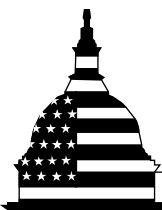


January 2012

WORKFORCE INVESTMENT ACT

Innovative Collaborations between Workforce Boards and Employers Helped Meet Local Needs



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Why GAO Did This Study

As the United States continues to face high unemployment in the wake of the recent recession, federally funded workforce programs can play an important role in bridging gaps between the skills present in the workforce and the skills needed for available jobs. The Workforce Investment Act of 1998 (WIA) sought to strengthen the connection between workforce programs and employers, but GAO's prior work has found that collaboration remains a challenge. With WIA currently awaiting reauthorization, GAO reviewed (1) factors that facilitated innovative collaborations among workforce boards, employers, and others; (2) major challenges to collaboration; and (3) actions the Department of Labor (Labor) has taken to support local collaborative efforts. GAO examined 14 local initiatives identified by experts as among the most promising or innovative efforts in which local workforce boards collaborated effectively with employers and other partners to achieve positive results. GAO interviewed representatives of the 14 initiatives and officials from five federal agencies. GAO also reviewed reports on the initiatives and relevant federal laws, regulations, and other documents.

What GAO Recommends

To better support the capacity of the local workforce investment system to collaborate with employers and other partners, Labor should compile information on workforce boards that effectively leverage WIA funds with other funding sources and disseminate this information in a readily accessible manner. Labor agreed with our findings and recommendation.

View [GAO-12-97](#) or key components. For more information, contact Andrew Sherrill at (202)-512-7215 or sherrilla@gao.gov.

WORKFORCE INVESTMENT ACT

Innovative Collaborations between Workforce Boards and Employers Helped Meet Local Needs

What GAO Found

Workforce board officials and their partners in the 14 initiatives cited a range of factors that facilitated building innovative collaborations, as shown in the figure. Almost all of the collaborations grew out of efforts to address urgent workforce needs of multiple employers in a specific sector, such as health care, manufacturing, or agriculture, rather than focusing on individual employers. Additionally, the partners in these initiatives made extra effort to understand and work with employers so they could tailor services such as jobseeker assessment, screening, and training to address specific employer needs. For example, in Greensboro, North Carolina, board staff provided expedited services for an aircraft company that just moved to the area by designing a web-based recruitment tool and customized assessment process within 48 hours and screening over 2,400 initial applicants. In all the initiatives, partners remained engaged in these collaborative efforts because they continued to produce a wide range of reported results, such as an increased supply of skilled labor, job placements, reduced employer recruitment and turnover costs, and averted layoffs. For example, in Cincinnati, Ohio, employers who participated in the health care initiative realized almost \$5,000 in estimated cost savings per worker hired, mainly due to lower turnover and recruitment costs, according to an independent study.

Factors That Facilitated Collaboration in Selected Initiatives



Source: GAO analysis of interviews.

While these boards were successful in their efforts, they cited some challenges to collaboration that they needed to overcome. Some boards were challenged to develop comprehensive strategies to address diverse employer needs with WIA funds. For example, some boards' staff said that while their initiatives sought to meet employer needs for higher-skilled workers through skill upgrades, WIA funds can be used to train current workers only in limited circumstances, and the boards used other funding sources to do so. Staff from most, but not all, boards also said that WIA performance measures do not reflect their efforts to engage employers. Many of these boards used their own measures to assess their services to employers, such as the number of new employers served each year or the hiring rate for jobseekers they refer to employers.

Labor has taken various steps to support local collaborations, such as conducting webinars and issuing guidance on pertinent topics, and contributing to a new \$37 million grant program to facilitate innovative regional collaborations. Many of the boards we reviewed cited leveraging resources as a key to facilitating collaboration. However, while Labor has collected information on effective practices for leveraging resources, it has not compiled this information and made it easy to access.

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Abbreviations

Commerce	Department of Commerce
CMTC	California Manufacturing Technology Consulting
Labor	Department of Labor
MAGMA	Michigan Academy for Green Mobility Alliance
MEP	Manufacturing Extension Partnership
Recovery Act	American Recovery and Reinvestment Act
TANF	Temporary Assistance for Needy Families
TET	Technical Employment Training, Inc.
WIA	Workforce Investment Act of 1998
WIRED	Workforce Innovation in Regional Economic Development

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United States Government Accountability Office
Washington, DC 20548

January 19, 2012

The Honorable Tom Harkin
Chairman
The Honorable Michael B. Enzi
Ranking Member
Committee on Health, Education, Labor, and Pensions
United States Senate

The Honorable Patty Murray
Chairman
The Honorable Johnny Isakson
Ranking Member
Committee on Health, Education, Labor, and Pensions
Subcommittee on Employment and Workplace Safety
United States Senate

Over 2 years into the economic recovery, unemployment remains at 8.5 percent. Yet the nation continues to face challenges in closing the gap between the skills present in the workforce and the skills needed for available jobs. While federally funded workforce programs are designed to cultivate a stronger workforce, there is growing recognition that these programs need to better collaborate with employers to align services and training with employers' needs. In overhauling the nation's fragmented employment and training programs, the Workforce Investment Act of 1998 (WIA) envisioned such collaboration by focusing on employers as well as jobseekers, establishing a "dual customer" approach. To create a single, comprehensive workforce system, WIA required that four federal agencies—the Departments of Labor, Education, Health and Human Services, and Housing and Urban Development—provide access to 16 of their programs through local one-stop centers across the country. To align federally supported training and employment programs more closely with local labor market needs, WIA established a system through which local workforce investment boards develop policy and oversee service delivery for local areas within a state, and required that local business representatives constitute the majority membership on these boards.

Despite the vision of collaboration between local employers and the workforce investment system, however, we and others have found that it can be challenging. For example, in previous reports, we found that some employers have limited interaction with or knowledge of this system—the approximately 1,800 local one-stop centers that provide access to all

required programs¹ and the local workforce boards that oversee these centers—and that employers who do use the one-stop centers mainly do so to fill their needs for low-skilled workers.² Others have found that collaboration is challenging because it requires staff time and resources to build credibility with employers.³

With WIA currently awaiting reauthorization, you requested that we identify and describe promising practices for collaboration between workforce investment boards, employers, education providers, and others that have demonstrated positive results. Specifically, we examined (1) the factors that facilitated innovative collaborations among workforce boards, employers, and others; (2) the major challenges to collaboration; and (3) what actions the Department of Labor (Labor) has taken to support local workforce boards in their collaborative efforts.

To conduct this work, we asked officials from five federal agencies and national experts on workforce and economic development issues representing 20 organizations to nominate what they viewed as the most promising or innovative initiatives in which local workforce boards collaborated effectively with employers and other partners to achieve positive results. In addition to the Departments of Labor, Education, Health and Human Services, and Housing and Urban Development, which administer one-stop programs, we also requested nominations from the Department of Commerce (Commerce), which administers key economic development programs. We selected the experts from the 20

¹ In addition to the one-stop centers that provide access to all programs, over 1,000 other one-stop centers, known as affiliate centers, provide limited employment and training-related services to job seekers and employers.

² See GAO, *Workforce Investment Act: Employers Are Aware of, Using, and Satisfied with One-Stop Services, but More Data Could Help Labor Better Address Employers' Needs*, [GAO-05-259](#) (Washington, D.C.: Feb. 18, 2005). This report found that about half of employers were not aware of their local one-stops, and that this was more common among smaller companies. Also, see GAO, *Workforce Investment Act: Employers Found One-Stop Centers Useful in Hiring Low-Skilled Workers; Performance Information Could Help Gauge Employer Involvement*, [GAO-07-167](#) (Washington, D.C.: Dec. 22, 2006).

³ Our 2003 report provided information on promising practices at selected one-stops for streamlining services for job seekers, engaging the employer community, and building a solid one-stop infrastructure by strengthening partnerships across programs and raising additional funds. See GAO, *Workforce Investment Act: One-Stop Centers Implemented Strategies to Strengthen Services and Partnerships, but More Research and Information Sharing Is Needed*, [GAO-03-725](#) (Washington, D.C.: June 18, 2003).

organizations for their knowledge of workforce development or economic development activities at the local level.

More than 89 initiatives or sponsoring organizations from 28 states were nominated, and we selected 14 initiatives in 13 local areas for in-depth review. The criteria for our selection included the number of nominations for each initiative, diversity of federal funding sources, variety of local unemployment rates, evidence of replicability, and geographical diversity, among others. We conducted semi-structured interviews with local and state workforce officials, representatives of educational institutions, training providers, economic development officials, employers, and others. We conducted in-person interviews in seven local areas and conducted interviews in the other areas by phone or video teleconference. In some cases, we also toured training facilities and workplaces. Our findings regarding the 14 initiatives are not generalizable to other local workforce boards. In addition, we conducted interviews with officials of Labor and Commerce, as well as representatives of workforce associations such as the National Association of Workforce Boards. We also reviewed relevant federal laws, regulations, and other documents pertaining to the key federal programs. See appendix I for more information on our scope and methodology. We conducted our work between November 2010 and January 2012 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

Collaboration under WIA

WIA created a comprehensive workforce investment system that brought together multiple federally funded employment and training programs into a single system, called the one-stop system.⁴ Prior to the enactment of WIA, services were often provided through a fragmented employment and training system. One-stop centers serve two customers—job seekers and

⁴Pub. L. No. 105-220, 112 Stat. 936 (codified at 29 U.S.C. § 2801 et seq.).

employers—and WIA provided flexibility to states and local areas to develop approaches that best meet local needs.

In its redesign of the system, WIA created three new programs—Adult, Dislocated Workers, and Youth—that provide a broad range of services including job search assistance, assessment, and training for eligible individuals. The WIA programs provide for three levels of service for adults and dislocated workers—core, intensive, and training. Core services include basic services such as job search and labor market information; intensive services include activities such as comprehensive assessments and case management. Training is provided through individual training accounts that participants can use to pay for training they select from a list of eligible providers. In serving employers, one-stops have the flexibility under WIA to provide a variety of tailored services, including customized screening and referral of qualified participants in training to employers.⁵

In addition to establishing the three new programs, WIA required that services from these programs, along with those of a number of other employment and training programs, be provided through the one-stop system so that jobseekers, workers, and employers could find assistance at a single location. Table 1 shows these mandatory programs and their administering federal agencies. Labor is responsible for providing guidance to states and localities on delivering services through the one-stop system, and states, through state workforce boards, have a number of responsibilities for the workforce system statewide, such as developing state plans.

⁵29 U.S.C. § 2864(e)(1).

Table 1: WIA Mandatory One-Stop Partner Programs and Related Federal Agencies

Federal agency	Mandatory program
Department of Labor	WIA Adult
	WIA Youth
	WIA Dislocated Worker
	Employment Service (Wagner-Peyser)
	Trade adjustment assistance programs
	Veterans' employment and training programs
	Unemployment Insurance
	Job Corps
	Native American workforce training program
	Senior Community Service Employment Program
Department of Education	Employment and training for migrant and seasonal farm workers
	Vocational Rehabilitation
	Adult Education and Literacy
Department of Health and Human Services	Postsecondary Career and Technical Education (Perkins Act)
	Community Services Block Grant
Department of Housing and Urban Development (HUD)	HUD-administered employment and training

Source: GAO, *Workforce Development: Community Colleges and One-Stop Centers Collaborate to Meet 21st Century Workforce Needs*, GAO-08-547 (Washington, D.C.: May 15, 2008).

Note: Although WIA required 17 programs to participate in the one-stop system, the Welfare-to-Work Program no longer exists, reducing the total to 16 mandatory programs.

WIA requires that each state have one or more local workforce investment areas⁶ (designated by state governors), each governed by a local workforce investment board.⁷ To help align employment and training

⁶29 U.S.C. § 2831(a) and (b). In designating local workforce investment areas, the governor is required to take into consideration geographic areas served by educational agencies and institutions, labor market areas, distances that individuals must travel to receive services, and the resources available from local areas to help carry out WIA services. Approximately 600 local workforce investment areas exist throughout the nation. 29 U.S.C. § 2831(a)(1)(B).

⁷29 U.S.C. § 2832(a).

programs with the needs of employers, WIA requires that local boards include representatives from one-stop partner programs, local educational entities, labor organizations, community-based organizations, and economic development agencies. It also requires that a majority of the members be representatives of local businesses and that the local board chairman be a representative of a local business.⁸ Through these requirements, WIA gave business representatives a key role in deciding how services should be provided and overseeing operations at one-stop centers.

Local workforce boards are also responsible for coordinating workforce investment activities with economic development strategies, and developing relationships with employers.⁹ The local workforce boards also select the entities to operate one-stop centers and conduct oversight of the one-stop system.¹⁰ In addition to the mandatory programs, local workforce boards have the flexibility to include other programs in the one-stop system.¹¹ Labor suggests that these additional, or optional, programs may help one-stop systems better meet specific state and local workforce development needs.

Funding Streams and Sources

Over \$40 billion in federal funding has been provided for Adult, Dislocated Worker, and Youth programs since fiscal year 2000. In 2009, Congress passed the American Recovery and Reinvestment Act (Recovery Act), which included a one-time addition of \$3.15 billion for the three programs through program year 2010.¹² Compared to fiscal year 2000, annual WIA funding declined in nominal terms by about 24 percent in fiscal year 2011.

While the federal funds for Adult, Dislocated Worker, and Youth programs that flow to states and then to local areas through statutory formulas¹³—

⁸29 U.S.C. § 2832(b)(2), (b)(4) and (b)(5).

⁹29 U.S.C. § 2832(d)(7).

¹⁰29 U.S.C. § 2841(a).

¹¹29 U.S.C. § 2841(b)(2). These programs can include other federal, state, local, or private human resource programs.

¹²Pub. L. No. 111-5, Div. A, Title VIII, 123 Stat. 115, 172-173. Recovery Act funds were permitted for all activities allowed under WIA.

¹³29 U.S.C. §§ 2852 and 2862.

WIA formula funds—are intended to support services and training for individual jobseekers, WIA provides for certain set-asides for statewide workforce activities, as well. Governors may reserve up to 15 percent of these program funds for statewide activities, referred to in this report as WIA Governor’s set-aside.¹⁴ WIA requires states to use the Governor’s set-aside for activities such as statewide evaluations of workforce programs and incentive grants for local areas, and allows them to fund a wide array of activities, including innovative training programs for incumbent workers,¹⁵ research and demonstration projects, and capacity building and technical assistance. For program year 2011, Congress reduced the 15 percent Governor’s set-aside to 5 percent.¹⁶ Additionally, governors may reserve up to 25 percent of the Dislocated Worker program funds for “rapid response” activities, to help serve employers and workers facing layoffs and plant closings.¹⁷

To further address local workforce needs, Labor has also provided some discretionary grants to the local workforce boards to help them bring together diverse partners, including employers. Generally, Labor’s discretionary grants are awarded under a provision of WIA that provides authority for demonstration, pilot, multiservice, research, and multistate projects,¹⁸ and a provision enacted as part of the American Competitiveness and Workforce Improvement Act of 1998,¹⁹ which provides authority for job training grants funded by the H-1B visa

¹⁴29 U.S.C. §§ 2853(a) and 2863(a).

¹⁵Workers who already have a job may be considered “incumbent workers,” a term each state board defines. According to Labor, the primary mission of the workforce investment system is to serve unemployed workers, but services to incumbent workers, who may not otherwise be eligible for WIA’s Adult or Dislocated Worker programs, are permitted with Governor’s set-aside funds, and for the purpose of assisting employers and workers facing layoffs, with rapid response reserve funds and formula funds, under waivers granted by Labor. See Department of Labor, *Training and Employment Guidance Letter No. 30-09* (Washington, D.C.: June 8, 2010).

¹⁶Department of Defense and Full-Year Continuing Appropriation Act, 2011, Pub. L. No. 112-10, § 1801(a)(3), 125 Stat. 38, 156. Program year 2011 began July 2011 and runs through June 2012.

