

**National Association of State Workforce Board Chairs  
2007 Winter Meeting Summary  
L'Enfant Plaza Hotel, Washington, DC**

## **Legislative Updates**

*Stephanie Milburn, Minority Staff, House Committee on Education and Workforce*

*Kathryn Young, Legislative Associate, Education/Early Childhood and Workforce Committee, National Governors Association*

*Katy Cashen, Consultant, NGA Center for Best Practices*

Stephanie Milburn assured members that the House would move on the Workforce Investment Act but more slowly than the Senate. The House is interested in incorporating recent trends into the new legislation, including concepts of regional economic development, how Wagner-Peyser might integrate into one-stops, and if Individual training accounts still garner attention at the state level. The House is aware of the NGA WIA proposal but wants reduced overhead costs and curbs on excessive state flexibility.

Kathryn Young of NGA responded with a review of the NGA proposal, which would:

- Expand state flexibility by providing governors with the option to coordinate two or more of the following programs: WIA dislocated workers, Wagner-Peyser, WIA Adult, WIA Youth, and Adult Education;
- Encourage state and local flexibility by allowing states to pick and choose which programs to coordinate based on local and state needs, while preserving individual federal programs to help insulate against creation of a federal block grant or reduction in federal funds;
- Protect and enhance services for special populations, including people with disabilities by expanding their access to WIA one-stops;
- Develop common measures to increase accountability, focus on customer outcomes, and reduce administrative costs.

Kathryn indicated that Senate staff will use its previous bill (S. 1021) as a starting point for WIA reauthorization. Other legislation to be taken up by the HELP Committee includes Higher Education Act Reauthorization, Head Start and possibly updates to the No Child Left Behind law. Kathryn agreed that the House Education and Labor Committee is expected to draft a very different bill from previous versions, but those changes are unclear. NGA continues to believe that their WIA proposal would allow Governor's to better coordinate up to five workforce/education programs, and that it still represents a "middle ground" that will hopefully be considered in the new Congress.

Katy Cashen provided a [summary of the WIA regulations](#) proposed by the Department of Labor. Members agreed that comments should be made on DOL's regulations individually, and not as a unified group. Katy provided an update on the FY 2007 Appropriations bills for Labor-HHS-Education programs, operating under a continuing resolution (CR) through February 15, 2007. For the most part, programs would be funded at the FY 2006 levels and there will be no Congressional earmarks in the bill. Since then,

Continuing Resolution details have been released, as well as related [information from the Presidents 2008 Budget](#).

### **Applying the Guidance and Policy Lessons from WIRED: Regional Approaches that Align Workforce, Education and Economic Development**

*Randall Kempner, Vice President for Regional Innovation at the Council on Competitiveness.*

*Pam Tate, President and CEO, Council for Adult and Experiential Learning*

Before discussing observations and lessons learned, Randall and Pam presented an overview of DOL's WIRED initiatives. WIRED initiatives reflect the recognition that innovation will drive economic prosperity, that talent is the primary driver of innovation, and that natural labor market regions are the right place to develop integrated workforce and economic development solutions. WIRED activities rely on these core principles:

- To expand employment and advancement opportunities for workers while simultaneously catalyzing the creation of high-skill, high-wage jobs;
- To establish a regional identity that crosses political jurisdictions;
- To leverage and align public and private investments; and
- To transform the regional economy through innovative and effective talent development.

Presenters shared these observations and learnings from the existing 26 awardees:

- Regions that started with strong partnerships between business and workforce development are progressing faster and seeing early wins;
- Partnerships that use the funds to "re-grant" via RFPs see more progress than those that use funds to augment existing programs. Flexibility might be the key;
- Open and balanced input from all stakeholders from the beginning is critical to success. Partnerships led by one, strong stakeholder often reflect more singular goals and needs;
- Successful regional approaches are highly inclusive of all stakeholders with an interest in economic competitiveness. For example, initiatives that bring in Universities to address research & development and tech transfer issues in addition to bringing in community colleges to provide career pathway training enjoy greater regional identity;
- Regional partnerships that identify where certain partners can best contribute in-kind or cash resources experience the most efficient leveraging of resources. For example, partnerships use Adult Basic Education dollars to address basic literacy remediation, and foundations for community development needs.

