



## THE NATIONAL ASSOCIATION OF STATE WORKFORCE BOARD CHAIRS

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### Summary Notes from Winter Meeting, February 22-24, 2008

#### Opening Session - NGA Program and Legislative Update

##### Speakers:

Martin Simon, Director, Workforce Development Programs, NGA Center for Best Practices

Joan Wodiska, Director, NGA Education, Early Childhood, and Workforce Committee

In her address to the National Association of State Workforce Board Chairs, Joan Wodiska discussed several topics of concern for the nation's governors. These concerns include the state of the US economy, increasing international competition, and a languishing WIA reauthorization. On the economy, Ms. Wodiska discussed the impacts of the price of oil, rapid declines in home values, and the subprime mortgage meltdown on states' economies. She also outlined the response of governors to these challenges and the importance of workforce issues in governors' state of the state address. Specifically, Ms. Wodiska outlined key points from the NGA State Counter Cyclical Proposal and proposals on International Benchmarking and the WIA reauthorization. NOTE: Can you include links to these proposals?

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#### Congressional Staff Dialogue—Economic Stimulus Package

##### Panelists:

Wendell Primus, Senior Policy Advisor on Budget and Health Issues, Office of the Speaker of the House

Stacey Dion, Office of House Republican Leader John Boehner

##### Moderator:

David Quam, Director, Office of Federal Relations, National Governors Association

David Quam provided an introduction to both speakers as well some background information on the economic stimulus package. He explained that the Governors had wanted to be part of the discussions surrounding the package, especially the Medicaid component.

Wendell Primus explained that the coalescing of congressional action on this bill was very fast and that there was universal agreement that the package provisions should be targeted, timely and temporary, with the goal of spurring consumer spending. He went on to say that economic slowdowns tend to be regional and then spread. He also explained that on the Democratic side, some of the key goals were as follows:

- Some type of increase in unemployment insurance, in terms of check size and duration;

- Providing some assistance to states to avoid the need to cut Medicaid spending or raise taxes to fund it;
- Building in \$41 million for the Summer Youth program;
- Providing an increase in funding for Food Stamps;
- Including additional funding for the Low Income Heating Energy Assistance Program (LIHEAP).

He explained that the final version of the bill signed by the President did not include these provisions, but what they did get was a bill providing \$40 billion in rebates to families who did not receive them before.

He went on to say that the U.S. has never weathered a recession without an unemployment insurance bill of some kind, and that if conditions worsen, such a bill is likely to be introduced. He completed his remarks by saying that he felt it was important to target assistance to states that are really in trouble, but that is difficult to do.

Stacey Dion corroborated Mr. Primus' remarks regarding the extraordinary speed with which the legislation moved through the House and commented that Republicans felt it was important to keep the package to a minimum number of pieces. She explained that too many components would have attracted the opposition of the President and put the legislation at risk of a veto. The Republicans came to the table with the following priorities for the legislation:

- It should have a generous bonus depreciation provision for businesses ; and
- The structure and timing of the rebates should be such that they would be spent within the next 3 quarters.

She explained that the bonus depreciation proposal ended up being more expensive than they had originally thought, but that the Republican caucus was pleased with the bump up in section 179 business expensing that was passed. She went on to say that Republicans do support increases in Unemployment Insurance and Food Stamps, but for the purposes of the stimulus package, wanted to maintain the goals of being "timely and temporary." As a result of the temporary nature of the package, it was agreed that every provision would expire at the end of the year, meaning that any Food Stamp expansion would have expired around the holidays, which would not have been desirable.

David Quam asked the speakers, "When will the rebate hit, and the business provisions become effective?"

Stacey Dion responded that it's important to make sure that people who don't normally file a tax return do so this year and further that checks should go out between May and June/July. In terms of the business provisions, for purchases made, the eligible period is from 12/31/2007 to 2009.

Wendell Primus added that John Boehner is to be commended for working with the Administration, avoiding the possibility that a third plan would have been introduced.

David Quam asked, "Given that it's an election year, not much gets done, plus the pay-go provisions typically apply, and the fiscal situation could worsen around the time Congress is leaving Washington to campaign. How could a second stimulus package go through quickly given these factors?"

Wendell Primus responded that Ben Bernanke and Henry Paulson continually monitor the economic situation and further, if a “true” recession hits a determination will be made about whether more economic stimulus is needed and how to deal with it. He asserted that if it becomes a true recession, there’s no question Congress will legislate around FMAP and UI. He further explained that the real problems come in when the economic downturn is concentrated within a particular state or region.