¹⁷29 U.S.C. §2863(a)(2).

¹⁸29 U.S.C. § 2916.

¹⁹Pub. L. No. 105-277, Div. C, Title IV, § 414(c), 112 Stat. 2681-653, codified at 29 U.S.C. § 2916a.

program.²⁰ Between 2001 and 2007, Labor spent almost \$900 million on three employment and training grant initiatives: the High Growth Job Training Initiative beginning in 2001, the Community-Based Job Training Initiative beginning in 2005, and the Workforce Innovation in Regional Economic Development (WIRED) initiative beginning in 2006. These grants were designed to identify the workforce and training needs of growing, high-demand industries and engage workforce, industry, and educational partners to develop innovative solutions to workforce challenges.

Beyond the WIA programs, Commerce runs programs that can support workforce training. For example, the department's Hollings Manufacturing Extension Partnership (MEP) provides technical assistance upon request to manufacturers, including advice on workforce practices or skills training in some cases. MEP clients reported having invested about \$270 million of their own funds in workforce training in 2009.

WIA Performance Measures

In order to receive their full funding allocations, states must report on the performance of their three WIA programs.²¹ WIA requires performance measures that gauge program results for jobseekers in the areas of job placement, retention, earnings, and skill attainment.²² In addition, WIA requires measures of customer satisfaction for jobseekers and for employers, which may be collected through surveys.²³ WIA holds states accountable for achieving their performance levels by tying those levels to financial sanctions and incentive funding.²⁴

²⁰This program imposes a fee on employers that hire foreign workers to fill positions in specialized professions such as computer technology.

²¹29 U.S.C. § 2871(g)(1)(B).

²²29 U.S.C. § 2871.

²³29 U.S.C. § 2871(b)(2)(B).

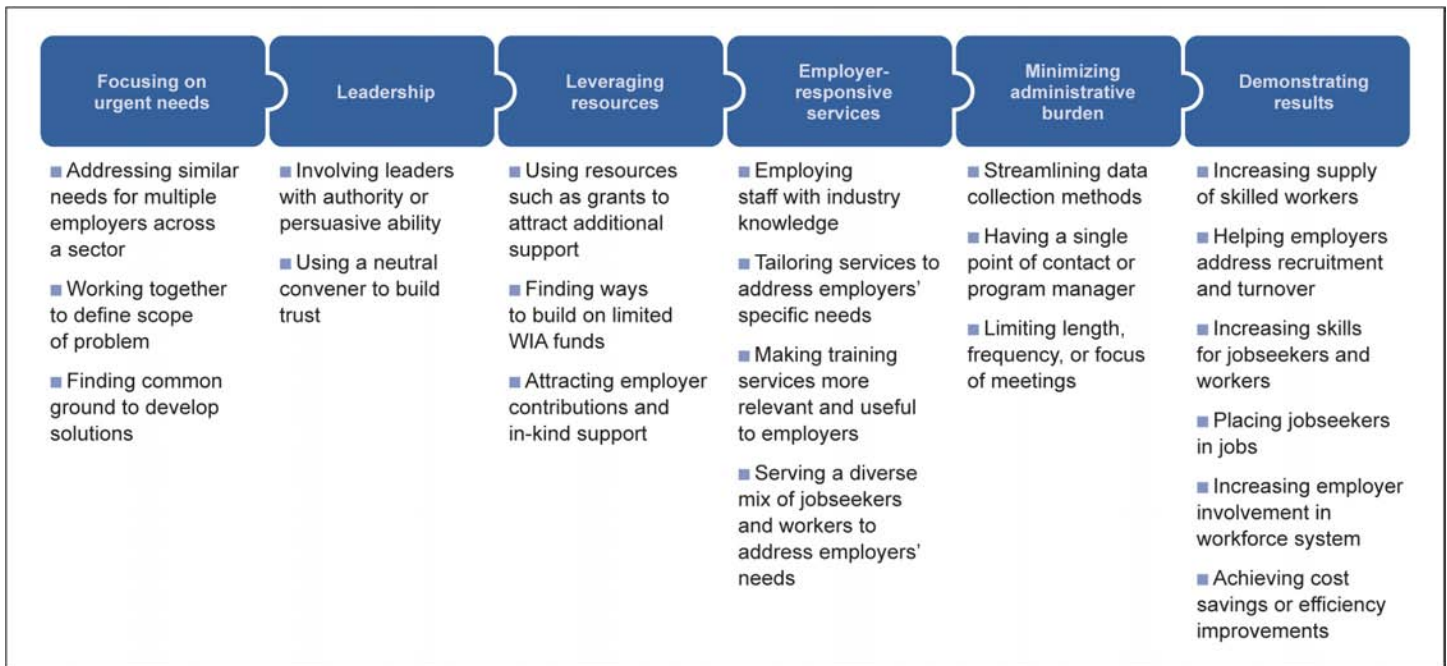
²⁴29 U.S.C. § 2871(g) and 20 U.S.C. § 9273.

Several Key Factors Supported Initial Collaboration and Sustained It over Time

While the 14 selected initiatives varied in terms of their purpose, sector, and partners involved, the boards and their partners cited common factors that facilitated and sustained collaboration (see fig. 1). For example, virtually all of these collaborations grew out of efforts to address critical workforce needs of multiple employers, typically in a specific sector, rather than focusing on individual employers. Additionally, the partners in these initiatives made extra effort to understand and work with employers so they could tailor services such as jobseeker assessment, screening, and training to address specific employer needs. In all cases, the partnerships included workforce boards, employers, and education and training providers, and in some cases, they also included local school districts, regional organizations that promoted economic development,²⁵ state agencies, or labor unions. Partners remained engaged in these collaborative efforts because they continued to produce a range of results for employers, jobseekers and workers, and the workforce system and other partners.

²⁵According to the National Association of Development Organizations, economic development organizations include councils of governments, local development districts, planning and development districts, regional councils, and regional development or planning commissions, among other entities.

Figure 1: Factors That Facilitated Collaboration



Source: GAO analysis of interviews.

Workforce Boards and Their Partners Focused on Urgent, Common Needs That Provided a Catalyst for Collaboration

Workforce boards, employers, education and training providers, and other partners in the 14 initiatives focused on urgent and commonly shared employer needs that served as a catalyst for collaboration. Virtually all of the initiatives focused on ways to supply workforce skills that were commonly needed by multiple employers in a specific sector. The urgency of their needs ranged from a shortage of critical skills in health care and manufacturing to the threat of layoffs and business closures (see table 2). In San Bernardino, California, for example, some companies were at risk of layoffs and closures because of declining sales and other conditions, unless they received services that included retraining for their workers.²⁶ Also, in

²⁶According to Labor, averting layoffs is one of the functions of the workforce investment system, and worker training, such as training for workers in new processes or technologies, is one of several services that can help employers avoid layoffs. Labor has encouraged states to establish criteria to identify the employers and workers for whom layoff aversion services may be appropriate. States that seek to use WIA formula or reserve rapid response funds for incumbent worker training must obtain waivers from Labor. See Department of Labor, *Training and Employment Guidance Letter No. 30-09*.

Rochester, Minnesota, the turnover rates at long-term care facilities threatened their ability to comply with state regulations and remain open. In one case, in Gainesville, Florida, employers joined with the board and others to tackle the need to create additional jobs by embarking on an initiative to develop entrepreneurial skills. See appendix II for a profile of each initiative.

Table 2: Fourteen Initiatives Addressed a Range of Urgent Employer Needs

Initiative name	Workforce board ^a	Sector focus	Needs addressed ^b
1. ManufacturingWorks	Chicago, Illinois	Manufacturing	Critical skill needs
2. Health Careers Collaborative of Greater Cincinnati	Cincinnati, Ohio	Health care	Critical skill needs, turnover
3. Entrepreneurship Quests	Gainesville, Florida	No single sector	Need for additional jobs ^c
4. Advanced Manufacturing Training Initiative	Golden, Colorado	Manufacturing	Soft skills ^d
5. Piedmont Triad Global Logistics Workforce Initiative	Greensboro, North Carolina	Transportation, distribution, and logistics	Critical skill needs
6. Center of Excellence in Production Agriculture	Lancaster, Pennsylvania	Agriculture	Critical skill needs
7. Career Pathways	Madison, Wisconsin	Multiple	Critical skill needs
8. Pre-employment Healthcare Academy	Rochester, Minnesota	Health care (long-term care)	Turnover, soft skills ^d
9. Technical Employment Training	San Bernardino, California ^e	Manufacturing	Critical skill needs
10. Manufacturing Sector Layoff Aversion and Business Assistance Initiative	San Bernardino, California ^e	Manufacturing	Imminent threat of layoffs
11. Health Care Sector Panel	Seattle, Washington	Health care	Critical skill needs
12. Michigan Academy for Green Mobility Alliance	Taylor, Michigan (southeast Michigan)	Manufacturing	Need for upgraded skills to keep pace with technological change
13. NoVaHealthForce	Vienna, Virginia (Northern Virginia)	Health care	Critical skill needs
14. Composites Kansas WIRED Initiative	Wichita, Kansas	Manufacturing (aviation)	Need for upgraded skills to keep pace with technological change

Source: GAO.

^aThe boards are identified by the city in which they are located. For the initiatives that involved multiple workforce boards, the city shown is the location of the lead workforce board. For the boards' complete names, see appendix II.

^bA single initiative could address more than one common need. The needs shown represent the main needs identified by the partners.

^cThis initiative addressed the area's need for new employment opportunities through a strategy of promoting self-employment.

^dSoft skills are the nontechnical skills that workers need to function in a job, and include competencies related to problem-solving, oral communication, personal qualities, work ethic, and teamwork skills.

^eTwo initiatives of this board, both in manufacturing, were selected for this report.

In most cases, workforce boards worked with employers and other partners to determine the scope of the problem, which galvanized the partners' commitment to collaborate. In Northern Virginia, for example, officials told us that, individually, local hospitals were experiencing difficulties recruiting skilled workers and anticipated that their needs would become more acute due to pending retirements among their existing workers. However, until the initiative, there had been no attempt to quantify the staffing needs overall among the hospitals. The partners commissioned a study which projected a shortage of 17,000 nurses and other health care workers in 23 occupations—a finding that reinforced the partners' commitment to collaborate on a common strategy, according to local officials. In some initiatives, the partners obtained information about employers' needs through studies or a focus group.²⁷ In a few cases, boards used previously developed state models to engage employers in specific industries and regions and identify information about their critical workforce needs. For example, in both Seattle and southeast Michigan, employers participated in models—known as “Skill Panels” or “Skills Alliances”—that Washington State and Michigan had developed for this purpose.²⁸

By focusing on common employer needs across a sector, the boards and their partners also produced innovative labor force solutions that, in several cases, had evaded employers who were trying to address their needs individually, according to those we interviewed. In several cases, employers cited the recruitment costs they incurred by competing against each other for the same workers. By working together to develop the local labor pool they needed, the employers were able to reduce recruitment costs in some cases. Describing the competitive approach to labor supply

²⁷See Seattle-King County Workforce Development Council and Washington State Hospital Association, *Seattle-King County's Hospital Staffing Crisis: Challenges and Solutions Identified by Seattle-King County Hospital, Education and Labor Leaders* (February 2003); PriceWaterhouseCoopers, *The Health Care Workforce Shortage: An Analysis of the Scope and Impact on Northern Virginia* (2004); and Center on Wisconsin Strategy, *The Future of the Health Care Workforce in South Central/Southwest Wisconsin: An Analysis of Employer and Employee Surveys in Key Locations* (2008). In at least one case, employers provided information about their workforce needs through focus groups—specifically, in Golden, Colorado, the board held a focus group with manufacturers.

²⁸Washington State has used a collaborative approach, known as “Skill Panels,” to identify skill gaps and standards in targeted sectors, develop training, and share promising practices, and Michigan has developed a similar approach, known as “Skills Alliances.” These approaches have been used in various sectors, including manufacturing, energy, health care, construction, and services.

that had prevailed before collaboration, one employer said, “When we steal staff [from each other], we don’t add people to the workforce, and it increases the cost of doing business.”

In addition to finding common ground among employers, some initiatives also forged greater collaboration among education and training providers. As with the employers, the focus on common needs galvanized support, leading the educational institutions in some cases to share curricula or agree to recognize courses offered by other participating institutions. For example, in southeast Michigan’s initiative in automotive manufacturing, education partners agreed to grant credit for courses offered by other participating institutions. In Seattle’s health care initiative, a community college official said that area colleges had competed against each other and worked with employers independently, but collaboration helped them think more in terms of scale and as a system.

In several cases, the initiatives involved multiple workforce boards as partners to address issues on a regional basis. For example, the health care initiative in Cincinnati involved the efforts of four boards across three states—Ohio, Kentucky, and Indiana—because board officials recognized that the local labor market includes communities in each state. In Wichita, Kansas, the aircraft manufacturing initiative included two boards—one serving the six counties around Wichita, and the other serving 63 rural counties in the western half of the state. To address initial concerns that the larger Wichita-based board might benefit disproportionately, both boards took steps to ensure that they would each benefit from and have access to resources. In doing so, according to board staff, they were able to expand the recruitment pool and promote job openings in a wider area. Their collaboration also fostered communications about new market opportunities for companies.

Leadership Was Critical in Spurring Action and Building Partnerships



Source: GAO analysis of interviews.

Officials from many boards emphasized the importance of securing leaders who had the authority or the ability, or both, to persuade others of the merits of a particular initiative. In some cases, workforce board or one-stop staff took the lead. In San Bernardino, California, for example, a leader from the one-stop's Business Services unit used feedback from local employers to persuade the board of the need for layoff aversion services, such as training manufacturers' incumbent workers in more efficient production techniques.²⁹ In Lancaster, Pennsylvania, workforce staff helped public school teachers gain state approval for an agricultural curriculum by obtaining the state's designation of agricultural careers as "high priority occupations," and as a result, convinced previously wary partners that collaborating with the workforce system would be beneficial. In some cases, other partners led efforts to launch the initiative. For example, to address a critical need for health care workers in Northern Virginia, a community college president personally marshaled support from area hospital chief executive officers and other local leaders to address common needs for health care workers. Employers also provided leadership that was instrumental in persuading other employers and partners to join the initiatives. In Greensboro, North Carolina, officials reported that many employers joined round-table discussions after their competitors encouraged them to participate.

Many partners also emphasized the value of having a leader whose perceived neutrality could help build trust among parties who were otherwise competitors. Officials from several initiatives also said that neutral leaders helped different partners understand how their mutual

²⁹According to local officials, almost all of the participating employers in this layoff aversion initiative received services that included training for their workers. In addition, some also received other services to help them increase revenue and stabilize their operations, such as assistance with marketing.

interests could be served through collaboration. In Seattle, for example, officials said that having such a neutral convener helped to both manage partners' relationships and focus on opportunities for systematic change, and that without such leadership, their efforts would have likely produced smaller, more isolated projects. The leaders who served as neutral conveners varied among the initiatives. For several initiatives, including Seattle, the local boards served this purpose. In southeast Michigan, the state workforce agency was viewed as a neutral convener.

Leveraging Resources Supported Collaborative Efforts



Source: GAO analysis of interviews.

All of the boards and their partners leveraged resources in addition to or in lieu of WIA formula funds to launch or sustain their initiatives.³⁰ In some cases, partners were able to use initial support, such as discretionary grants, to attract additional resources. For example, in Golden, Colorado, the board leveraged a Labor WIRED grant of slightly more than \$285,000 to generate an additional \$441,000 from other partners. WIA formula funds were typically used to support some training, as well as pre-employment assessment and screening. According to several workforce board directors, however, WIA funds were not sufficient to meet the training needs of employers and jobseekers in their areas. Various partners contributed resources to meet these training needs and sustain their collaboration. For example, projects that stemmed from Seattle's Health Care Sector Panel have had a wide variety of support, including

³⁰According to Labor, leveraged resources are not defined in federal regulation or related administrative requirements. For the purposes of grant reporting, Labor defines leveraged resources as all resources used by a grantee to support grant activity and outcomes. See Department of Labor, "Fiscal Forums 2011: Leveraged Resources and Match 2," webinar (August 24, 2011). For our purposes, we use the term to mean all resources used to support an initiative's activities or outcomes.

