the medical field and RCWIB has convened workforce agencies, public schools, colleges, adult basic education programs and community organizations to explore the potential of this approach for other high-growth occupations in key industries.

Recommendations to Help the System Help Firms, Workers, and Communities More Effectively

The anticipated reauthorization of the Workforce Investment Act provides an opportunity to set a strategic policy framework and encourages the blending of evidence-based practice with innovation in a way that helps people, firms, and communities – and in turn, the nation – thrive. Legislative and regulatory changes to WIA, as well as clear definitions delineating the roles of state and local boards, can incentivize increased collaboration and relationship building, and encourage disparate economic development, education, and workforce systems to come together under a common goal of preserving or generating regional and global economic competitiveness and greater prosperity.

Federal legislation should clearly articulate a role for local WIBs as conveners of stakeholders around common economic (non-WIA) strategies in conjunction with WIA management roles. This change supports and validates the work that many of us already do, lends credibility to that role, and encourages more WIBs to take on that work. The law should set expectations for fulfilling the work described in the previous sections as a primary role and hold us accountable for effectively aligning community assets. To help meet our goals and inform broader statewide policy and planning, legislation should incentivize state WIBs to create mechanisms and communication pathways between state and local WIBs.

The following critical leverage points have been identified where policy changes could make a dramatic difference in serving as community catalysts:



▶ **Align federal level agencies around a common goal of increasing economic competitiveness and community prosperity.**

This would help program managers find ways to leverage their funding in support of coordinated community economic development, shared sector strategies, and identified populations within the community.

▶ **Enable more effective community-focused Boards.**

This will create nimble working Boards that can identify and assess community issues at a policy level. Current law requires mandated program partners to sit side-by-side with private sector executives. This results in large, less-than strategic Boards that have little incentive to collaborate. In addition to strategic-level representatives from higher education, primary and secondary education, organized labor, and economic development agencies, the majority of the Board membership must continue to be business members that provide key leadership to the community. Federal legislation should:

- ▶ Create flexibility to reduce the number of representatives on the Board;
- ▶ Allow for representation from public programs to be consolidated to work on a strategic level;
- ▶ Require elected officials to appoint representation from leadership positions to sit on the Board;
- ▶ Encourage members of the Board to contribute resources (time, talent, treasury) to the local workforce system when and where appropriate; and
- ▶ Build deliberate interconnections between state and local Boards to provide community representation and encourage strategic alignment (local WIB chairs could be given preference to sit on state Boards, for example).

▶ **Create a national data system accessible and transparent to the public.**

Data should drive decision making around policy, programs, and practices. Currently, there is no national system that tracks expenditures, outcomes or fiscal data. Some of us cannot even access simple wage data about our program participants. Moreover, processes and definitions across federal systems differ, making it problematic to determine how participants access multiple programs or what occurs as a result. Neither is there a consistent method for tracking participants in programs, making it impossible to aggregate accurate data up to a national level to inform subsequent policy or program decisions. Building off investments from the U.S. Department of Education's State Longitudinal Data Systems grant program authorized in 2002, WIA should promote aggressive use of data warehouses that integrate K-12, adult education and training, and post-secondary education data. A handful of states have implemented integrated data systems (e.g., Florida's Integrated Education Data Systems²) that could inform a national effort. The national data system should:

- ▶ Exist in an easily accessible site and form;
- ▶ Create clarity around the derivation of data;

² Florida's Integrated Education Data System combines the state's pre-K-20 Education Data Warehouse and the Florida Education and Training Placement Information Program data to track students longitudinally and across delivery systems. Together, the integrated data systems provide comprehensive information about students who access public systems and their workforce outcomes.