Stacey Dion explained that the Senate also is a factor in whether things will get done legislatively. She cautioned that there’s a lot to be done in this session, including another AMT patch.

Wendell Primus explained that the Democrats are hoping to undo the President’s Medicaid regulations, which shift costs from the federal to the state level.

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## **Washington Insider’s Roundtable on Emerging Federal Trends and Issues**

### **Panelists:**

Evelyn Ganzglass, Director, Workforce Development, Center for Law and Social Policy

John Colbert, Senior Counsel, Workforce Development Strategies Group, National Center on Education and the Economy

Phyllis Eisen, Executive Director, CWS, National Association of Manufacturers

### **Moderator:**

Carl Califano, Chair, Oregon Workforce Investment Board

Carl Califano opened the roundtable by asking the participants the following question: what would be the impact of zeroing out workforce development funding for 2009?

John Colbert responded by saying that the budget, including cuts proposed by the President, would be marked up and debated within the next couple of weeks. He recommended the Workforce Chairs ask Congressional members for help on the budget resolution, specifically asking them to reject the cuts proposed by the President; and ask members to include Workforce Development funding in their request letters to the Appropriations Committee. He concluded by saying that little else promised to get done on the workforce development front this year, so it is important to strengthen what currently exists so that there is a platform to build from next year.

Phyllis Eisen said that workforce funding would not be eliminated this year, but that this did stir a good discussion. She stressed that it was important to realize that when cuts are proposed, funding is often put back in at lower levels than originally existed. She stressed the importance of the State Workforce Board chairs getting their business communities active in speaking to Congress about the importance of Workforce Development. She recognized that it is often difficult to get business involved in this issue, but noted that the more pressure businesses feel the more likely they are to support workforce development. Lobbying by business is more effective with Congress than lobbying by others who are directly involved in administering workforce development programs. She added that originally businesses weren’t very interested in the workforce development system but, that has changed recently.

Evelyn Ganzglass said she wanted to address the question from a different perspective. The Center for Law and Social Policy (CLASP) has been trying to figure out why people believe the workforce system doesn't work. She said that if the funding was eliminated no one would notice and added that people don't really know what workforce development means. Congress tends to focus on specific programs and so the holistic approach taken by workforce development hurts it in that regard. The role of workforce development is not defined by service, population or location and because of that, it is difficult to build a constituency. Because the cuts are spread out across so many areas, the impact of those cuts is difficult to see.

John Colbert discussed earlier efforts of the Employment and Training Administration to brand the workforce development system, but indicated that those efforts have stopped recently. However, he sees the recession as an opportunity for the workforce development system to show what they do. But, first the workforce development system needs to sing its own praises a little better. One opportunity to do this may come through new reporting requirements promulgated by the Department of Labor. He recommended the Chairs have their staff examine new reporting guideline 91-30 to see if there is an opportunity to show more effectively the benefits of the system.

Phyllis Eisen warned that it would be a mistake to take too long to try to redefine what the workforce development system is. The business community is feeling urgency about this issue now. They want to know where they will get their workforce. This immediate concern needs to be brought to the "money holders" in Congress now. This urgency needs to be captured now; the system cannot afford to talk about what a new system would look like.

Evelyn Ganzglass said this went to her point that there is a need to talk about the workforce development system differently. She believes that data criticisms of the program are a smokescreen: workforce development has better data than other programs and yet is still constantly faced with questions of "does it work?" The bad economy presents a good opportunity to change this discussion; new data and new numbers will not do this.

Carl Califano asked the follow-up question: what can the workforce development system do so that business sees the value in it?

Phyllis Eisen answered that it was important to tell a good story. The problem is that with so much of what the workforce development system does, business does not see the direct benefit. Business is looking for skilled workers and yet the workforce development system spends a lot of time providing services to at risk, low skilled populations. The workforce development system is not like business; giving people skills is messy. At the same time, the vision of helping people get jobs needs to connect directly with the business-side. The better this connects, the better an ally businesses will be. Become business' supplier of choice and there will be less of a funding issue.

Bob Leber pointed out that there are different audiences in the room to whom they were speaking. In the business sector the point is not to get people jobs but instead to create a pipeline for business. The business community should provide leadership in developing the system and they should share the blame if it doesn't work. The Workforce Investment Act is not a social service program.