WIA formula funds, Governor’s set-aside funds, and federal H-1B monies and state funds, among others.

In addition to public funds, in all cases that we reviewed, employers demonstrated their support by contributing as well. For example, in Northern Virginia, health care employers offered matching funds to help persuade the state legislature to provide financial support, according to local officials. In Cincinnati, Ohio, all participating employers committed tuition reimbursement dollars for workers’ course costs, including remedial education, and in Greensboro, North Carolina, employer matching funds supported a sector-specific training center. In addition, employers also provided in-kind support, such as equipment, use of facilities, and providing training during working hours. Table 3 lists the most frequently used resources to build and sustain initiatives.

Table 3: Most Frequently Used Resources to Build and Sustain Initiatives

Resource	Number of initiatives using each resource
1. Employer cash or in-kind contributions	14
2. WIA formula funds	11
3. American Recovery and Reinvestment Act (Recovery Act)	9
4. Other federal grants or funds	8
5. State grants or funds	8
6. Local funds	6
7. WIA Governor’s set-aside	6
8. Foundation grants	5
9. WIRED grant	4

Source: Workforce officials from each of the 14 initiatives.

Partners Provided Employer-Responsive Services to Enhance Collaboration



Source: GAO analysis of interviews.

In all cases, the initiatives of the boards and their partners provided employer-responsive services to actively involve employers and keep them engaged in the collaborative process. Some boards and their partners employed staff with industry-specific knowledge to better understand and communicate with employers. In Madison, Wisconsin, for example, the board designated some one-stop staff as industry specialists. According to officials, these specialists better served employers because they understood what the available jobs entailed, what training was required, and what to look for on a resume for specific occupations when screening jobseekers. Similarly, in Chicago, to help meet the needs of manufacturers, staff of a sector-based center specialized in certain kinds of manufacturing, such as food processing, plastics and paper, and metal. These examples are consistent with the finding of a prior GAO report that one-stop staffs were better able to respond to labor shortages when they had a strong understanding of the employment and training needs in specific industries.³¹

In other initiatives, boards and partners gained employers' confidence in the collaboration by tailoring services such as jobseeker assessment and screening services to address specific employers' needs. For example, in Greensboro, North Carolina, the board staff provided expedited services for an aircraft company by designing a web-based recruitment tool and customized assessment process within 48 hours and quickly screening over 2,400 initial applicants, according to a board official. Similarly, to better match jobseekers with specific job openings, the sector-based center in Chicago worked closely with employers to review and validate

³¹[GAO-03-725](#).

employers' own assessment tools, or develop new ones, and administer them on behalf of the employers. Center staff said they could screen 50 candidates and winnow them to the top 5, which saved employers time in the hiring process. One employer noted that without the center's help, they would have needed at least two human resource specialists to do this job.

Boards and their partners also strengthened collaborative ties with employers by making training services more relevant and useful to them. In some cases, employers provided direct input into training curricula. For example, in Wichita, employers from the aviation industry worked closely with education partners to develop a training curriculum that met industry needs and integrated new research findings on composite materials. In southeast Michigan, education partners adjusted the course content—while the training was under way—in response to shifting industry needs. Another way that some initiatives met employers' training needs was to provide instruction that led to industry-recognized credentials.³² For example, in San Bernardino, a training provider integrated an industry-recognized credential in metalworking into training to make it more relevant for employers. To address employers' long-term training needs, some initiatives incorporated career pathways, in which training is sequenced and linked to additional training in a way that supports career advancement. In Seattle, employers reported that this approach to training could play an important role in reducing employer turnover costs associated with certain workers such as medical assistants, who formerly had few options for career advancement.

In addition, some boards engaged employers in collaborative efforts by ensuring that certain jobseekers had adequate basic skills to meet employers' needs. In some cases, this entailed working closely with the

³²While there is no universally accepted definition of the term "industry-recognized credential," Labor defined it in recent guidance as a credential that is either (1) developed and offered by, or endorsed by a nationally recognized industry association or an organization representing a sizeable portion of the industry sector, or (2) a credential that is sought or accepted by companies in an industry sector for the purposes of hiring or recruitment. See Department of Labor, *Training and Employment Guidance Letter No. 15-10* (Washington, D.C.: 2010).

adult education system.³³ In Seattle and Madison, for example, the boards adapted existing state approaches to help jobseekers improve both basic and occupational skills simultaneously, by including a basic skills instructor in training at least part of the time or by using curricula that basic skills and occupational instructors had developed together. In San Bernardino, where employers had been struggling to find skilled machinists, the training provider incorporated basic math and basic blueprint reading in the 630 hours of training that it provided to jobseekers. To address employers' need for a long-term supply of workers, some boards and their partners also included youth in their initiatives. For example, in Gainesville, Florida, the TechQuest initiative enrolled WIA youth participants in 8 weeks of business-oriented learning to introduce them to technology-oriented businesses while improving their reading and writing skills.

Another way that boards and their partners facilitated collaboration with employers was by reaching beyond WIA's primary mission of serving the unemployed and including employed workers or jobseekers not receiving services under WIA.³⁴ Several officials described this broad approach as driven by the employer's need for certain skills, irrespective of a jobseeker's status under WIA. In Northern Virginia, for example, the partners first identified employers' needs—in this case, a projected local shortage of health care workers—and then developed a broad, responsive strategy that incorporated WIA as a key but not the sole element. As a result, the partners' efforts to increase the supply of skilled workers extended beyond WIA to the general population, while including some workers who had individual training accounts under WIA. Similarly, staff of the sector-based center in Chicago explained that their practice of screening and referring qualified jobseekers—both those who received services under WIA and those who did not—was responsive to manufacturers' need for specific skills. In other cases, boards and their

³³The Adult Education State Grant Program, authorized by the Adult Education and Family Literacy Act, Title II of WIA (20 U.S.C. § 9201 et seq.) and administered by the Department of Education, supports activities to provide instruction for individuals age 16 or over who lack basic skills, a high school diploma or its equivalent, or English language proficiency. Entities that carry out such activities, including community colleges, public schools, and community-based organizations, are mandatory partners in the one-stop system.

³⁴As discussed previously, all initiatives leveraged resources beyond WIA formula funding, such as WIRED grants or employer contributions. These non-WIA funds allowed initiatives to serve WIA-eligible and WIA-ineligible populations together.

partners focused largely on employers' current workers to meet specific employer needs while also serving some workers receiving services under WIA. The manufacturing initiatives in Golden, Colorado, and southeast Michigan, for example, focused on upgrading the skills of incumbent workers while at the same time retooling the skills of some dislocated workers.

Minimizing Administrative Burden for All Partners Facilitated Collaboration



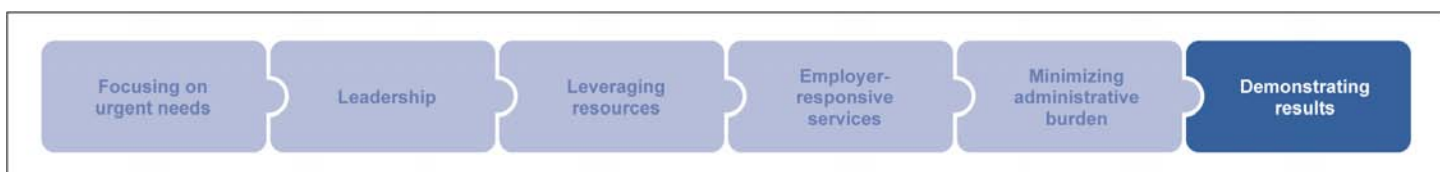
Source: GAO analysis of interviews.

Boards also facilitated collaboration by minimizing administrative burden for employers and other partners. Board staff with several initiatives said that complex administrative processes would have discouraged employers from collaborating in the initiatives. In some cases, boards and their partners streamlined data collection or developed shared data systems to enhance efficiency. For example, in Cincinnati, the partners developed a shared data system to more efficiently track participants, services received, and outcomes achieved across multiple workforce providers in the region. Additionally, in southeast Michigan, an industry official reported that the administrative burden would have been “almost insurmountable” for employers if they had not collaborated with the workforce system and received administrative support. For several initiatives, one-stop staff or board members said they managed administrative processes because the level of documentation could be intimidating and discourage collaboration.

Another way many initiatives minimized administrative burden was by designating a single point of contact or having a program manager to streamline communication channels, which facilitated collaboration among disparate partners. For example, in Golden, Colorado, a partner reported that having a program manager who was focused and responsive to employers' concerns improved stakeholder relations and helped employers understand the benefits of collaboration. In other cases, some partners limited the frequency, length, and focus of meetings

to use partners' time most effectively. For example, in Northern Virginia, officials said they opted for biannual meetings focused on outcomes, needs, and employer support to accommodate the busy schedules of hospital executives and college presidents.

Demonstrating Results Helped Sustain Collaborations



Source: GAO analysis of interviews.

For employers, the partnerships produced diverse results that generally addressed their need for critical skills in various ways. In some cases, employers cited an increased supply of skilled labor. In Northern Virginia, for example, the partners said that the initiative produced an increased supply of nurses and other health care workers. In other cases, employers said the initiatives helped reduce their recruitment and retention costs. For example, in Rochester, Minnesota, one employer, a long-term care facility, reported a reduction in turnover from 60 percent to 6 percent in 1 year. In Cincinnati, Ohio, according to an independent study, employers who participated in the health care initiative realized about \$4,900 in cost savings per worker hired. Other employers cited less quantifiable benefits. For example, in Gainesville, Florida, one employer said that participants in the entrepreneurship training initiative had acquired the specialized skills needed for new ventures that were otherwise difficult for them to find. In a few cases, employers credited the initiative with helping to increase their competitiveness. In the Wichita, Kansas, area and southeast Michigan, where employers focused on upgrading skills to keep pace with changes in technology, officials told us that the initiatives had helped them develop a talent base that could help them compete internationally.

For jobseekers and workers, the partnerships produced results that mainly reflected job placement and skill attainment. For example, in Wichita, of the 1,195 workers who were trained in the use of composite materials in aircraft manufacturing, 1,008 had found jobs in this field. In some cases where incumbent workers were promoted after having received services to

support their career progression, as in Seattle's health care initiative, new openings were created for entry-level jobseekers. In Gainesville, Florida, some participants who had completed the initiative's entrepreneurship training had started seven new companies. Elsewhere, such as in San Bernardino's layoff aversion initiative, workers retained jobs when 426 jobs were saved.³⁵ In addition, some of those who attained new skills included jobseekers with barriers to employment. For example, in San Bernardino, officials reported that 32 percent of the trainees who had completed the Technical Employment Training for machinists faced barriers to employment, such as a disability or criminal record.

For the workforce system, the partnerships led to results such as increased participation by employers in the workforce system, greater efficiencies, and models of collaboration that could be replicated. Officials with several initiatives said they had generated repeat employer business or that the number and quality of employers' job listings had increased, allowing the workforce system to better serve jobseekers. In some cases, officials also cited efficiency improvements. For example, in Cincinnati, an education partner cited cost savings achieved when two colleges shared a training program, splitting certain costs. Some partners also applied their lessons learned through the partnership to new initiatives. For example, the Rochester board's pre-employment health care initiative has been replicated in manufacturing, while officials in Golden, Colorado, replicated elements of their manufacturing initiative in the energy sector.

³⁵These data on jobs saved reflect one of several performance measures of Commerce's MEP program. Participating employers report these data to a third party for submission to Commerce. We did not evaluate these data for reliability or accuracy, nor did we assess the data collection methods that were used. Therefore we cannot verify the extent to which these outcomes are the result of involvement with the MEP program.

Workforce Boards Overcame Some Challenges to Address Diverse Employer Needs and Developed Their Own Measures to Track Employer Engagement

Although all of the boards were successful in their collaborative efforts, they identified some challenges they needed to overcome. For example, some boards cited challenges related to using WIA formula funds to address diverse employer needs. Staff from most, but not all, of the boards also said that WIA performance measures do not directly reflect their efforts to work with and engage employers. However, we found that many of the boards developed a number of their own performance measures to assess their services to employers.

Some Boards Were Challenged to Develop Comprehensive Strategies to Address Diverse Employer Needs with WIA Funds

Some boards identified challenges in using WIA funds to address employers' need for workers at various skill levels. For example, staff from some boards said it was challenging to collaborate with employers using WIA formula funds because they could generally only use these funds to train eligible jobseekers. Furthermore, WIA prioritizes funding for intensive services and training for low-income individuals when funding for adult employment and training activities is limited.³⁶ The director of one board said that pursuing comprehensive strategies for an entire economic sector can be challenging, because WIA funds are typically used for lower-skilled workers, and employers in the region wanted to attract a mix of lower- and higher-skilled workers. To address this challenge, the director noted that the board used a combination of WIA and other funds to address employers' needs for a range of workers.

In at least five of the initiatives, board officials described services to incumbent workers as a major part of their successful collaboration with employers, yet some boards were challenged to piece together funds to do this. WIA formula funds generally cannot be used to train incumbent workers, with certain exceptions. For instance, employed workers who need training to reach self-sufficiency may be served with WIA formula funds. In addition, WIA Governor's set-aside funds may be used for innovative programs for incumbent workers. Among the initiatives that served incumbent workers, the most common funding sources were employer contributions and state funds. In addition, states may apply to

³⁶29 U.S.C. § 2864(d)(4)(E).

Labor for waivers to provide layoff aversion services to incumbent workers with both WIA formula and reserve rapid response funds. One board used WIA rapid response funds for layoff aversion services because the state had a waiver for this purpose.³⁷ Even in cases where boards used some WIA funds to serve incumbent workers, most boards had to find other funds to address this employer need.

Because WIA formula funds for training are primarily designed to pay for services for individual jobseekers through individual training accounts, some boards found it challenging to fund other training-related activities.³⁸ For example, some board staff said they needed to use other funding to develop new curriculum for their initiatives. Boards can use WIA funds to develop curriculum as part of “customized” training for employers. However, this type of training has some restrictions, such as requiring employers to pay for 50 percent of the training, which could be a deterrent for some employers.³⁹ In other cases, board staff reported that they wanted to provide training for an entire cohort, but boards usually cannot use WIA funds to contract for training services.⁴⁰

³⁷In the San Bernardino layoff aversion initiative, services were provided under a waiver that allowed the board to use rapid response funds for this purpose.

³⁸WIA requires training to be provided through individual training accounts with limited exceptions, such as when the services include on-the-job training provided by an employer or when the local board determines there is an insufficient number of training providers in the area. See 29 U.S.C. 2964(d)(4)(G)(ii).

³⁹Labor has issued a waiver of this requirement for certain states, so that smaller employers may contribute less than 50 percent.

⁴⁰29 U.S.C. § 2864(d)(4)(G). However, the Recovery Act allowed local workforce boards to contract directly with institutions of higher education or other eligible training providers, if the local board determined that it would facilitate the training of multiple individuals and the contract did not limit customer choice. Pub. L. No. 111-5, 123 Stat. 115, 173. The Appropriations Acts for fiscal years 2010 and 2011 also included this authority. Consolidated Appropriations Act, 2010, Pub. L. No. 111-117, 123 Stat. 3034, 3226 and Department of Defense and Full-Year Continuing Appropriations, 2011, 125 Stat. 38, 102-103.