Additionally, WIRED regions and consultants are discovering that:

- Separate funding for an initial planning phase is necessary, and will likely be included in the next generations of WIRED funding.
- Leveraging WIA and/or ABE dollars is critical to advance low-skilled workers to appropriate entry points for the high-wage, high-growth jobs that WIRED initiatives encourage.

- Evaluation continues to be unclear. Regions need to define a set of performance measures that reflect regional work.
- Workforce programs must be more visible to business now, because the longer they are not engaged the more difficult it is to bring business to the table.
- Workforce development and community colleges must show a united front. When industry hears dissonance, they will leave.

Members concluded the session with a discussion of WIRED initiatives in their states, including some frustration with unclear objectives, unspent funds and no cost extension allowances. States indicated that performance measurement, community development, and a re-focus on the people these initiatives are trying to help need to be emphasized.

### **Sector Strategies: Regional Solutions to Worker and Employer Needs**

*Jack Litzenberg, Senior Program Officer, Charles Stewart Mott Foundation*

*Larry Good, Chairman, Corporation for a Skilled Workforce*

*Jack Mills, Senior Program Manager for Sector Programs, National Network of Sector Partnerships*

*Moderated by Martin Simon, NGA Center*

Jack Litzenberg opened with some history of sector strategies. The Mott Foundation first became interested in sector strategies as focused approaches to workforce development in 1991. The first pilot programs reduced home healthcare turnover and increased customer satisfaction. It was the realization that human capital development is economic development. Larry Good agreed, and emphasized that sector initiatives are a win-win for employers and workers, and can be applied to any industry in any region. Jack Mills supported this with statistics: In one study, employers enjoyed a 41 percent reduction in turnover, a 19 percent reduction in re-work, and a 23 percent reduction in customer complaints. Sector strategies necessitate the need to plan, implement and operate from a multi-employer perspective, supported by public systems and other private partners. States can make a difference in a number of ways:

- Use the bully pulpit— state legislators and governors can champion the work;
- Align Money—aligning and leveraging resources insures sustainability;
- Build Partnerships— agreements across jurisdictional boundaries;
- Recommend data-driven ways to identify industries and occupations;
- Require culture change and cross-system capacity building.

Following these short presentations, members asked questions to experts and to members with significant sector experience. These included:

- Q: What kinds of political liabilities exist when states choose industries?
- A: *Pennsylvania* started with an industry cluster analysis that looked for job growth and skill gaps, then drilled down to sectors and occupations. This process did eliminate retail and hospitality, but allowed 9 broad industry priorities for the state. Local areas were also invited to present their case for other industries. By starting broadly and allowing a competitive application there were almost no political problems.

- Q: Where do you start?
- A: *Oklahoma* is starting with healthcare because there is an obvious need, and this could mean an early win. *Pennsylvania* began with incumbent training because industries are most enthusiastic about a direct benefit to employees and their productivity. *Michigan* has over 30 Regional Skills Alliances, and the key is to start with the need. In one hospital association, partners focused on eliminating intensive care unit catheter infections, which led to a \$180M savings.
- Q: How do you get the political will and movement? These are not glamorous nor do they yield immediate benefits.
- A: *Oklahoma* uses the economic developers and employers to spread the word and build credibility, even to get the attention of local mayors. *Michigan* emphasized demonstrating savings to employers and the system. *Pennsylvania* admitted getting attention is a real challenge, even with 16,000 workers trained over 3 years. Media needs to be engaged. *Oregon* used discretionary WIA funds to seed projects in healthcare and manufacturing, conducted employer surveys, and are creating write-ups on these community-specific programs so that legislators know *their* constituents are benefiting directly. The politicians probably even know the owners and managers in many cases.
- Q: Where is the momentum typically generated for training? By the private sector approaching the public sector or the converse?
- A: In *Pennsylvania* employers issue an RFP process to find the best trainer and maintain objectivity. *Pennsylvania* disallows a training provider to also act as a partnership convener (has caused some tension but avoids problems down the road). The trainer might be a community college, trade association, consultant, or even a university.
- Q: Are their potential collective bargaining or anti-trust problems that could arise from the implementation of regional sector strategies?
- A: This was not an issue that any attendees had directly confronted, but it was agreed that further research on this issue would be helpful.
- Q: What role do work readiness or career readiness credentials play?
- A: *Georgia* is using a new framework of skills to pre-qualify people for a larger training set, and are starting to map skills credentials against general education curricula. The usefulness of work readiness credentials depends on industry needs. It's the industry-specific credentials that are important.