- ▶ Identify participant outcomes to track;
 - ▶ Track participant outcomes and fiscal data;
 - ▶ Identify clear and consistent data measures used nationwide;
 - ▶ Engage local WIBs in implementing common outcomes at local levels;
 - ▶ Be informed by accessible statewide data systems administered by states that collect and manage local data;
 - ▶ Establish common definitions across federal systems; and
 - ▶ Allow for alignment and integration of other national data systems such as the Integrated Postsecondary Education Data System (IPEDS) and the U.S. Department of Education’s National Reporting System.
- ▶ **Mandate coordinated funding streams across state systems.**
- Some aspects of the current workforce system are siloed and disconnected from long-term career development programs, leaving participants without a clear picture of their overall progress and goals. Coordinating and aligning resources at the federal and state levels would create a more seamless system for participants and create opportunity to leverage multiple private, public, and nonprofit funding sources. Leveraged dollars from non-federal sources should remain flexible to accomplish program goals, and regulation should be clear and consistent. Leveraging funding that is not connected to the Workforce Investment Act also suggests that WIBs must employ a non-WIA engagement strategy that includes additional stakeholders that impact community economic vitality. Recommendations for legislative action include:
- ▶ Forming a strategic role to integrate funding across several agencies, including non-WIA agencies that impact participants in the system at the state and local levels;
 - ▶ Encouraging local WIBs to leverage non-Workforce Investment Act resources. Non-federal funding should not be regulated under WIA rules and regulations;
 - ▶ Allowing non-government resources to be spent in a more flexible manner and remain guided by the funder; and
 - ▶ Changing the state WIB role and clearly articulating it as a coordinating entity for leveraging and aligning state funding streams.
- **Transform the state five-year plans into a strategic planning document.**
- Under current law, State Workforce Investment Boards help to develop five-year state plans for the Governor and report to a single state department. The mix of strategy and program centric planning is not adequate to reflect our rapidly changing economy. The document should be dynamic and reflect the depth of issues at the speed that communities change, better informing broad state workforce policy and coordinating with state-level interests. Federal legislation should give state WIBs a policy making role across state departments that impact workforce. Legislation should reframe the plan in the following way:
- ▶ Require annual evaluation and updating of the plan;
 - ▶ Emphasize holistic workforce strategies and encourage resource alignment through a focus on linkages with education, economic development, and community development on a regional³ level; and

³ Regions can be defined in a multitude of ways to describe physical, human, or functional characteristics, including broad labor market areas, work areas, or a collection of counties. We prefer to leave the definition flexible.



- ▶ Create feedback mechanisms that assist local WIBs to inform state WIB policy and planning. Not only should state WIBs develop this strategic plan with local WIB input, but they must also have a strategic role in developing state workforce policy and coordinating with state-level taskforces.

About the Innovators

Corporation for a Skilled Workforce currently facilitates two Workforce Innovators Networks, which provide a safe and private space for members to discuss ideas, successes, and challenges in their work. The focus of these Networks is to bring together pioneers who are implementing innovative workforce development strategies in both governance and service arenas. Network members are bringing new approaches to the workforce system—they are “outside the box” thinkers; they are committed to seeing their ideas implemented; and they both “think big” and “do big.”

Members of the Workforce Innovators Network are leaders in workforce development who are consistently experimenting with and implementing new ideas. Membership in the Network includes:

- ▶ **Nathaniel Buggs**, Vice President and Chief Operating Officer, San Diego Workforce Partnership, Inc. (San Diego, CA)
- ▶ **Mark Cafferty**, President and Chief Executive Officer, San Diego Workforce Partnership, Inc. (San Diego, CA)
- ▶ **Evelyn Diaz**, Chief Executive Director, Chicago Workforce Investment Council (Chicago, IL)
- ▶ **Mary Jo Gardner**, Chief Executive Officer, Ramsey County Workforce Investment Board (St. Paul MN)
- ▶ **Joanna Greene**, Vice President, Finance and Operations, Chicago Workforce Investment Council (Chicago, IL)
- ▶ **Michael Gritton**, President, Workforce Development Council, USCM and Executive Director, Kentuckiana Works (Louisville, KY)
- ▶ **Lisa Hostetler**, Interim Director, Northwest Workforce Investment Board/North Central Missouri College (Trenton, MO)
- ▶ **Jasen Jones**, Executive Director, Workforce Investment Board of Southwest Missouri (Joplin, MO)
- ▶ **Linda Kaiser**, Executive Vice President, Chicago Housing Authority (Chicago, IL)
- ▶ **Eric Miller**, Assistant Director, Kentuckiana Works (Louisville, KY)
- ▶ **Shannon Miller**, Executive Director, Central Pennsylvania Workforce Development Corporation (Lewisburg, PA)
- ▶ **Kellie O’Connell-Miller**, Director –Research, Reporting, and Communications, Chicago Housing Authority (Chicago, IL)
- ▶ **Thomas Phillips**, Second Vice President, Workforce Development Council, USCM and President and CEO, Capital Workforce Partners (Hartford, CT)
- ▶ **Becky Steele**, Retiring Director, Northwest Workforce Investment Board/North Central Missouri College (Trenton, MO)
- ▶ **J. William Ward**, President & CEO, Regional Employment Board of Hampden County, Inc (Springfield, MA)
- ▶ **Philip Weinberg**, President, NYC Workforce Investment Board (New York, NY)
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