WIA Performance Measures Focus Primarily on Outcomes for Jobseekers, but Local Boards Developed Their Own Measures of Employer Engagement

Staff from a majority, but not all, of the boards said that WIA performance measures do not directly reflect their efforts to work with and engage employers. The current WIA performance measures primarily focus on local-level outcomes for jobseekers, except for a required measure of employer satisfaction which may be measured by a survey of a sample of employers for this purpose.⁴¹ While this survey provides a high-level indicator of employer satisfaction with WIA-funded programs, the statewide sample that is reported to Labor does not provide information on each local area's performance.⁴² Thus, board staff explained, the sole employer measure does little to acknowledge or reward local boards that successfully engage employers. For example, one board's staff said that although they prioritize working with employers, they do not get credit for this under WIA. On the other hand, the executive director of one board noted that their successful efforts to engage employers were reflected in improved outcomes for jobseekers.

However, WIA does not preclude local efforts to develop measures of employer engagement, and we found that many of the boards track a variety of their own employer measures. In Chicago, staff track measures such as the number of new employers served every year and the hiring rate among jobseekers that they had referred to employers. In two initiatives where the boards collaborated with Commerce's MEP program, the boards collected data on measures such as increased employer sales and employers' satisfaction with initiative services. Furthermore, one board's executive director expressed appreciation for the flexibility to adopt measures of employer engagement that best align with local needs. Other examples of the types of measures boards reported that they used to gauge employer engagement or satisfaction include

- interview-to-hire ratio from initiative jobseeker referrals,
- retention rate of initiative-referred hires,
- number of businesses returning for services,
- number of new business contacts,

⁴¹29 U.S.C. § 2871(b)(2)(B).

⁴²[GAO-04-657](#).

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- employers' willingness to invest time or funding in initiatives,
 - employer satisfaction with initiative, and
 - increased or retained employer sales.

These examples are consistent with prior GAO work. In a 2004 report, we found that about 70 percent of local areas nationwide reported that they required one-stop centers to track some type of employer measure, such as the number of employers that use one-stop services, how many hire one-stop customers, and the type of services that employers use.⁴³

Labor Has Taken Steps to Support Local Collaborative Efforts and Address Some Challenges but Has Not Made Information on Leveraging Resources Readily Available

To help boards form partnerships with employers, colleges, and other partners, Labor has conducted webinars and shared information on the uses of and opportunities for funding such collaborations. One webinar explained how to work with Commerce's MEP program to obtain manufacturing expertise on behalf of local employers. Other webinars hosted by Labor have suggested how boards can use various discretionary grants, such as WIRED grants, to help support their collaborative initiatives. In addition, Labor has featured the innovative work of several local boards in forming partnerships, such as the approach to career pathways used by the board in Madison, Wisconsin. To help boards optimize their use of WIA funds without overstepping program rules, Labor has issued guidance on such topics as entrepreneurship training, working with economic development entities, and training incumbent workers.⁴⁴

Labor has also engaged in collaborative efforts with other federal agencies that could help support local collaboration. For example, Labor is working with the Department of Education and other federal agencies to identify existing industry-recognized credentials and relevant research

⁴³GAO, *Workforce Investment Act: States and Local Areas Have Developed Strategies to Assess Performance, but Labor Could Do More to Help*, [GAO-04-657](#) (Washington, D.C.: June 1, 2004).

⁴⁴See Department of Labor, *Training and Employment Guidance Letter No. 12-10* (Washington, D.C.: 2010); Department of Labor, *Training and Employment Guidance Letter No. 13-07* (Washington, D.C.: 2007); and Department of Labor, *Training and Employment Guidance Letter No. 30-09* (Washington, D.C.: 2010).

projects,⁴⁵ and has issued guidance to help boards increase credential attainment among workforce program participants.⁴⁶ In addition, Labor has recently worked with Commerce and the Small Business Administration to fund a new discretionary \$37 million grant program called the Jobs and Innovation Accelerator Challenge to encourage collaboration and leveraging funds. This program encourages the development of industry clusters, which are networks of interconnected firms and supporting institutions that can help a region create jobs. These grants are also intended to help local boards and others leverage existing federal resources by, for example, encouraging boards to develop collaborative relationships with career and technical education providers that receive federal funds. A total of 16 federal agencies will provide technical resources to help leverage existing agency funding, including the 3 funding agencies listed above. In September 2011, Labor announced the 20 regions that will receive grant funds. Labor estimates the grants will result in the creation of 4,800 jobs.

As discussed previously, board staff stressed the importance of leveraging resources to facilitate collaboration, but Labor has not made information it has collected on effective practices for doing so easily accessible. For example, Labor maintains a website for sharing innovative state and local workforce practices called Workforce3One, which has some examples of leveraging funding at the local level.⁴⁷ However, the website does not group these examples together in an easy to find location, as it does for other categories such as examples of innovative employer services or sector-based strategies.⁴⁸ In addition, Labor funded evaluations of two of its grant programs and identified how

⁴⁵According to the Department of Education, The National Center for Education Statistics has convened a federal interagency working group to develop better survey measures of the prevalence of industry-recognized certifications and licenses and educational certificates in the United States adult population. The group includes staff from Education, Labor, the Census Bureau, the Council of Economic Advisors, and the Office of Management and Budget. To date, according to Education, the group has completed a pilot study to evaluate the validity of proposed survey items and is preparing a technical report on the study for release in early 2012.

⁴⁶See Department of Labor, *Training and Employment Guidance Letter No 15-10* (Washington, D.C.: 2010).

⁴⁷See www.workforce3one.org.

⁴⁸There are 14 “super categories,” on the site, such as apprenticeship, clusters, community colleges, entrepreneurship, disability, nonprofit, and youth services.

local grantees leveraged funding from educational institutions, businesses and employers, and industry associations, among other sources, as well as the levels of funding that grantees leveraged and planned to leverage.⁴⁹ Other research, such as reviews of boards' coordination with faith-based community organizations, has also addressed how local workforce initiatives can leverage resources through outside organizations to help jobseekers obtain and retain employment.⁵⁰ However, this information on leveraging resources has not been compiled and disseminated in one location such as on the Workforce3One website, so interested parties must search for and read through separate reports.

Regarding local measures of employer engagement, Labor acknowledged the value of such a measure in 2006 and later developed a method for local boards to track and report on employers that use the one-stop system, but has postponed its implementation indefinitely. Labor officials said they plan to defer changes to their performance reporting system until WIA is reauthorized to avoid spending time and money on a system that may not meet new requirements.

Conclusion

At a time when the nation continues to face high unemployment in the wake of the recent recession, it is particularly important to consider ways to better connect the workforce investment system with employers to meet local labor market needs. Indeed, that connection is fundamental to the vision of WIA, which created the one-stop system, in part, to help meet employers' needs and ensure that one-stop training and services are aligned with those needs. The 14 local initiatives profiled in this report illustrate how workforce boards collaborated with partners to develop innovative and employer-driven services that helped address urgent local workforce needs. The variety of ways in which they helped employers meet their needs and yielded results may be testimony to the viability and

⁴⁹For example, see The Urban Institute, *Characteristics of the Community-Based Job Training Grant Program*, prepared for the Department of Labor (Washington, D.C.: 2009). Also see Public Policy Associates Incorporated, *Nurturing America's Growth in the Global Marketplace through Talent Development: An Interim Report on the Evaluation of Generations II and III of WIRED*, prepared for the Department of Labor (Lansing, Mich.: 2009).

⁵⁰Social Policy Research Associates, *Literature Review: Business/Faith-Based and Community Organization Partnerships*, prepared for the Department of Labor (Washington, D.C.: 2006).

potential of WIA's vision for local partnership: critical skill needs were met, individuals obtained or upgraded their skills, and the local system of workforce programs was reinvigorated by increased employer participation. Furthermore, the common factors that facilitated these collaborations, as well as the key challenges they encountered, can be instructive for future collaborations and efforts to enhance the workforce investment system.

Labor has taken several important steps that support local initiatives like these through guidance and technical assistance, and its collaborative efforts with other federal agencies such as the new grant program with Commerce and the Small Business Administration. However, while Labor has also collected relevant information on effective strategies that local boards and partners have used to leverage resources, it has not compiled this information or made it readily accessible. All the boards we profiled emphasized the importance of leveraging resources to build innovative new partnerships. Moreover, as the workforce system and its partners face increasingly constrained resources, it will be important for local boards to have at their disposal information on how boards have effectively leveraged funding sources. Without such information, boards seeking to emulate such strategies may lack the information they need to benefit from lessons learned, augment their resources, and explore innovative new ways to collaborate with partners.

Recommendation for Executive Action

To better support the capacity of the local workforce investment system to collaborate with employers and other partners, the Secretary of Labor should compile information on workforce boards that effectively leverage WIA funds with other funding sources and disseminate this information in a readily accessible manner. This might involve compiling lessons learned from prior research or evaluations of grant programs and new grant initiatives such as the one with Commerce and the Small Business Administration, and disseminating this information by creating a super category for this topic on the Workforce3One website to group examples in one place.

Agency Comments and Our Evaluation

We provided a draft of the report to the Departments of Labor, Education, and Commerce for review and comment. Labor provided a written response (see app. III). Labor and Education also provided technical comments, which we incorporated as appropriate. Commerce did not provide comments. In addition, we provided workforce board officials

from each of the 14 initiatives with a draft of pertinent sections and incorporated their technical comments as appropriate.

Labor agreed with our findings and recommendation. Specifically, Labor's response noted that our findings validate the department's position that stronger partnerships between employers and the workforce system lead to improved employment and retention outcomes for workers. Labor also noted efforts to serve both employers and workers more effectively, and cited recent technical assistance it has provided to help the workforce system engage employers. In addition, Labor cited efforts to work across federal agencies to help align resources and programs to ensure effective service delivery. Labor also noted states' critical role in engaging employers. Labor concurred with GAO's recommendation, and added that it is examining ways to improve the identification and dissemination of promising practices.

As agreed with your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies of this report to the Secretary of Labor, as well as the Secretaries of Education, Health and Human Services, Housing and Urban Development, and Commerce, appropriate congressional committees, and other interested parties. In addition, the report will be available at no charge on GAO's website at <http://www.gao.gov>. A list of related GAO products is included at the end of this report.

If you or your staffs have any questions about this report, please contact me at (202) 512-7215 or at sherrilla@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix IV.



Andrew Sherrill, Director
Education, Workforce, and
Income Security Issues

Appendix I: Objectives, Scope, and Methodology

Our review focused on (1) the factors that facilitated innovative collaborations among workforce boards, employers, and others; (2) the major challenges to collaboration; and (3) the actions Labor has taken to support local workforce boards in their collaborative efforts.

To obtain background information, we interviewed experts on the Workforce Investment Act of 1998 (WIA), workforce development and economic development; reviewed numerous studies, reports, and other literature; and reviewed relevant federal laws, regulations, guidance, and other documentation. We interviewed officials from five key federal agencies: the Departments of Labor, Education, Health and Human Services, and Housing and Urban Development, which administer the programs required by WIA to participate in the one-stop system, as well as officials from the Department of Commerce (Commerce), which administers relevant economic development programs. We interviewed officials from the National Governor's Association, the National Association of Workforce Boards, and the National Association of State Workforce Agencies. To identify relevant studies, we searched for literature in various bibliographic databases, including ProQuest, Social SciSearch, Social Sciences Abstracts, NTIS, PAIS and EconLit. We also asked the experts we interviewed to recommend additional studies.

To learn about what factors facilitated innovative collaborations among workforce boards, employers, and other partners, as well as the challenges, we interviewed officials from 14 local initiatives in which local workforce boards achieved positive results by collaborating with employers, educational partners, and others. To identify these selected sites, we asked officials from the five key federal agencies and national experts representing 20 organizations to identify what they viewed as the most promising and innovative local initiatives in which local workforce boards collaborated effectively with employers and other partners to achieve positive results. We received nominations from the Departments of Labor, Commerce, and Health and Human Services. Officials from the Department of Housing and Urban Development told us that the agency currently has no programs that it considers mandatory one-stop partners and was not able to provide any nominations. Officials from the Department of Education provided state-level information, but told us that they were not able to provide local nominations. The nonfederal experts we contacted consisted of representatives from the following organizations, the majority of whom provided nominations:

- American Association of Community Colleges

- Aspen Institute: Workforce Strategies Initiative
- Center for Law and Social Policy, Inc.
- Corporation for a Skilled Workforce
- Council for Community and Economic Research
- Council of State Administrators of Vocational Rehabilitation
- Council on Foundations
- Insight Center for Community Economic Development: National Network of Sector Partners
- Jobs for the Future
- John J. Heldrich Center for Workforce Development
- National Association of Development Organizations
- National Association of State Directors of Career Technical Education Consortium
- National Association of State Workforce Agencies
- National Association of Workforce Boards
- National Coalition for Literacy
- National Governor's Association
- National Skills Coalition
- Social Policy Research Associates
- U.S. Chamber of Commerce: Institute for a Competitive Workforce
- Workforce Strategy Center

Experts were selected based on their knowledge of workforce development or economic development activities at the local level. Specifically, we identified them through a review of relevant studies, their

participation in conferences focused on workforce or economic development issues at the local level, previous assistance to GAO on other reports, and the recommendation of other experts. We asked the experts and federal agency officials to identify promising local initiatives that engaged the workforce board as a strategic partner and involved at least one economic development partner, education partner, and major Department of Labor (Labor) program required by WIA to provide services through the one-stop system. We also specified that the nominated initiatives be data-driven, involve collaborative strategic planning, and demonstrate positive results. In order to ensure that our nomination criteria were clear and appropriate for our objectives, we solicited input from the Departments of Labor and Education, as well as from associations with expert knowledge of workforce issues, specifically, the National Governor's Association and the Council for Community and Economic Research.

More than 89 initiatives or sponsoring organizations from 28 states were nominated and we selected 14 initiatives, corresponding to 13 boards, for in-depth review. Two of the 14 initiatives were led by the same workforce board. To assist our selection, we first used a data collection instrument to gather additional information on 29 of the nominated initiatives, which were chosen based on factors such as the number of nominations they received, results reported by the nominators, and their geographic diversity. From these, we then selected 14 initiatives for our review. These 14 initiatives should be viewed as our selection of diverse, promising efforts rather than a comprehensive list of initiatives that were more innovative than the initiatives not selected. Our selections were intended to represent initiatives that targeted different industries; demonstrated evidence of replicability; and served a variety of WIA populations. We also considered the characteristics of the workforce areas, such as unemployment rates and geographic locations. In some cases where workforce boards engaged with employers in more than one sector, we asked board officials to identify the initiative that demonstrated the most positive results. In one case, we selected the sector to achieve a range of targeted industries.

At our selected sites, we conducted semi-structured interviews with local and state workforce officials, representatives of educational institutions, training providers, economic development officials and employers. We conducted in-person interviews during seven site visits to Chicago, Illinois; Golden, Colorado; Lancaster, Pennsylvania; Madison, Wisconsin; San Bernardino, California; Seattle, Washington; and Vienna, Virginia. In some cases, we also toured training facilities and workplaces. We

conducted interviews for the remaining sites via videoconference and by telephone. We asked interviewees to tell us how the initiative started, what funding sources were used to start and sustain it, and what it had accomplished. To supplement the testimonial evidence employers and officials provided regarding the results of these initiatives, we requested and analyzed written documents such as performance reports, return on investment analyses, external evaluations, and other information to examine the results of the initiatives. However, we did not assess the reliability of their data. We are using their reported results for illustrative purposes only. We also asked them for their views on what had facilitated collaboration, the challenges involved, and the implications for WIA reauthorization. The information we obtained about the selected initiatives is not generalizable to other local workforce boards.