The session closed with a reference to various materials at [www.sectorskills.org](http://www.sectorskills.org), including upcoming on-line webinars.

### **Temporary Association Taskforce Reports and Next Steps**

#### [DOL Analysis Task Force](#)

- Members: Pat Hudson (Chair, SC), Fred Dedrick (Executive Director, PA), Greg White (Executive Director, OR), Brian McMahon (former Executive Director, CA)

The charge for this taskforce at the August meeting was: *To assess the long-term vision of DOLETA and the implications on state workforce systems, and to draw conclusions*

*about the direction of DOL's approach to workforce development in light of ETA's multiple and varied past and current initiatives.*

Taskforce members quickly concluded that while ETA may exaggerate their foresight and years-old plans leading to WIRED, they are today very clearly shifting all their resources and strategies to WIRED and corresponding principles. Members also acknowledged that we likely all agree to those principles (regional-, industry-, innovation-, and “talent development”-driven approaches to workforce and economic development). Members also acknowledged that there are other ways to implement these principles (including sector strategies), and that WIRED was DOL's specific approach.

Given election outcomes and the possible move by Congress to reauthorize WIA, and the unique bi-partisan nature of the Association, task force members drafted a set of core principles and recommendations for review by the members.

The members believe:

- Sectoral, demand-driven, regionally-based strategies (sector strategies, WIRED grants, High Demand, High Growth initiatives) encourage regional economic development;
- Upgrading everybody's skills drives regional competitiveness;
- Coordinating workforce, education, and regional industrial partnerships = productive use of taxpayer dollars;
- Through state actions, waivers and collaboration, states are overcoming silos. This must continue;
- System can be a source of innovation;
- The system has never been fully funded;
- Insufficient support threatens security of workers, industries and nation.

The members recommend to DOL and Congress:

- Authorize provisions in WIA that support regional, demand-driven, sectoral strategies;
- Recognize roles of state and local workforce boards as partners;
- Reaffirm original intent of WIA by supporting principle that system must increase skills of all workers -- need greater flexibility to respond to variance in needs of worker population;
- Substantially increase funding for workforce development and regional sectoral strategies;
- Engage with the Association of State Workforce Board Chairs and other stakeholders to develop workforce system of future.

Members discussed the recommendations. Specific questions were raised as to whether or not highlighting the need for more funds was a good idea, or whether emphasizing the Association's willingness to engage DOL in the process might be a better tact for improving relations. Members agreed to submit comments to Lindsey Woolsey, NGA consultant, by February 14<sup>th</sup>.

*PR/Marketing Taskforce Presentation-draft*

Members: Chip Evans (Executive Director, VT), Matthew Chambers (MI), Steve Hendrickson (Chair, OK), Brenda Norman (Executive Director, MN), Terri Cole (Chair, NM)

The charge for this taskforce at the summer meeting 2006 was to develop a document that effectively “sold” the workforce system to decision makers who have the authority and power to provide and leverage continued support. The document is intended to be used by members to give to their members of Congress. The draft includes:

- An opening letter describing the role of state and local workforce boards, and the powerful perspective of Chairs as private sector leaders on the importance of the workforce system and its programs;
- A 5-page “snap-shot” of successful workforce programs from around the country and across different industry sectors; and
- A request for Congress and other decision-makers to take notice and support the successful models and policies in the system.

Members made these initial suggestions:

- Include space for each state to include a success story specific to their area;
- Re-draft the letter to be a more explicit request of Congressional members to pay attention and give support; and
- Maintain a constructive and positive tone so as not to put strain on important Association relationships with governmental entities.

Association members agreed to submit additional comments and suggestions to Lindsey Woolsey by February 14<sup>th</sup>.

**Workforce Development Funding Collaboratives**

Mark G. Popovich, Senior Program Officer, The Hitachi Foundation

*Jack Mills, Senior Program Manager for Sector Programs, National Network of Sector Partners*

Fred Dedrich (Staff Director, PA) introduced the panelists and presentation as an opportunity to learn how states can leverage new sources of funding to expand workforce development efforts. Pennsylvania has deliberately reached out to state and local foundations to bolster their public dollars to support training and industry partnerships.