Evelyn Ganzglass said that the workforce development system arguably has two customers. The programs are designed to serve the disadvantaged and help them find jobs, and also to serve employers. Since there are so many perspectives, each community has to set their own priorities.

Unfortunately, this local discretion makes it more difficult to explain what the system as a whole does. She said she did not have a solution for that, but it is part of the reality. The only recourse of the workforce development system is to put real stories and people as the face of the program because as it stands it is too abstract.

Booker Graves said that he saw the central issue of the system is that it is a broker who has no demand for their product. He criticized the fact that the Workforce Investment Act was written to discourage the system from providing training, even though training is the thing that is needed most.

John Colbert agreed with a large part of what Booker said. He pointed out that when the Workforce Investment Act was written it was meant to include a training program. However, under the new administration the training program was not strengthened and there has never been sufficient funding for it. The important thing, however, is to get champions in workforce development identified and active for when the reauthorization does move forward.

Debra Lyons brought up the disconnect between the WIRED initiative and the regular delivery of Workforce Investment Act services. She asked the panel where they see WIRED going in the next few years.

Phyllis Eisen said that she believed WIRED was a response to the frustration of WIA not being reauthorized. She suspected WIRED will be eliminated in the next administration. The hope is that whatever they do, they will retain the good things WIRED has done.

Evelyn Ganzglass said that sectoral approaches are the way to go because it brings a different type of employer-public relationship. Career pathways are good way of aligning elements of the system and that goes to CLASP's concern that by focusing on economic development, populations that are most in need of services will be forgotten.

Debra Lyons followed up by asking how you build a system that targets low income people and interfaces with the regional approach. Evelyn responded that training was the key. She questioned the need for all the one stops that currently exist.

Martin Simon asked what features of the WIRED program should be considered for the redesigned of workforce programs. He also noted that when originally passed, WIA was a "work first" program, not a training program. While there has been a diminishing investment in training there has been an increase in Pell funding.

Evelyn Ganzglass and Phyllis Eisen agreed that the sectoral approach of WIRED was very intriguing. They both noted the importance of working with industries and bringing them together to solve problems. Phyllis highlighted Manpower in Minnesota as a successful example.

Phyllis followed up by saying there are no guarantees in the global economy. The resulting anxiety has led to things such as the increase in minimum wage, but it is skills that need to be focused on.

Greg White asked if it was even constructive to bring up the reauthorization of WIA since it is increasingly irrelevant to many in the field.

Bob Leber looks at WIA as seed money to get systems in place to help businesses bring consortia into place to improve skills.

Bob Garraty said that he views the workforce development system as only focusing on the five percent of the workforce that is constantly in transition.

John Colbert said that WIRED is going away, but he thinks the National Governors Association can have an important role in capturing the program's best practices at a regional level. He said that lack of funding is not due to lack of interest, but instead lack of visibility. The system needs to be defined as one that is dealing with a crisis.

Phyllis Eisen commented that the threat of losing funding can be a good thing because it can galvanize support. It makes it a good time to get out, tell your story and find your champions.

Evelyn Ganzglass warned that it is a mistake to argue skills or jobs; it's both and they should not be in conflict.

On the subject of who the system's customers are, Evelyn Ganzglass said she thinks there are dual customers, not just on the employer side. The clients, both employers and potential workers, need to be balanced.

Jack Siekkinen said that he always thought the goal was to make businesses the customer of the system and capable workers are the product they are buying. If you show that you're building a product they need, they'll use it.

Phyllis Eisen said that the idea that the job of the system is to get people jobs is a powerful vision. Even if that vision is blurry, the system ultimately needs to satisfy the demand of business.

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## **Chairs-only and Staff-only Breakout Sessions**

Discussion Topic: Major Trends and Issues and the Role of State Workforce Boards

### ***Summary Notes from Chairs-Only Session***

#### Impacts of Funding Cuts/Failure to Reauthorize WIA

- Conflict between taking advantage of opportunity to change and sustaining systems that states/locals have built.
- Uncertainty around funding and reauthorizations sends the wrong message to business.
- States can't depend on federal funding—states must innovate to meet employer and worker needs.
- The failure to reauthorize has given DOL license to change by fiat.
- WIA is viewed as a social service program, and that makes it a hard sell to employers.

#### Steps Taken as a Result of Funding Cuts

- Closing of One-Stop Centers
- Reducing number of WIBs
- Situation is forcing states to be more innovative
- Creates demand for technology-based solutions
- In some cases, Workforce has been elevated to a Cabinet-level position (Massachusetts).