To determine the actions Labor has taken to support local workforce boards in these types of collaborative efforts, we interviewed Labor, Education, and Commerce officials. We conducted our work between November 2010 and January 2012 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix II: Profiles of Selected Local Workforce Boards' Initiatives

The following profiles provide snapshots of the 14 initiatives we reviewed. We gathered data from a variety of sources, including initiative staff, board members, education and training providers, employers, state officials, relevant reports, and the Bureau of Labor Statistics.¹ In each profile, we provide an overview of the initiative and describe some of the factors that facilitated collaboration. We also provide some background information, including the key partners, the workforce challenge, and the role of the board. While the profiles identify some common themes among the initiatives, they are not comprehensive descriptions of each initiative. We also provide information on the funding sources used for each initiative and highlights of the results that partners reported. The reported results generally reflected the diverse goals of these initiatives, which often included the goals of WIA programs as well as other federal grants or programs. Officials from each initiative were given the opportunity to review the information for accuracy.

¹Labor force and unemployment rate information for each of the workforce investment areas was calculated using county-and-equivalent-level data from the Bureau of Labor Statistics as of March 2011, when the initiatives were selected for review. In the case of Chicago, the workforce investment area covers only the City of Chicago, but we were only able to provide county-level labor market information. In the case of Taylor, Michigan, the county-level data include Detroit, but the selected board does not serve that city. For the workforce area of Greensboro/High Point/Guilford County in North Carolina, we used only data from Guilford County, even though the city of High Point includes small portions of three other counties.



Workforce investment area

Total labor force: 2,572,926

Unemployment rate: 8.9%

Source: GAO analysis of Bureau of Labor Statistics Data from March 2011.

Initiative characteristics

Key sector: Manufacturing

Additional partners:

- City Colleges of Chicago
- Chicago Manufacturing Renaissance Council
- City of Chicago
- Illinois Manufacturing Extension Center
- Multiple nonprofit agencies
- Workforce Boards of Metropolitan Chicago

Workforce challenge

Manufacturing is an important sector for the Chicago region; however, employers reported that they could not find enough skilled workers, according to initiative staff. Additionally, jobs in manufacturing require a higher skill level than they did previously according to local stakeholders. Stakeholders in Chicago identified a need for 10,000 new and replacement manufacturing workers in the Chicago area each year.

Source: Analysis of GAO interviews.

Appendix II

ManufacturingWorks: Chicago’s Manufacturing Sectoral Center for Business

Chicago Workforce Investment Board

Overview

In about 2000, the Workforce Boards of Metropolitan Chicago began to form strategic alliances with manufacturers and other partners to try to increase the supply of highly skilled workers needed in local manufacturing. Stakeholders said the efforts culminated in the City of Chicago issuing a request for proposal for a manufacturing sector center. A community-based organization, the Instituto del Progreso Latino, responded to the request for proposal and now runs ManufacturingWorks. The center provides a range of services to employers, including customized training development, jobseeker recruitment projects, comprehensive assessments of manufacturers’ needs, links with training providers to help employers find qualified candidates, and post-placement services to help employers retain newly placed workers, staff said. The center principally works with employers who meet certain standards for pay and working conditions. The center’s staff identified the following as key to its effectiveness:

- **Industry-knowledgeable staff:** Center staff specializes in sub-sectors, such as metal, plastic and paper, and food processing, which helps build credibility with manufacturers, staff said.
- **Screening of potential candidates:** Screening helps ensure that employers get job candidates with the right skills, and that they therefore succeed in their new positions, stakeholders said.



Source: GAO photo.

A student learns machining techniques at Wilbur Wright College, a ManufacturingWorks partner.

The workforce investment board’s role

The Chicago Workforce Investment Board began promoting the idea of a manufacturing sector initiative in the late 1990s, a stakeholder said. At the same time, the stakeholder explained, the board also began to organize much of its other activity around specific sectors. The board held workforce summits with representatives from employers, labor, nonprofits, and educational partners to identify reasons for the shortage of trained, skilled workers in manufacturing and other sectors.



Key federal and state support

Federal WIA formula funds and another federal grant funded some of the program's operations. However, the business services were funded with other, outside funds, according to city staff.

Funding sources

WIA formula funds

Recovery Act

Other federal grants or funds

Employer cash or in-kind contributions

Local funds or grants

Source: Chicago Workforce Investment Board.

Appendix II

ManufacturingWorks: Chicago's Manufacturing Sectoral Center for Business

Chicago Workforce Investment Board

Reported results

ManufacturingWorks staff reported the following results:

- **Benefits for jobseekers or workers:** In 2010, ManufacturingWorks reported placing 393 jobseekers in jobs with employers. Part of ManufacturingWorks' strategy is to raise average wages for jobseekers. The average wage for placements for program year 2010 was over \$13 per hour, up from less than \$10 an hour in program year 2005, according to documents provided by staff.
- **Benefits for employers:** ManufacturingWorks staff reported that they have served hundreds of different employers since 2005, including more than 100 different employers in 2006, 2007, 2008, and 2009. On average, manufacturers hired 1 out of every 1.6 jobseekers referred to them by ManufacturingWorks in program year 2010, a key indicator of success, according to initiative partners.
- **Benefits for workforce system and other partners:** ManufacturingWorks staff reported that the center tracks a number of "system relationship measures," including the number of job requests they share with the entire Chicago workforce system and the jobseeker referrals ManufacturingWorks gets from the rest of the system.

Health Careers Collaborative of Greater Cincinnati

Southwest Ohio Region Workforce Investment Board



Workforce investment area

Total labor force: 427,603

Unemployment rate: 8.3%

Source: GAO analysis of Bureau of Labor Statistics data from March 2011.

Initiative characteristics

Key sector: Health care

Other workforce boards involved:

- Indiana Region 9 Workforce Investment Board
- Northern Kentucky Workforce Investment Board
- Workforce One of Southwest Ohio

Additional partners:

- Adult education provider
- Cincinnati State Technical and Community College
- Community-based organizations
- Local foundation
- Local universities
- Multiple health care employers
- United Way of Greater Cincinnati

Workforce challenge

Local hospitals in Cincinnati were competing against each other for workers and experiencing high turnover. According to a local official, they realized that was raising the cost of doing business overall.

Source: Analysis of GAO interviews.

Overview

In 2004, a partnership that included a hospital, the workforce board, a local community college, and an adult education provider focused on health care employers' recruitment and turnover issues and ways to develop and expand the pool of trained workers in the area. The initiative focused on under-employed incumbent workers and low-skilled, entry-level jobseekers, partners said. As part of the initiative, the partners have also developed training for high-school seniors to become nurse assistants. The initiative focuses on a career pathways approach, in which training is sequenced and linked to additional training in a way that supports career progression (see photo). In addition, the initiative uses standardized assessments and certifications to ensure that participants have the skills and abilities needed to succeed, including soft skills, such as decision-making skills. Participating employer partners pay for course costs, including remedial education, using tuition reimbursement plans. The collaborative grew to include other partners, including other employers, workforce boards in Ohio, Indiana, and Kentucky, as well as local nonprofits and a foundation. Some key characteristics of the initiative included:

- **Screening of candidates:** The partners said that one-stops' screening of participants helped employers to retain entry-level workers. In addition, job coaches worked closely with employers and retention specialists helped workers after job placement.
- **Streamlined data collection:** The partners have developed a shared data system to track participants, services received, and outcomes achieved across multiple workforce providers.
- **Program manager:** The program manager administered the grants and helped communication among partners.



Source: Southwest Ohio Region Workforce Investment Board. Initiative participants train using a mannequin.

The workforce investment boards' role

The four participating boards assessed jobseekers' skills and used individual training accounts to pay for training in some cases.



Appendix II

Health Careers Collaborative

Southwest Ohio Region Workforce Investment Board

Key federal and state support

Labor provided funding for the initiative through Recovery Act funds for high-growth and emerging industries and through a discretionary grant for community college-based job training.

Funding sources

WIA formula funds

Recovery Act

Community-Based Job Training grant

Employer cash or in-kind contributions

Foundation grants

Local funds

Source: Southwest Ohio Region Workforce Investment Board.

Reported results

Board staff and other partners identified a range of results for jobseekers and workers, employers, and for the workforce system overall:

- **Benefits for jobseekers or workers:** Since 2004, more than 3,000 individuals have earned a credential through the initiative; of these, 23 have earned an associate's degree. According to a recent report, incumbent workers who participated in the initiative had an 85 percent job retention rate, compared to 35 percent for non-participants. Of the entry-level workers who participated and earned certificates through the initiative, 82 percent were placed in jobs.
- **Benefits for employers:** According to an independent study that compared costs and benefits of participating in this initiative, estimated benefits for one participating employer exceeded costs by over \$200,000 for an 8-year period. Additionally, that study found that participating employers realized an estimated net benefit of about \$4,900 for every worker hired through the initiative, with about half of these savings attributable to lower turnover and recruitment costs. Additionally, collaboration among the education partners ensured a consistent approach to training.
- **Benefits for workforce system and other partners:** Education partners said that graduation rates that generally exceeded 80 percent helped them achieve cost savings, because more individuals continued to advanced courses, which have fixed costs. In addition, they said they were able to reduce duplication among their educational programs and streamline clinical programs, thereby achieving additional cost savings and reducing the time needed for credential completion by 1 year for certain participants. The partners said they are considering expanding the initiative to include employers in long-term care, and the board said it has replicated elements of this initiative in other sectors, such as manufacturing and construction.



Workforce investment area

Total labor force: 143,635

Unemployment rate: 7.5%

Source: GAO analysis Bureau of Labor Statistics data from March 2011.

Initiative characteristics

Key sector: No single sector (entrepreneurship)

Additional partners:

- Gainesville Area Chamber of Commerce
- Local school districts
- Multiple entrepreneurs and local business owners
- North Florida Regional Chamber of Commerce
- Santa Fe Community College
- University of Florida's Office of Technology Licensing

Workforce challenge

A board official said that the community had substantially more unemployed individuals than available jobs. The lack of employment opportunities impacted jobseekers across the skill spectrum. Officials also reported that the area's economic development was negatively affected by the high-school dropout rate and the difficulty local entrepreneurs faced in finding workers able to succeed in a startup environment.

Source: Analysis of GAO interviews.

Appendix II

Entrepreneurship Quests

FloridaWorks (Workforce Investment Board)

Overview

In 2009, a community partnership led by the Gainesville Area Chamber of Commerce convened local leaders to discuss the area's economic growth strategy and agreed to make job creation a priority. To this end, the local workforce board and other partners developed several projects—called "quests"—to help impart entrepreneurial skills to three populations: (1) unemployed, highly skilled jobseekers; (2) Temporary Assistance for Needy Families (TANF) cash recipients and (3) WIA Youth. All three projects were first piloted in 2011.

Startup Quest: The board partnered with the University of Florida's Office of Technology Licensing to provide entrepreneurship training to 83 unemployed or dislocated high-skilled professionals. These individuals worked in 13 hand-selected teams, each with finance, marketing, operations, and other management skills, under the direction of a successful entrepreneur/mentor/chief executive officer for a total of 10 weeks. The Office of Technology Licensing made available new technologies to take to market. Working with this office, each mentor selected a technology, such as a sinkhole sensor and an inner ear implant, and the teams then developed market analyses. At the end of the project, participants pitched their analyses to venture capitalists.

Opportunity Quest: The board provided 65 TANF cash recipients with training to help them discern their talents, learn marketing techniques and develop business concepts. Topics included networking, marketing, customer service, and finance.

TechQuest: In partnership with the local school board, staff selected 47 at-risk high school students and enrolled them in WIA Youth for 8 weeks of business-oriented learning. The project's goal was twofold: to introduce students to technology-oriented businesses, and to improve their reading and writing skills. A local entrepreneur taught the classes, and students earned iPads for completing the training. Students also received support from a local community college, the Chamber of Commerce, and multiple local business owners.

Some key factors of the projects were:

- **Program manager/single point of contact:** A program manager and a single point of contact for employers helped ensure partners quickly adjusted to changing plans.
- **Screening of candidates:** Startup Quest participants were screened at multiple points to ensure that they could commit to the training and had an appropriate educational background.

The workforce investment board's role

The board applied for grants that funded training, and planned and developed the quests. Also, officials said that the board's ongoing contract for business services with the Chambers of Commerce made the quests possible.



Key federal and state support

Each of the entrepreneurship projects was funded through separate grants, including \$175,500 for Startup Quest from a Recovery Act state-level grant; \$101,000 for TechQuest from WIA Governor's set-aside; and \$300,000 from Recovery Act state-level funds for Opportunity Quest. Officials told us that they could not have established and implemented the projects without this funding. In addition, the University of Florida's Office of Technology Licensing is part of a Department of Commerce program.

Funding sources

WIA Governor's set-aside

Recovery Act

Employer cash or in-kind contributions

Source: FloridaWorks.

Appendix II

Entrepreneurship Quests

FloridaWorks (Workforce Investment Board)

Reported results

Local workforce officials noted that because all three projects are recently implemented pilots, they are still collecting data on participant outcomes. The results reported below are current as of October 2011.

- **Benefits for jobseekers or workers:** As of October 2011, of the 58 WIA-eligible Startup Quest participants, 35 had found employment. Twelve other Startup Quest participants have started seven new companies. The majority of Opportunity Quest's participants did not complete the training; however, more than 25 percent of the attrition was due to participants finding employment. Of the 47 TechQuest participants, 42 completed the program and 40 entered paid summer internships with local businesses and startups. Of the students who completed TechQuest, 90 percent have been retested in math and reading, and 74 percent improved their scores. Of the 15 seniors in TechQuest, all graduated high school, and 13 will be attending postsecondary school.
- **Benefits for employers:** Local entrepreneurs who served as mentors for the Startup Quest project reported that a majority of participants are now skilled in startup management. One entrepreneur explained that working in a startup is much different from working with an established employer, and that Startup Quest participants understand the urgency and needs of such businesses, a rare and valued skill set. Officials also reported that the TechQuest project helped introduce employers to the potential talent of WIA Youth, as evidenced by the fact that several employers offered internships to students.
- **Benefits for workforce system and other partners:** Startup Quest provided market analyses for the technologies to the University of Florida's Office of Technology Licensing, which an official said could be useful for future activities. As a result of the Opportunity Quest project, a new business incubator service is being established at the one-stop in a rural area. An official also said that Opportunity Quest changed the one-stop's management processes: now entrepreneurship is considered another option for jobseekers, particularly those with more independent personalities.



Appendix II

Advanced Manufacturing Training Initiative

Tri-County Workforce Investment Board

Workforce investment area

Total labor force: 307,796

Unemployment rate: 8.7%

Source: GAO analysis of Bureau of Labor Statistics data from March 2011.

Initiative characteristics

Key sector: Manufacturing

Additional partners:

- Colorado Association for Manufacturing and Technology
- Multiple manufacturing employers
- Two local economic development agencies

Workforce challenge

An official said that the economic downturn greatly increased the number of local dislocated workers. In addition, employers reported that they needed to cut costs and increase their workforce's soft skills, including the ability to take initiative, work in teams, and communicate effectively.

Source: Analysis of GAO interview.

Overview

Manufacturing is a key industry in Colorado, ranging from food processing to chemicals to fabricated metals, according to local officials. In 2007, the Jefferson County Workforce Center commissioned a focus group study of local manufacturing employers to learn more about the staffing and human resource needs of the manufacturing industry and how the workforce system could better serve them. As a result of the focus group and other communication with industry partners, the local workforce system decided to provide training in "lean" (i.e., more efficient) manufacturing to dislocated and incumbent workers of small to mid-size manufacturing companies. They selected the Colorado Association for Manufacturing and Technology, an affiliate of Commerce's Manufacturing Extension Partnership, as the training provider.

The initiative's goals were to (1) help businesses become more profitable; (2) provide individuals with training certifications that help them upgrade their employment positions or salary ranges, and (3) provide employer-defined critical foundational skills. The training emphasized "lean" manufacturing, in which workers received training in more efficient techniques and problem solving. An official explained that the principles guiding such training are not new concepts, but they can be new to individual manufacturers.