Jack Mills used the Bay Area Workforce Funding Collaborative (BAWFC) as an example. The strategy was attempted in the Bay Area to address the specific challenge of funding workforce programs sufficiently and efficiently. A vital first step in the process was agreement between the partnering funders and the state as to the specific goals for recipient workforce programs. At the same time, Jack highlighted the need for any comprehensive plan to be mindful of the different priorities and goals each foundation brought to the project. Meeting comprehensive goals and individual funder goals takes time and planning, but the BAWFC has successfully spent \$21M on shared priorities. Their success is leading to state supported expansion in San Diego, Los Angeles and San

Joaquin. A primary advantage in the initiative's design is high level of flexibility inherent in non-public dollars. [More information on the Bay Area Workforce Funding Collaborative can be found in Jack's presentation.](#)

Mark Popovich followed by describing a similar effort at the national level, the National Fund for Workforce Partnerships. This fund was created to support programs that:

1. Bring low-income into the American Mainstream;
2. Improve business efficiency and productivity;
3. Enhance regional competitiveness; and
4. Improve public sector systems.

Thus far, 51 foundations have combined to make \$43M available for the national fund. Funding is distributed to programs competitively based on need and capacity for change, as well as an ability to collect data and evaluate outcomes. In addition, programs are encouraged and assisted to leverage additional funding from their local areas.

The Hitachi foundation also provides support to Jobs-to-Careers Initiatives that fund partnerships between employers and local higher education, or other educational entities, to develop a coordinated plan to improve worker skill in an area of need. [Complete information about the National Fund and the Jobs-to-Careers initiative can be found in Mark's presentation.](#)

Mark, Jack and Fred fielded questions from members:

- Members spent significant time discussing performance measurement. Specifically, is there a consensus that wage gain is an effective way to measure a program's return on investment? Jack emphasized that effectively evaluating programs is a work in progress, but that for any program, agreed-upon up-front goals are an effective way to determine appropriate evaluation measures. Mark agreed that performance measurement was an imperfect system, but that when project goals were determined a conversation on how to gauge success naturally followed.
- Fred Dedrick spoke of Pennsylvania's positive experiences working with foundation's to implement workforce development programs that might not otherwise be possible. The dollars available from entities like the National Fund may not be large, but they allow Workforce Boards to be more innovative than do WIA funds.
- Members asked about the competitiveness of the application process for National Fund grants. Only 9 of over 200 proposals were selected for funding, but a large percentage of these were not at all tailored to the specific goals of the National Fund.
- Members asked if it was required for local applicants to partner with a 501c3 to receive funding. Mark responded that while there was no technical requirement for non-profit partnership, some foundations prefer to work with non-profits.
- The role of community colleges in a local funding collaborative or in National Fund projects was discussed. Jack reiterated how helpful community colleges can be when they are engaged in local workforce initiatives, but that as we know, levels of engagement vary from region to region and state to state.
- Members asked about the role of the state in local or national funds. Jack and Mark recommended closer looks at sample projects highlighted in the PowerPoint

presentations. The state played a significant role in about half of the projects described in the National Fund. Mark stressed that in the case of the National Fund, they would expect significant collaboration between the state, local and non-profit community to exist prior to their participation. Jack re-iterated California's interest in expanding the BAWFC based on its success.

- Lastly, members discussed funding cycles. The National Fund grant schedule is still being sorted out. Jack pointed out that funding schedules for local foundations is equally important to know, and that local foundations with similar 2-year funding commitments are the most helpful in securing collaboration.

### **Separate Sessions and Business Meeting**

Chairs convened separately from the Staff Directors for state updates and discussions of their choice. A summary of the Staff Director session will be sent separately from this summary. Based on the Chair's separate session discussion, NGA staff will convene special calls to plan a new approach to the summer meeting.

To start off the business meeting, Oregon highlighted the momentum and positive feedback they generated from their state workforce development plan, distributed to all members. Enthusiasm was especially high for the manner in which the report tied together the missions of a number of different government departments. Association Chair Charles Ware announced the departures of Donna Alvarado (former Chair, OH) and Mark Pingrey (former Chair, CO) from their state posts and the Association Executive Committee. George Burkeley (Chair, KY) and Steve Hendrickson (Chair, OK) were named as their replacements. The deadline for input for both taskforce deliverables is February 15<sup>th</sup>. Charles Ware noted that could allow him to present any recommendations to the Department of Labor at his next meeting with the Assistant Secretary on February 26<sup>th</sup>. It was again strongly recommended that each state independently write a letter to DOL regarding their proposed rule changes.

Next Meeting: August 5-7, 2007 in Minneapolis/St. Paul, Minnesota.