### Other Comments

- Business will respond when we have a system that can respond to their needs.
- Engaging business on WIBs continues to be a challenge—business needs to have a meaningful role.
- Multiple funding systems through multiple agencies cause fragmentation in the system and makes it difficult to meet employer needs in a timely and direct way.
- There are important differences between advocating for WIA and advocating for a greater investment in developing the workforce.

### Some solutions

- Block grants—consolidating funding streams
- More flexibility to innovate
- Fewer WIBs
- Design system around key industries
- Greater use of technology as part of One-Stop system—move away from bricks and mortar approach
- Make greater use of faith and community-based organizations to serve the more needy
- Need to create a sense of urgency
- Need to step back from WIA and decide what we want to replace it with or, more broadly, what do we need from the public investment in developing the workforce.

### ***Summary Notes from Staff Directors-Only Session***

*Were there topics or issues raised during the last two sessions that gave you cause for concern or reasons to be hopeful about the federal picture? What were they?*

- There is found hope in private sector support for system.
- Clear statement about window of opportunity over next year with candidates. There's a better opportunity to get the ear of candidates before they're elected.
- Conversation about who we are; what we're supposed to be doing, how we talk about these issues.
- Concerns about falling backwards, being regarded as another social program.
- At the state level, we've figured out how to tell the story, but not so at the federal level.
- States need to assist in changing the national dialogue.
- Discussion about the WIRED grants caused concern because they're going away.

*Have your Boards and workforce systems already taken steps to respond to developments at the federal level? If not, what are your thoughts about ways in which you might respond?*

- Pennsylvania is closing offices, only paying a portion of administrators' salaries.
- Colorado is encouraging people to look at regional models to encourage Board consolidation.
- Puerto Rico is trying to use the recession as an opportunity to drive changes—LWIB reintegration, etc.
- Ohio is looking to use its sector strategy initiative to encourage more regional collaboration.
- Activities need to be demand-driven to be successful (Office closures cast as promoting regional economic development).
- Montana tried to be more consistent in defining regions for separate initiatives.
- Sector strategies/WIRED a way to engage employers AND help workers in need.
- Maine is reconfiguring its system and has established its own training fund, using Diversion Trust Fund prior to going into UI.

- Maine inventoried its workforce development programs—different funding streams, programs, etc. and has placed added emphasis on demand-driven activities and data collection.
- Rhode Island has closed some local offices and used UI development money to encourage 2 local Boards to work together. Adult Education is already housed there, and TANF is being considered. Rhode Island is also using this funding to provide incumbent worker training.
- Rhode Island is also creating linkages between Workforce, Adult Education, and Economic Development.

*What state dynamics are also likely to impact your workforce system in the coming year?*

- In Washington State, growth in the economy has caused a loss of WIA dollars. The state is paying more attention to high-demand jobs, job growth at the regional level, career and technical education. The state is also working to align workforce, economic development and higher education.
- Georgia brought workforce and education together and created a common goal—to increase high school graduation rates—as part of the work-ready regions effort.
- In Colorado, Perkins reauthorization served as an aligning force.
- Inconsistency, non-transferability of apprenticeship programs created problems in one state.
- Michigan adopted ACT and career readiness for high school students.

*What role should the Association play in the coming year to address the issues and concerns raised during this discussion?*

- Getting local employers in front of Congressional committees and having consistent messaging.
- Important for Chairs to speak out to federal officials.
- Use the relationship with NGA to get the ear of Governors
- Should refer to WIRED as “regional economic development.”
- Ensure Chairs have materials to use in talking with legislators at the state and federal levels.
- State Chairs should establish relationships with local Chairs.

The Association could serve as a central repository for compiling knowledge and sharing information, could better capture and share information using a tool like the Liaisons portal.

## **Opening Plenary Session at NGA Winter Meeting of Governors**

Participants attended the opening plenary session at the NGA Winter Meeting where they heard three-time Pulitzer Prize winner and *New York Times* columnist Thomas L. Friedman discuss states' role in helping America achieve a cleaner, more independent energy future, and Jeffrey R. Immelt, chairman of the board and chief executive officer of General Electric Company, talk about the role businesses can play in advancing energy and environmental innovation.