Some key factors of the initiative included:

- **Program manager:** Partners reported that having a program manager improved stakeholder relations. The program manager helped employers understand the benefits of the initiative and through various forms of outreach—including overview sessions and e-mails—solidified the business community's commitment to the initiative.
- **Limited or action-oriented meetings:** Holding a limited number of meetings with employers was useful, according to partners.
- **Industry-recognized credentials:** Credentials provided independent verification of jobseekers' abilities to employers.

The workforce investment board's role

One-stops overseen by the board—Jefferson County Workforce Center and Workforce Boulder County—focused on identifying funding sources and clarifying the requirements related to federal funding.



Appendix II

Advanced Manufacturing Training Initiative

Tri-County Workforce Investment Board

Key federal and state support

Of the approximately \$725,000 project budget, slightly more than \$284,000 was provided through a WIRED grant from the Department of Labor. The balance was achieved through leveraging the WIRED grant to obtain other funds.

Funding sources

WIRED

Other federal grants or funds

Employer cash or in-kind contributions

Source: Jefferson County Workforce Development, Business Services staff.

Reported results

The initiative tracked results related to both WIRED grant goals, such as the number of people trained, and Manufacturing Extension Partnership measures, such as the number of jobs created or saved. Officials reported that over a 14-month period, 25 employers participated in the initiative and 301 workers received training, including 63 dislocated workers. Some of the trainees received multiple certifications. The partners informed participating employers at the outset that performance data would be required from them, and results were collected through surveys administered by a third party.

- **Benefits for jobseekers or workers:** Employers reported that the initiative saved or created 81 jobs, though one employer cautioned that the data on jobs created could be difficult to attribute to the initiative, especially in large companies. As of August 2011, at least 20 of the 63 dislocated workers were reported to be employed (not all responded to a survey to determine their employment status). Participants attributed a variety of additional results to the training they received, including receiving more interviews and obtaining a higher starting salary.
- **Benefits for employers:** The employers served by this initiative reported that the training resulted in approximately \$2.7 million in decreased costs and other savings, and slightly more than \$9 million in increased sales. One employer reported that the initiative helped workers become problem solvers, and that it helped change the culture of his company. He said that formerly, the company culture was one in which employees were given direction. The training focused on developing a leaner culture in which employees were encouraged to be proactive, and as a result they developed a new product.
- **Benefits for workforce system and other partners:** As part of the initiative, the workforce centers developed what they termed a “speed-dating” service, during which a variety of employers conducted interviews with dislocated workers. According to an official, this approach has been adapted for the workforce system’s youth services, and for a state program. The partners also formed a resource group for manufacturers, which included representatives of the community colleges, the Colorado Association for Manufacturing and Technology, the workforce system, and other partners. The group meets once a month to review companies with challenges and identify opportunities for growth. In addition, workforce system officials reported that they are replicating elements of the initiative in a new energy-sector initiative.



Workforce investment area

Total labor force: 243,293

Unemployment rate: 9.9%

Source: GAO analysis of Bureau of Labor Statistics from March 2011.

Initiative characteristics

Key sector: Transportation, distribution, and logistics

Other Workforce Boards Involved:

- Davidson Works Workforce Development Board
- Kerr-Tar Workforce Development Board
- Northwest Piedmont Workforce Development Board
- Regional Consolidated Workforce Development Board

Additional Key Partners:

- Community colleges and universities
- Golden LEAF Foundation
- Greensboro Economic Development Partnership
- Local school districts
- Multiple employers

Workforce challenge

According to local reports, the region around Greensboro, North Carolina, had experienced severe job losses, in part stemming from losses in manufacturing. The board and other partners selected certain sectors, including the transportation, distribution, and logistics sector, for their job creation potential.

Source: Analysis of GAO interviews and review of related reports.

Appendix II

Piedmont Triad Global Logistics Workforce Initiative

Greensboro/High Point/Guilford County Workforce Development Board

Overview

In response to mounting job losses in the area, the board identified transportation, distribution, and logistics as a target sector for a WIRED grant in 2006. The board chose this sector for its job creation potential, according to a local official, and also took into account the region's existing assets, such as the presence of several aircraft and trucking companies, proximity to major highways, and the airport's potential to become the center of a distribution network. According to a board official, some trucking and transportation companies, such as Volvo Logistics and Old Dominion Freight Line, have increased their staff in the area. Furthermore, as this official explained, as more employers locate in the region, they are likely to bring in companies in their supply chain, which could spur additional growth in manufacturing. In addition, as one employer explained, this sector was chosen because it is a component that every industry needs to be successful. Although the initiative has had as many as 100 industry partners, according to board staff, a recent focus was helping Honda Aircraft Company recruit jobseekers, following the firm's 2007 decision to locate in the area. The board helped the company identify qualified jobseekers, and a community college designed a course of study, which met Federal Aviation Administration standards, to train jobseekers to become airframe mechanics. While immediate recruitment needs have been a recent focus, the initiative has also featured career fairs for youth. Partners said their collaboration continued after Labor's WIRED grant expired in 2010. Some key elements were:

- **Screening of candidates:** For Honda Aircraft Company, the board facilitated three rounds of assessments for over 2,400 initial applicants, ensuring that those who passed had the necessary skills for the positions.
- **Industry-recognized credentials:** According to a board official, the primary relevant credentials include commercial drivers' licenses and Federal Aviation Administration certification for the training of aircraft mechanics, and most training programs assist in preparing jobseekers for credential testing.
- **Employer input into curriculum:** Employers developed the curriculum for basic logistics training, now provided by several local colleges and universities.

The workforce investment board's role

According to board and company officials, board staff provided expedited service for Honda Aircraft Company by designing and implementing a web-based recruitment and assessment tool within 48 hours. Partners said the board was key to collaboration, as it facilitated employers' understanding of their common needs.



Key federal and state support

Labor's WIRED grant provided critical support for the collaboration, according to the partners. A foundation created by the state legislature also supported training as well as a survey of industry needs.

Funding sources

Recovery Act

WIA formula funds

WIA Governor's set-aside

WIRED

Employer cash or in-kind contributions

Foundation grants

Source: Greensboro/High Point/Guilford County Workforce Development Board.

Appendix II

Piedmont Triad Global Logistics Workforce Initiative

Greensboro/High Point/Guilford County Workforce Development Board

Reported results

Board staff and other partners provided information about the results of the initiative for jobseekers and workers, employers, and for the workforce system overall:

- **Benefits for jobseekers and workers:** According to a board official, individual jobseekers have found jobs in this sector, although the board could not provide specific job placement data. In addition, while production delays and economic conditions have restrained hiring in some cases, new jobs are anticipated, in part due to Honda Aircraft Company's decisions to manufacture aircraft in Guilford County and to locate a maintenance facility in the area, according to a board official. In addition, according to this official, other employers in the sector, such as TIMCO Aviation Services and FedEx, have been hiring or expect to do so.
- **Benefits for employers:** Transportation employers said that the initiative helped them reduce their recruitment costs, although they did not quantify the amount. In addition, an employer board member highlighted employers' continued interest in collaboration by noting that, since the WIRED grant expired, the initiative has been sustained in part by continued employer contributions.
- **Benefits for workforce system and other partners:** A board official said they have developed similar web-based recruitment tools for other companies. In addition, they said they have developed a closer relationship with local economic development agencies which helps them work together to serve employers. Board officials said they have replicated elements of this initiative in their efforts to serve employers in the manufacturing sector. Additionally, partners said the initiative led to the formation of the North Carolina Center for Global Logistics, to help meet the training needs of employers in the transportation, distribution, and logistics sector on an ongoing basis.



Appendix II

Center of Excellence in Production Agriculture

Lancaster County Workforce Investment Board

Workforce investment area

Total labor force: 266,305

Unemployment rate: 6.8%

Source: GAO analysis of Bureau of Labor Statistics data from March 2011.

Initiative characteristics

Key sector: Agriculture

Additional partners:

- Agriculture-oriented groups such as 4-H and Future Farmers of America
- Economic Development Company of Lancaster County
- Lancaster County Conservation District
- Library system
- Local school district
- Multiple employers
- Pennsylvania Department of Agriculture
- Pennsylvania Farm Bureau
- Pennsylvania State University Cooperative Extension

Workforce challenge

Initiative partners explained that in recent decades, local farmers have increased the size and scope of their operations in order to remain economically viable. However, family labor is often no longer sufficient to run these businesses, and technological advances require workers with new skills (see photos). Farmers hired jobseekers with limited English skills for some entry-level jobs, but struggled to communicate with them. Moreover, workers needed to be trained for middle-management positions that did not previously exist, and farmers needed to remain knowledgeable about best practices in their industries in order to remain competitive.

Source: Analysis of GAO interviews.

Overview

In early 2007, facing new challenges in a critical sector, a diverse group of partners formed the Lancaster County Center of Excellence in Production Agriculture. The center serves as a clearinghouse for information, and also provides training through a variety of vendors on topics such as dairy feeding, poultry flock management, and manure hauling. To meet the needs of workers with limited English, the center has contracted with other partners to develop workplace literacy materials. The center also provides subsidies for farmers to attend events such as the Pennsylvania Dairy Summit, training workshops, and other events in the dairy and poultry industries that help keep farmers abreast of best practices. Some key factors of the initiative are:

- **Program manager:** A coordinator serves as a point of contact for the center, and works with industry organizations to reach more farmers.
- **Industry-knowledgeable staff:** Employers and other partners said that the one-stop staff members' knowledge of both government processes and industry needs was helpful.



Source: GAO photos.

Skills for workers at a modern dairy include the ability to operate an automated milking system (left) and a machine to aerate compost (right).

The workforce investment board's role

Through partners, the board helps employers access incumbent worker training, largely in the dairy and poultry industries. It also makes available information about jobs in agriculture through the one-stop. An official also said that the board serves as a neutral party that can forge connections, perform evaluation, and approach problems systemically. The board has reinforced connections to employers by serving as staff to the Agriculture Council, a policy body that houses the Center of Excellence in Production Agriculture. The board also supports four additional centers in areas such as long-term care and packaging operations.



Key federal and state support

The state's Industry Partnership grant provided substantial support over the years.

Funding sources

State grants or funds

Employer cash or in-kind contributions

Source: Lancaster County Workforce Investment Board staff.

Appendix II

Center of Excellence in Production Agriculture

Lancaster County Workforce Investment Board

Reported results

A workforce official stated that the initiative built trust among partners in part because it delivered results.

- **Benefits for jobseekers or workers:** An official explained that local agricultural businesses do not typically have many workers, so the center is able to train more workers by focusing on the overall sector's needs instead of the needs of individual employers. From project years 2005 to 2010, the initiative trained approximately 3,000 individuals, 654 of whom received training in 2010.
- **Benefits for employers:** In project year 2010, 400 employers received services. An official explained that it can be challenging to quantify the benefits for employers, because some do not wish to share information that they consider to be proprietary. However, one employer noted that financial support provided by employers is an indicator of satisfaction. In project years 2008-2010, participating employers contributed approximately \$134,000 in cash contributions and approximately \$345,000 from in-kind contributions.
- **Benefits for workforce system and other partners:** Officials explained that developments in the agriculture industry sparked interest in the renewable energy sector. As farms increase the quantity of livestock, manure removal presents a new challenge. Methane digesters can remove the manure and provide farmers with a new source of income. Therefore, the Center for Excellence in Production Agriculture spun off its agriculture projects related to renewable energy and created a new Center of Excellence in Renewable Energy to ensure that area employers remain competitive.



Appendix II

Career Pathways

Workforce Development Board of South Central Wisconsin

Workforce investment area

Total labor force: 457,962

Unemployment rate: 6.5%

Source: GAO analysis of Bureau of Labor Statistics Data from March 2011

Initiative characteristics

Key sector: Seven sectors, including manufacturing, agriculture, health care, energy, biotechnology and information technology

Additional partners:

- Madison Area Technical College
- Multiple employers

Workforce challenge

Companies, particularly in health care and manufacturing sectors, indicated they were having a hard time finding new employees. Additionally, the board wanted to address low training program completion rates among jobseekers.

Source: Analysis of GAO interviews.

Overview

Starting in 1999, the Workforce Development Board of South Central Wisconsin began to reassess its training approach after seeing low training program completion rates among jobseekers, board officials said. The board decided to adopt a career pathways approach throughout its one-stop operation, and focus training on seven sectors. This approach provides education and training progressively so that students can gain skills and advance in an occupation or industry as they complete successive training.

As part of their strategy, the local training providers embedded adult basic education with the regular coursework for those who need remediation. Adult basic education and content matter instructors developed the curriculum together. For example, math and reading are embedded into the curriculum at the earliest stage, and students can get extra help in basic skills at “skill centers” that provide tutoring services. Board staff identified the following as important to collaboration:

- **Industry-knowledgeable staff:** The board directed the one-stop to organize its operations around industry specialists. These specialists develop knowledge of available jobs in their fields so they can ensure jobseekers have the right training for these openings.
- **Single point of contact:** Board staff reported that there is a partnership coordinator who collaborates with the board staff and industry partners to help meet industry needs and assures that the board is preparing workers for occupations that are in demand.

The workforce investment board’s role

Instead of using the career pathways approach exclusively for training programs, the board worked to use the model for all services provided by the workforce system. In adopting the career pathways approach to its one stop operation, the board funded the pathways training with WIA funds. The board also convened the partners from selected industries to discuss the needs of a given sector as a whole.



Appendix II

Career Pathways

Workforce Development Board of South Central Wisconsin

Key federal and state support

The board uses WIA funding to support individual training accounts for jobseekers to pursue career pathways training. However, to test this approach with prototypes, the board first used other funds, such as federal and state grants.

Funding sources

WIA formula funds

WIA Governor's set-aside

WIRED

Community-Based Job Training grant

State grants

Foundation grants

Employer cash or in-kind contributions

Source: Workforce Development Board of South Central Wisconsin.

Reported results

- **Benefits for jobseekers or workers:** One of the major benefits of the career pathways approach is that it has reduced student drop out rates in training programs, board staff said. According to board staff, preliminary results indicate that students pursuing “stackable” or cumulative credentials have an 85 percent rate of completion compared to a 65 percent rate of completion for other students.
- **Benefits for employers:** Through informal feedback, board staff have concluded that employers value getting the right jobseekers with the training they need.
- **Benefits for workforce system and other partners:** Employers have become more aware of the public resources available to them through the one-stop, and are more likely to work with the federally funded workforce system to find and train new and incumbent employees, according to an evaluation of board efforts by the University of Wisconsin-Madison Center on Wisconsin Strategy.



Workforce investment area

Total labor force: 245,313

Unemployment rate: 6.9%

Source: GAO analysis of Bureau of Labor Statistics Data from March 2011

Initiative characteristics

Key sector: Health care

Additional partners:

- Adult basic education centers
- Local community colleges
- Multiple local health care employers

Workforce challenge

Local employers in the health care industry, particularly rural long-term care providers, have had a difficult time finding sufficient staff for their operations and had identified high turnover rates as a problem.

Source: Analysis of GAO interviews.

Appendix II

Pre-employment Healthcare Academy

Workforce Development, Inc. (Workforce Investment Board)

Overview

In consultation with employers and community colleges, the board designed pre-employment training for jobseekers, according to board staff. The purpose of this training, which they named the Pre-employment Healthcare Academy, is to develop jobseekers' "soft skills," and also to help them more fully understand what entry-level careers in health care would be like and the opportunities available (see photo). The academy has served lower-skilled candidates, dislocated workers, and TANF clients. According to board staff, the following key elements help the academy match employers with jobseekers:

- **Screening of potential candidates:** One-stop staff screen jobseekers before they enter the healthcare academy and through this process, some jobseekers realize that health care careers are not a good personal choice for them. In those cases, one-stop staff then help these jobseekers explore other possible careers. This screening keeps health care employers engaged because the jobseekers who complete the training and get hired are more likely to succeed.
- **Single point of contact:** Employers contact health care program coordinators if they are seeking a new hire, which allows employers to find recent health care academy graduates with skills that meet their needs.
- **Industry knowledgeable staff:** The program coordinators are also nurses, which helps build credibility with employers.



Source: Workforce Development, Inc.

Students practice health care skills during pre-employment training.

The workforce investment board's role

The board determined that training additional workers for jobs in health care was a key local need, and has supported the pre-employment training with both WIA and non-WIA funds. The board's health care subcommittee provides industry input, and includes people who are not on the full workforce board, according to board officials.



Appendix II

Pre-employment Healthcare Academy

Workforce Development, Inc. (Workforce Investment Board)

Key federal and state support

The board has mostly funded the academy with grants from the state and federal government. For those who are eligible, the board also uses WIA formula funds to pay for Pre-employment Healthcare Academy classes.

Funding sources

WIA formula funds

Community-based Job Training grant

State funds or grants

Local funds or grants

Employer cash or in-kind contributions

Source: Workforce Development, Inc.

Reported results

Board staff said the most important benefit of the health care academy was helping health care employers—particularly rural long-term care facilities—find the right people for their vacancies. According to board staff, this initiative has also produced the following results:

- **Benefits for jobseekers or workers:** Through the health care academy, 205 jobseekers have been placed in jobs at an average wage of almost \$10 per hour.
- **Benefits for employers:** Although data are incomplete because not all participating employers provided detailed information, board officials said employers have reported much higher retention with new hires from the health care academy than with other hires. This increase in retention has reportedly reduced employer costs and has particularly helped long-term care facilities maintain adequate staffing levels.
- **Benefits for workforce system and other partners:** The board has used the pre-employment academy approach in the manufacturing and energy sectors in the past, and other boards have replicated the health care academy. Additionally, other workforce boards have used the health care academy as a model in other sectors such as manufacturing. The board has estimated there has been a greater than 6-to-1 return on investment from the health care academy, factoring in taxes paid and foregone public assistance for newly employed graduates.



San Bernardino
California

Workforce investment area

Total labor force: 848,620

Unemployment rate: 13.8%

Source: GAO analysis of Bureau of Labor Statistics data from March 2011.

Initiative characteristics

Key sector: Manufacturing

Additional partners:

- California Manufacturing Technology Consulting (CMTC)
- Inland Empire Women's Business Center
- Multiple manufacturing employers

Workforce challenge

One-stop staff reported that the local economy struggled during the recent economic downturn, with high unemployment and numerous foreclosures. Local businesses were increasingly unable to meet their financial obligations. Business closures were becoming increasingly prevalent, primarily due to decreasing sales. To avoid further layoffs, businesses said they needed to reduce operating costs and increase sales.

Source: Analysis of GAO interviews.

Appendix II

Manufacturing Layoff Aversion and Business Assistance Initiative

The County of San Bernardino Workforce Investment Board

Overview

The Business Services unit overseen by the local workforce board recognized that area manufacturers were closing or under stress. To provide assistance, in 2009, Business Services provided workshops that addressed a variety of business needs, according to board staff. Following the feedback received at those workshops, however, staff realized that more in-depth assistance was needed to help employers prevent layoffs. At the direction of the local workforce board, Business Services issued a request for proposal to provide employers with services to improve the efficiency of their processes and reduce their costs, and selected CMTC, an affiliate of Commerce's Manufacturing Extension Partnership, as the service provider.

CMTC provided intervention services to small and medium at-risk manufacturers. Sometimes, these services included assistance with marketing or helping an employer achieve specific industry certifications. However, partners agreed that when an employer needed to improve efficiency, there was also a training component for incumbent workers. Almost all of the participating employers received services that addressed workforce issues, according to officials. Workforce services included training incumbent workers in more efficient techniques.

Some key factors of this collaborative were:

- **Streamlined data collection:** Partners reported that the intake form for employers interested in layoff aversion services was kept short, but still addressed essential data needed for program requirements and performance measures.
- **Single point of contact:** Each employer was assigned a consultant to provide personalized services.
- **Industry knowledgeable staff:** CMTC was familiar with the business community's needs, according to an official.

The workforce investment board's role

Officials told us that the board's decision to fund the Business Services unit (even in lean budget years) proved critical, as it established relationships with employers that allowed for better communication with the workforce system.



Key federal and state support

The training was funded through Recovery Act and WIA Dislocated Worker Rapid Response funds. The training was provided under a waiver from Labor that allowed the board to use Rapid Response funds for layoff-aversion purposes.

Funding sources

Recovery Act

WIA Rapid Response Funds

Employer cash or in-kind contributions

Source: The County of San Bernardino Business Services staff.

Appendix II

Manufacturing Layoff Aversion and Business Assistance Initiative

The County of San Bernardino Workforce Investment Board

Reported results

CMTC provided services to 15 businesses and training to incumbent workers as needed. Using an economic impact tool, officials estimated that this intervention added \$5.7 million to the local economy.

- **Benefits for jobseekers or workers:** According to the reported MEP results, as of May 2011, the employers reported that 71 new jobs were created as a result of this initiative, and 426 jobs were saved.
- **Benefits for employers:** For individual employers reporting cost savings over a 12-month period, benefits ranged from \$50,000 to \$1,000,000. Collectively, employers also reported that total sales increased by more than \$3.3 million during the same period. A workforce official estimated that approximately 80 percent of the businesses would have closed without intervention. A representative from a business that received CMTC's services said that his company had been in a precarious financial position that put the employees' jobs at risk, but now the company is on a growth trajectory. On a scale of 1 to 10—with 10 as the highest level of satisfaction—the participating employers reported an average satisfaction score of 9.6.
- **Benefits for workforce system and other partners:** An official told us that the Business Services unit streamlined its operations as a result of the partnership. For example, staff simplified intake forms and kept the project organized in a way that reflected business practices. Another benefit identified by officials was an increase in mutual understanding and awareness between business and the workforce system. As evidence that the partnership was strengthened, an official told us that a representative of one of the employers that received services wanted to join the board. Moreover, the partnership created new opportunities for the workforce investment system. For example, a representative of a small business told us that his company expected to hire new workers by the end of 2011, and that he would consider using the workforce system to hire them.



San Bernardino
California

Workforce investment area

Total labor force: 848,620

Unemployment rate: 13.8%

Source: GAO analysis of Bureau of Labor Statistics data from March 2011.

Initiative characteristics

Key sector: Manufacturing

Additional partners:

- Kelly Space and Technology and other manufacturing employers
- Local industrial council
- San Bernardino County Regional Occupation Program
- San Bernardino County School District

Workforce challenge

According to employers, local companies have been struggling to find skilled machinists, despite the county's high unemployment rate. One company had recruited skilled workers from Switzerland and another had created an additional, lower-ranking position for new hires lacking the necessary entry-level skills.

Source: Analyses of GAO interviews.

Appendix II

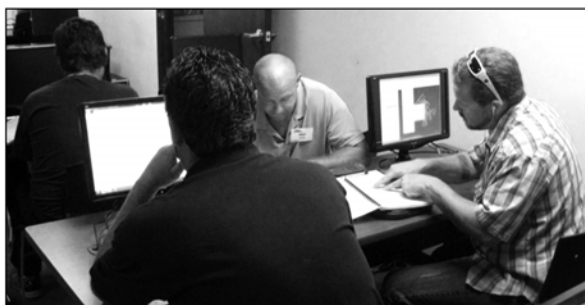
Technical Employment Training, Inc.

The County of San Bernardino Workforce Investment Board

Overview

The Technical Employment Training, Inc. (TET) initiative was designed to train local students in machining processes that use state-of-the-art computerized numerical control machinery. The initiative functions as both a training provider and an operational machine shop, according to local partners (see photos). It was developed following the closure of a local high school's machining program, when local officials familiar with the community's shortage of skilled machinists requested that education officials donate the school's machines for training purposes instead of selling them. To introduce students to machining processes, TET provides training in basic math, basic blueprint reading, metrology, inspection, and hands-on instruction. Local employers place orders for trainees to complete, which helps develop students' skills and can foster relationships with employers, leading to job opportunities. Employers can review student performance online prior to inviting students to interview. In addition to hands-on training, students learn through a computer-based program known as Tooling U. The entire training sequence takes 630 hours. The program's first students graduated in December 2010, and three additional classes have since graduated. Key elements of the initiative include:

- **Screening of candidates:** Applicants are screened prior to the training, and before being referred to companies for interviews, they are screened again by a placement specialist familiar with the employers' needs.
- **Industry-recognized credentials:** Students earn National Institute for Metalworking Skills certifications.



Source: The County of San Bernardino Workforce Investment Board staff.

Trainees work with staff in the TET classroom (left) and operate state-of-the-art computerized numerical control machinery on the shop floor (right).

The workforce investment board's role

The board approved the core contents of the training, offered technical assistance and program development guidance, referred trainees to the program, and required that the classes provide industry recognized credentials upon completion. The board also funded the first TET class with a Recovery Act-funded contract.



Appendix II

Technical Employment Training, Inc.

The County of San Bernardino Workforce Investment Board

Key federal and state support

The Recovery Act funded 30 of 36 trainees in the first TET class. The San Bernardino City Employment and Training Agency used Recovery Act funds to fund the second class. The California State Department of Rehabilitation funded part of the third class.

Funding sources

WIA formula funds

Recovery Act

Other federal grants or funds

State grants or funds

Employer cash or in-kind contributions

Local funds

Source: The County of San Bernardino Workforce Investment Board staff.

Reported results

The average completion rate for the three training classes is 90 percent. Board officials noted that 32 percent of the trainees who completed TET's training faced a barrier to employment, such as a criminal record, positive drug tests, or a physical disability. Some reported results of the initiative include:

- **Benefits for jobseekers or workers:** On average, nearly 75 percent of graduates are employed or full time students, which an official said was particularly notable because of the area's high unemployment rate. Of those who graduated from the first class, 85 percent are now employed or full time students. Moreover, officials told us that some workers who previously struggled to find employment because of criminal records are now employed. In addition, some employers told us that they hired TET graduates at higher wages than other new hires.
- **Benefits for employers:** Employers told us that they were pleased by the quality of the employees graduating from TET. They noted the importance of soft skills, such as work ethic, as well as technical skills. Employers told us that TET trainees made fewer mistakes, and they did not have to spend as much time training TET graduates in order for them to reach proficiency. Officials reported that employers consistently return to TET to interview and hire recent graduates.
- **Benefits for workforce system and other partners:** The board reported that of the 30 trainees funded by the Recovery Act in the first TET class, 28 completed the program. One official told us that keeping dropout rates low is a more efficient use of the workforce system's funds.



Workforce investment area

Total labor force: 1,105,017

Unemployment rate: 8.5%

Source: GAO analysis of Bureau of Labor Statistics data from March 2011.

Initiative characteristics

Key sector: Health care

Other workforce boards involved:

- Varied by project

Additional partners:

- Varied by project, but included multiple health care employers

Workforce challenge

According to a 2003 report that Seattle's local workforce board and the Washington State Hospital Association produced for the Health Care Sector Panel, health care facilities throughout the state faced a critical lack of staff, including registered nurses, licensed practical nurses, and radiology technicians, among others. Patients were turned away from 55 percent of the state's emergency departments because of nursing shortages. The health care workforce was retiring faster than it could be replaced, colleges throughout the state had long waiting lists for courses in health care fields, and up to 30 percent of students in some health care training programs were dropping out before completing their training.

Source: *In Critical Condition: Seattle-King County's Hospital Staffing Crisis* (February 2003).

Appendix II

Health Care Sector Panel

Workforce Development Council of Seattle-King County

Overview

In 2002, the Washington State Hospital Association and Seattle's local workforce board convened a collaborative panel of representatives from hospitals, labor groups, local colleges, and other partners to address worker shortages in the local health care industry. This group came to be known as the Health Care Sector Panel, and their work subsequently launched a collection of mutually reinforcing projects which share the goal of maintaining both the short- and long-term pipelines of health care workers. A few of these projects are discussed below.

Officials said that it would have been difficult to increase the pipeline of Seattle's health care workers without providing additional training and support to those already in health care jobs so that they could progress to more advanced work. For example, one project positioned career specialists on-site at hospitals and other facilities to provide career counseling and subsequent training to incumbent staff. To add new workers to the pipeline, WIA youth were enrolled in a college-level Certified Nursing Assistant program with some wraparound services to help them navigate the educational and employment systems. For example, WIA case managers were paired with coordinators on college campuses to help youths register for classes, apply for financial aid, and utilize student services. Rather than seeking training only for individuals, the board also used Recovery Act and state matching funds to purchase blocks of training from seven local colleges in order to seat entire cohorts of trainees in classrooms. Each trainee was paired with a board-funded employment specialist, and in some cases the board worked with the colleges to shape the curriculum. In addition, the board also found that requiring certain students to complete basic skills education before beginning vocational training impeded course completion, and therefore worked with the colleges to integrate basic skills and vocational instruction by placing a basic skills instructor in some vocational classes.

Work stemming from the Health Care Sector Panel continues, although the panel itself is not active. A key factor of their collaboration was:

- **Limited or action-oriented meetings:** Officials said that short, focused meetings helped keep leaders involved. Professional facilitators were brought in for the first few panel meetings to ensure that time was well-spent.

The workforce investment board's role

The board has been involved in sector work on an ongoing basis. Employers who were already serving on the board also participated on the Health Care Sector Panel and helped identify and attract additional partners. For the individual health care projects, the board also served as a neutral convener, planner, project manager, and as a data collector and reporter. The board particularly focused on job placements that allowed jobseekers to attain self-sufficiency, and adopted a tool called the Self-Sufficiency Calculator to measure those results.



Appendix II

Health Care Sector Panel

Workforce Development Council of Seattle-King County

Key federal and state support

From the beginning, projects that stemmed from the Health Care Sector Panel have had a wide variety of funding support. For example, career advancement projects have been supported by WIA formula funds, Governor's set-aside funds, federal H-1B grant monies, and state funds, among others. A youth training project was piloted with Governor's set-aside funds and has been sustained through WIA Youth formula funds and a state program that allows high-school students to earn college credit. Training for cohorts of health care jobseekers was purchased with Recovery Act and state matching funds. In October 2010, the board was awarded a 5-year, \$11 million grant from the U.S. Department of Health and Human Services to support work in the health care sector.

Funding sources

WIA formula funds

WIA Governor's set-aside

Recovery Act

Other federal grants or funds

State grants or funds

Employer cash or in-kind contributions

Foundation grants

Source: Workforce Development Council of Seattle-King County.

Reported results

Officials told us that there are lessons learned with each project, but developing a continuous improvement and evaluation process is difficult. Nevertheless, officials reported results from some of these projects:

- **Benefits for jobseekers or workers:** Since 2003, more than 4,600 hospital employees have received services to support their career advancement, more than 1,000 of whom participated in health care training. An official noted that providing career progression services to incumbent workers can create new openings for entry-level jobseekers when the incumbent workers advance. Furthermore, officials also reported that students in the Recovery Act-funded training cohorts said the group experience gave them a network of support that helped them complete their training. The reported retention rate for the Recovery Act-funded health care cohorts was 87 percent, compared to 51 percent for a comparable student group.
- **Benefits for employers:** Hospital needs for skilled staff are being better met, according to officials. In addition, the availability of new career pathways has reduced employer turnover costs associated with workers such as medical assistants, who formerly had few options for career advancement. Many projects included a financial contribution from industry, which may indicate the projects' value to employers. For example, hospitals pay 50 percent of cost of the career progression services.
- **Benefits for workforce system and other partners:** Benefits stemming from the Health Care Sector Panel's work include the replication of the sector panel approach in other industries, and relationships with employers that generate knowledge and a positive regard for the workforce system. An education official also said that this type of collaboration changed the way hospitals and colleges communicate and conduct business in the Seattle area. Partners agreed that as a result of the initiative, hospitals and colleges approach workforce problems in a more systematic fashion, and colleges have stronger industry connections.