**To view the transcript, click [HERE](#).**

## **Exploring Shared Goals: A Discussion of Opportunities for Workforce and Higher Education Systems to Work More Collaboratively**

**Panelists:**

Scott Hess, Chief of College and Career Transition Branch, Office of Vocational and Adult Education, U.S. Department of Education

Kimberly Green, Executive Director, National Association of State Directors of Career and Technical Education

**Moderator:** Tiffany Boiman, NGA Center for Best Practices

To view Scott and Kimberly's PowerPoint presentation, click [HERE](#).

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**Working Brunch and Business Meeting**

During the business meeting, the membership discussed drafting an organizational position paper to be distributed to Congressional staff and other relevant officials, articulating a unified position on key workforce issues. It was agreed that NGA's paper on WIA reauthorization and Charlie Ware's letter to Congress last summer would be used as reference materials in developing the paper. **Gregg Yamanaka, Bob Leber** and **Phil Dionne** volunteered to draft the paper, and it was agreed that NGA would convene the first planning call soon. In addition, members broke up into small groups to generate a "Top 5" list of high priority items such a paper might include.

**Recurring themes from the large group discussion included:**

- Structure of MESSAGE:
  - Simple
  - Brief
  - Consistent
  - High-level
  - Targeted to audience
  - Broader than just WIA; shows linkages to large, high-profile public policy issues
  
- Possible CONTENT topics:
  - Importance of flexibility, in terms of funding streams, Board composition, number and lines of authority
  - Role of business and importance of creating access points into the workforce system
  - Alignment and leverage across systems: workforce, education, economic development
  - Better collection/use of technology, data, labor market information
  - Political issues—need for strong leadership; problems created by constantly shifting priorities
  - Role of workforce system in fostering talent development as a means to achieve economic development and ensure competitiveness.
  - Focus on results and accountability.

**Specific topics generated during the small-group discussions are included below:**

- Simplicity as a rule for messages, etc. "How would business view us?" is a good rule of thumb.

- A need for business to be able to access the workforce system.
- Flexibility of funding streams.
- Relevance—good measures and putting money where the results are.
- Strong political leadership.
- A funding cycle that supports strategic action.
- Issue of shifting priorities when the funding picture is always changing.
- For planning, having good data is key.
- What's the elevator speech?
- Talent development as a key element of national competitiveness, both for existing and new jobs.
- Importance of cluster/sectoral strategies as a way to aggregate demand.
- The concept of the talent pipeline—workforce development for economic development purposes.
- Skill/job mismatches, how to fill skill gaps.
- WIA should retain its dual customer focus.
- More emphasis on pathways for advancement for workers at all levels
- States should have more flexibility in choosing the number/composition of Workforce Investment Boards.
- The system should make better use of technology; could have fewer bricks and mortar locations.
- Mandatory partnerships should truly be mandatory.
- Who should the local Boards report to? Relationships need to be better defined.
- Leveraging across systems is important (education, etc.).
- Role of business
- Alignment of workforce, economic development and education
- Not to be limited to WIA
- Increase accountability (reduce number of Boards).
- Funding structures of Boards
- One-Stop certifications
- Need to clarify and communicate what workforce development is.
- Must be partnership between business, education and economic development.
- Labor market and career information needs to be good.
- Local Boards—new legislation should create viable structures related to labor market regions.
- Flexibility is a broad term, but have already agreed on goal of giving Governors flexibility.
- Accountability related to flexibility
- It might be better to keep message high-level and ensure an appropriately targeted message.
- The message should demonstrate why it benefits the audience.
- The paper should demonstrate how workforce is relevant to large public policy issues and be tied to high profile issues.
- Consistent messaging is the most important part.
- Keep the message concise, maybe using an analogy of the workforce system as mortar holding bricks together.
- It's important to show results of the system. Can we help workers advance? Can we help businesses stay competitive?
- One issue is the push back of local Boards against consolidation, but this may be too detailed for this type of paper.

**Annual Summer Meeting:**

- Bob Garraty, in conjunction with NGA staff, confirmed that the Summer Meeting will be held in **Pittsburgh, Pennsylvania** between **August 3<sup>rd</sup> and 6<sup>th</sup>, 2008**.
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### **Opening Plenary Session at the NAWB 2008 Forum**

For the closing session of the meeting, participants were guests of the National Association of Workforce Boards at the opening session of their Annual Forum where they heard author Daniel Pink discuss innovation, competition and the changing world of work. Highlights from his speech and other sessions will soon be available at: [\*\*Visit the Forum Web Site.\*\*](#)