Appendix II

Michigan Academy for Green Mobility Alliance

Southeast Michigan Community Alliance Michigan Works! (Workforce Investment Board)

Workforce investment area

Total labor force: 902,172

Unemployment rate: 12.5%

Source: GAO Analysis of Bureau of Labor Statistics Data from March, 2011.

Initiative characteristics

Key sector: Auto manufacturing

Other workforce boards involved:

- Detroit Workforce Development Department, a Michigan Works! Agency
- Genesee/Shiawassee Michigan Works! Career Alliance, Inc.
- Livingston County Michigan Works!
- Macomb/St. Clair Workforce Development Board
- Oakland County Michigan Works! Workforce Development Division
- Washtenaw County Michigan Works!/Employment Training and Community Services Group

Additional partners:

- Multiple automotive manufacturers and suppliers
- Multiple education providers
- The State of Michigan

Workforce challenge

In 2007, according to a state official, an automotive employer projected a need for about 500 electrical engineers with skills in designing hybrid vehicles. Unable to find such electrical engineers locally, the company reported that they would need to either recruit them from overseas or send their workers abroad for training. More generally, the state recognized that growth in production of “green” mobility products such as electric cars created an increased need for workers trained to work on the new technology.

Source: Analysis of GAO interviews.

Overview

In response to employer-defined needs, the state workforce agency created the Michigan Academy for Green Mobility Alliance (MAGMA). The academy’s mission is to develop courses to help provide rapid skill growth in emerging green technologies in vehicle design. MAGMA Advisory Group members reported that collaboration helped the “Big 3”—Ford, Chrysler, and General Motors—work together and see the benefits of cooperating with competitors to train new workers. The academy classes are offered to incumbent and displaced engineers and technicians (see photo).

Initiative staff identified the following as integral to collaboration:

- **Industry-knowledgeable staff:** Initiative staff became knowledgeable about the engineering competencies needed in the automotive industry, to help build credibility with employers.
- **Employer input into curriculum:** Employers have suggested changes to the courses and can provide information about their current and future workforce needs, initiative staff said.



Source: Southeast Michigan Community Alliance Michigan Works! MAGMA students.

The workforce investment board’s role

MAGMA board members reported that the workforce board helped administer grants and managed the administration of MAGMA. Additionally, Southeast Michigan Community Alliance Michigan Works! is the lead board for the six other workforce boards in the initiative, initiative staff reported.



Appendix II

Michigan Academy for Green Mobility Alliance

Southeast Michigan Community Alliance Michigan Works!
(Workforce Investment Board)

Key federal and state support

To fund the initiative, the Southeast Michigan Community Alliance Michigan Works! applied for statewide grants, which came from WIA Governor's set-aside funds, according to initiative staff. Staff said they also used WIA formula dollars from several boards, employer contributions, and another state grant for incumbent worker training.

Funding sources

WIA formula funds

WIA Governor's set-aside

Recovery Act

State grants or funds

Employer cash or in-kind contributions

Source: Southeast Michigan Community Alliance Michigan Works! staff.

Reported results

Initiative staff reported the following benefits from the initiative:

- **Benefits for jobseekers or workers:** According to initiative staff, 312 people completed the training from the fall of 2009 through January 2011, including 30 dislocated workers, and 281 additional students had enrolled for 2011 summer/fall academy classes.
- **Benefits for employers:** According to initiative staff, MAGMA will serve 15 companies in the summer and fall of 2011, including Chrysler, Ford, and General Motors. Initiative staff said they believe that, because employers continue to encourage their workers to participate in training, this is evidence that the process is meeting their needs. Furthermore, employers continue to provide information on their training needs.
- **Benefits for workforce system and other partners:** According to board staff, employers have now embraced the local workforce system, which they had not done in a sustained way in the past. Also, according to board staff, the initiative has helped the workforce system better align its resources with employers' information about their workforce needs in a way that is more directly associated with employment opportunities. In addition, a state official noted that the effort spurred other similar initiatives, such as convening employers to discuss their skill needs in the area of battery storage technology.



Appendix II

NoVaHealthFORCE

Northern Virginia Workforce Investment Board

Workforce investment area

Total labor force: 998,815

Unemployment rate: 4.6%

Source: GAO analysis of Bureau of Labor Statistics data from March 2011.

Initiative characteristics

Key sector: Health care

Additional partners:

- Chambers of Commerce
- Local school districts
- Multiple local health care employers
- Regional colleges and universities
- The Commonwealth of Virginia

Workforce challenge

Northern Virginia's health care employers faced a workforce shortage of nurses and 23 other health occupations, including therapists and technicians in a variety of fields. Vacancy rates of 5 percent or higher are significant in the health care industry, and the area's vacancy rate had reached 10 percent for nonmanagerial registered nurses, for example. As a result, employers faced an increasing cost of labor as they tried to hire the limited number of workers away from one another. Moreover, officials noted that some hospital units might be forced to close in the event of a staffing shortage.

Sources: GAO analyses of interviews and PriceWaterhouseCoopers, *The Health Care Workforce Shortage: An Analysis of the Scope and Impact on Northern Virginia* (2004).

Overview

The goal of this initiative, known as NoVaHealthFORCE, is to establish a long-term, sustainable, business-driven strategy to address the area's shortage of nurses and allied health professionals. The initiative's partners—the board, local hospitals, and educational institutions—commissioned a report to study the problem and developed an action plan to address it in different ways. They sought to increase capacity within the health care training and education system, develop and sustain an ongoing supply of persons interested in entering health care careers, and nurture innovation, such as by developing a forum for best practices.

Officials cautioned that merely providing subsidies for additional students to receive training would have been an insufficient response to the workforce shortage: they needed to address the lack of available faculty for training, increase the availability of clinical training sites, and improve the preparedness of youth interested in health care careers. Since 2006, the Virginia General Assembly and six regional health care providers have provided financial support to increase the number of nursing faculty. The initiative's participating employers contributed other forms of support as well. For example, employers provided subsidies to develop new radiation oncology and sonography programs. Education officials said these programs could not have been developed without those subsidies.

Initiative partners said they had integrated new partners, such as local elected officials and the Chamber of Commerce, by citing the business costs incurred with increased health care costs. Meanwhile, they identified the following areas as some of the elements that supported their collaboration:

- **Limited or action-oriented meetings:** Biannual, roundtable meetings provide chief executive officers, educational leaders, and other partners the opportunity to talk about results and about the next stages of implementation without over-burdening their schedules.
- **Program manager:** Partners said that having a full-time program manager for the initiative was important to the initiative.
- **Streamlined data collection:** The initiative's quarterly data collection and reporting system focuses on key metrics to generate discussions about partners' needs.

The workforce investment board's role

The board helped the other partners prepare an action plan, and a nonprofit arm of the board served as the initiative's fiscal agent. Partners said that the board was perceived as a neutral arbiter that could bring people together to solve regional problems. Officials said that the board's neutrality was critical to ensuring the participation of competitors within the business and education communities.



Appendix II

NoVaHealthFORCE

Northern Virginia Workforce Investment Board

Key federal and state support

Hospitals pledged money to support new programs at local colleges if the state would match the funds, which it did. Labor's Community-Based Job Training grant supported efforts to expose secondary students to careers in health care, among other activities.

Funding sources

Community-Based Job Training grant

WIA formula funds

State grants or funds

Employer cash or in-kind contributions

Local funds

Source: Northern Virginia Workforce Investment Board.

Reported results

The initiative partners have been able to collect basic quarterly data from participating institutions of higher education, such as enrollment and graduation rates in health care training programs. Specifically, each institution provides the program manager with a financial report, a narrative, and a data report with admissions, enrollment, and graduation information. The partners also collect data on participants who obtained training subsidies through the one-stop.

- **Benefits for jobseekers or workers:** While the partners did not track job placements for participants, they reported that, between 2006 and 2011, the number of registered nursing graduates across all participating institutions increased from 586 to a projected 743, and that 180 individuals received training in the newly created program for sonography, radiation oncology, and related occupations. Also, jobseekers had increased opportunities for training, as a result of the newly created programs of study.
- **Benefits for employers:** Employers benefited from an expanded supply of skilled workers, as reflected by education partners' expansion of their capacity to train nurses by approximately 35 percent. In addition, to help meet employers' needs, two institutions developed an accelerated program of study in nursing. Generally, the partners agreed that the urgency of employers' needs had abated, although they anticipated future needs as retirements of existing workers begin to accelerate.
- **Benefits for workforce system and other partners:** The workforce system benefited from strengthened relationships with employers, as indicated by one former hospital executive's appreciation for the role the board had played in helping to identify qualified workers. Also, partners reported that the strategies they had developed could be applied to other sectors.



Workforce investment area

Total labor force: 323,133

Unemployment rate: 8.3%

Source: GAO analysis of Bureau of Labor Statistics from March 2011.

Initiative characteristics

Key sector: Manufacturing

Other workforce boards involved:

- Kansas WorkforceONE

Additional partners:

- Adult education providers
- Local school districts
- Multiple manufacturing employers
- Wichita Area Technical College
- Wichita State University

Workforce challenge

Local companies, including Boeing, Raytheon, Cessna, and Bombardier, identified an impending shortage of skilled workers, driven both by imminent retirements and by the need to upgrade workers' skills and maintain competitiveness as a result of the increasing use of composite materials in aircraft manufacturing, according to local stakeholders.

Source: Analysis of GAO interviews.

Appendix II

Composites Kansas WIRED Initiative

Workforce Alliance of South Central Kansas (Workforce Investment Board)

Overview

According to a local official, the region around Wichita, Kansas, is one of five global aviation centers. As early as 1999, however, local aviation companies anticipated a critical need for workers to help them keep pace with the industry's transition to composite materials; the companies worked with local government, eventually culminating in the opening of the National Center for Aviation Training in 2010, according to local stakeholders. While planning was under way, the board applied for and Labor awarded a WIRED grant in 2007, which supported training, curriculum development, and supplies and equipment. The initiative involved a career pathways approach, in which training is broken down and sequenced so that workers can acquire skills and advance in an occupation as they complete successive levels of training. Participants received hands-on training in specialized equipment (see photo). The initiative targeted incumbent workers, while also serving some low-skilled adults and dislocated workers. In addition, certain components targeted limited-English workers and youth: local adult education providers developed vocabulary for key terms and concepts for participants with limited English, and over 200 youth participated in career exploration activities. Some key factors that facilitated collaboration included:

- **Single point of contact:** Partners said that establishing a single point of contact for employers was key to facilitating collaboration.
- **Employer input into curriculum:** Employers had direct input into the curriculum, and aimed to accelerate the integration of research findings into training and production.



Source: Workforce Alliance of South Central Kansas.

Staff prepare an autoclave. Participants received special training in order to safely operate the autoclaves, which can reach temperatures of 800° F.

The workforce boards' role

The boards provided case management and career guidance, screening and placement in training, and convened community partnerships.



Appendix II

Composites Kansas WIRED Initiative

Workforce Alliance of South Central Kansas (Workforce Investment Board)

Key federal and state support

Labor's WIRED grant supported training, equipment, and curriculum costs. The U.S. Departments of Commerce and Housing and Urban Development, and the Small Business Administration provided funds for the facility. The state also provided funding for construction.

Funding sources

WIA formula funds

WIA Governor's set-aside

Recovery Act

WIRED

Other federal grants or funds

State grants or funds

Employer cash or in-kind contributions

Foundation grants

Local funds

Source: Workforce Alliance of South Central Kansas.

Reported results

Board staff and other partners provided information about the results of the initiative for jobseekers and workers, employers, and for the workforce system overall:

- **Benefits for jobseekers or workers:** Of the 1,195 individuals who participated in WIRED-funded training, 1,180 completed it, and 1,008 were placed in jobs. In addition, of those who completed the training, 146 earned a degree, certificate, or industry credential. Additionally, an official said that, during the economic downturn, hiring of workers with skills in composite materials had increased by 7 percent.
- **Benefits for employers:** Partners said that the initiative had significantly increased the skill set of entry-level workers in aviation. Also, an official said that the initiative had helped identify the best candidates for additional training.
- **Benefits for workforce system and other partners:** Partners said that employers now see the workforce system as more valuable than before, and that one-stop staff provide better advice to individuals on careers in aviation. Additionally, according to the partners, the experience gained during the initiative was applied to other activities, such as the establishment of a center for advanced manufacturing and an effort to leverage the new skills in composites to grow a new medical device industry cluster, based on the use of composite materials in orthopedic devices, such as knee and hip replacements.

Appendix III: Comments from the Department of Labor

U.S. Department of Labor

Assistant Secretary for
Employment and Training
Washington, D.C. 20210



DEC 8 - 2011

Mr. Andrew Sherrill
Director
Education, Workforce, and Income Security Issues
U.S. Government Accountability Office
441 G. Street, N.W.
Washington, D.C. 20548

Dear Mr. Sherrill:

Thank you for the opportunity to review the Government Accountability Office (GAO) draft report entitled: *Workforce Investment Act: Innovative Collaborations Between Workforce Boards and Employers Helped Meet Local Needs* (GAO-12-97).

The report findings validate the Department of Labor, Employment and Training Administration's long standing position that stronger partnerships between employers and the public workforce system lead to improved employment and retention outcomes for our nation's workers. The report also echoes our strategic thinking on the importance of linking workforce services to meet the needs of regional and local economies and the need for public workforce system reform through the reauthorization of the Workforce Investment Act of 1998.

A key area of exploration for the Department is enhancing our dual customer approach to effectively serve both workers and employers. We continue to provide technical assistance on business engagement to workforce system practitioners. For example, in May 2011, we provided in-person and virtual training for business liaisons in local workforce areas. In addition, we want to emphasize that while it is our role to provide policy leadership and guidance to the One-Stop delivery system, states have a critical role in making business engagement a priority, including tracking data on services to employers.

We also are working across Federal agencies to streamline administrative processes and create better alignment of resources and programs to ensure effective service delivery. The Departments of Labor, Health and Human Services, and Education continue to seek opportunities to develop joint guidance to state and local grantees, and to implement cross-cutting demonstration projects that encourage partnerships and improve models for delivering quality services across programs at lower costs.

The report makes one recommendation:

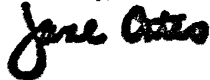
"To better support the capacity of the local workforce investment system to collaborate with employers and other partners, the Secretary of Labor should compile information on workforce boards that effectively leverage WIA funds with other funding sources and disseminate this information in a readily accessible manner. This might involve

compiling lessons learned from prior research or evaluations of grant programs and new grant initiatives such as the one with Commerce and the Small Business Administration, and disseminating this information by creating a super category for this topic on the Workforce3One Web site to group examples in one place.”

We support GAO’s recommendation. The report comes at an opportune time as we work to design the next generation of online technical assistance for the public workforce system’s leaders and practitioners, agency grantees, and other key partners and stakeholders. We are examining ways to more rigorously identify promising practices and incorporate and disseminate this information through guidance, virtual and in-person technical assistance, and outreach efforts.

Enclosed are technical comments on the draft report. If you would like additional information, please do not hesitate to call me at (202) 693-2700.

Sincerely,



Jane Oates
Assistant Secretary

Enclosure

Appendix IV: GAO Contact and Staff Acknowledgments

GAO Contact

Andrew Sherrill (202) 512-7252 or sherrilla@gao.gov

Staff Acknowledgments

In addition to the individual named above, Laura Heald (Assistant Director) and Chris Morehouse (Analyst-in-Charge) led the engagement. Aron Szapiro and Alison Hoenk also made significant contributions to this report in all facets of the work. In addition, Jean McSween assisted with methodology, Rhiannon Patterson lent subject matter expertise, Jessica Botsford provided legal support, Susan Bernstein and James Bennett provided assistance with writing and graphics, and Charles J. Ford and Kathy Leslie also made significant contributions to this report.

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