



## SPECIFIC POLICY RECOMMENDATIONS FOR CORE PRINCIPLES OF WIA REAUTHORIZATION

As the House prepares to develop its WIA reauthorization bill, we respectfully request that the following issues receive priority attention within the context of the seven guiding principles outlined below:

### **Business-Driven**

A successful business driven workforce development structure ensures a talent pipeline exists that is made up of properly educated, skilled, and prepared individuals available to meet employer needs in support of competitive local and regional economies.

As cities and regions focus on the link between economic and workforce development, it is clear that training must be defined by employer needs. Accordingly, WIA reauthorization should:

- Ensure a continued strong, locally- and regionally-based business-led workforce investment system through the appointment of **local Boards by local elected officials**.
- Clarify the essential, pivotal role that local Boards are intended to play as conveners of key stakeholders for development and alignment of local and regional workforce and economic strategies; and as brokers of training and related services so that local boards are authorized to:
  - Collect local and regional data
  - Determine target industry sectors for special programming
  - Set standards for measurement of successful impacts and outcomes
  - Identify workforce needs in the broad community that will result in more effective programming of limited resources and service delivery methods
  - Prioritize key strategies and population segments
- Incorporate **business-focused metrics** into macro-level common measures (ones we recommend for the national level) as the system serves business customers in order to measure this impact. Examples of these measures are:
  - Customer satisfaction
  - Interview-to-hire ratios
  - Fill rates (for job orders)
  - Penetration rates (within target industries)
  - Return or repeat business
- Provide special attention and funding on the once-in-a-generation opportunity to prepare workers to power our country's move to a **greener economy**; ensuring that training is aligned with employment demand.
- Allow for **more training flexibility** that can reflect customization for business needs, such as:
  - Increases in allowable length of training
  - Sliding scale of business contributions to funding (based on company size, etc.)
    - E.g. 30 or 40% for small businesses instead of the currently required 50%

- Ensure that wages can be included as part of in-kind training match from employers towards the total cost of the training

### **Guided by Local Control**

With an overall business-driven focus to workforce development, **a system that is guided by local institutions will allow for the development of programs that are informed by in-depth knowledge of the local business community**, hiring and training needs of local and regional businesses, and the promotion of greater accountability as policies are designed to reflect local trends. As such, WIA reauthorization should:

- Continue to allow local Boards to set local measures
- Provide customized training services to suit individual needs and allow for Board discretion to determine the right services and paths to training for each local area
- Allot a portion of formula funds to be spent at local discretion (e.g. 15%) to support local workforce initiatives for target populations or innovative strategies
- Encourage regional planning, partnerships and actions where they make sense for regional economies and provide flexibility that will allow local Boards to partner with other Boards on regional activities within states and across state lines
- Continue to provide Governors with the flexibility to determine the best delivery system for the provision of Trade Adjustment Assistance (TAA) services to ensure that jobseekers receive WIA wrap-around services, including more comprehensive and in-depth assessment, vocational/career counseling, case management and post-training assistance in addition to traditional TAA services.
- Provide local elected officials and Boards the ability to jointly determine the roles and responsibilities for each as well as maintain local governance over the following:
  - Structure and service delivery
  - Budget and priorities
  - Strategic and operational planning
  - Board representation and size

### **Funded to Reflect Its Importance**

The Great Recession of 2008-09 has produced something not seen in a generation – double-digit unemployment rates in states as diverse as Michigan, Oregon, Rhode Island and Kentucky. For the first time in almost as long, the American Recovery and Reinvestment Act (ARRA) made a substantial, one-time increase to the nation’s investment in workforce development.

While the Great Recession has temporarily reduced the demand for skilled workers, the long-term trends are clear: business demand for skilled workers in the U.S. economy is expected to outpace the supply within local labor markets throughout the country. This is negatively impacting our international economic competitiveness. In order for the U.S. to successfully address the shortage of skilled workers to meet business demands, **Congress must not only substantially increase its investment in workforce funding**, but it must ensure that funding supports programming that is designed to successfully prepare and train existing and new workers.

Additionally, Congress should ensure that public workforce development resources are accessible to all workers in need of assistance – including the adults and youth who have been subject to decreasing investments by the Department of Labor, as well as low-income workers. Accordingly, WIA reauthorization should:

- Be funded at an appropriate level of \$8.35 billion for FY10. This funding level is consistent with maintaining current funding levels for WIA programs at 2000 levels (adjusted for inflation), sustaining the levels included in the American Reinvestment and Recovery Act (ARRA), and ensuring a continued strong Summer Youth program to address the crisis in youth employment. Consistent with this formula we strongly advocate for WIA investment to reach \$10 billion by 2012.
  - This added investment will support programming directed to address:
    - The 6.5 million workers who have lost their jobs since the Great Recession began in December 2007
    - The 76 million workers who will enter retirement in 2010 (baby boomers)<sup>1</sup>
    - The 12.3% of individuals living in poverty<sup>2</sup>
    - The 1.23 million students who will drop out of high school in 2008<sup>3</sup>
- Provide the flexibility to move funds between Adult, Dislocated Worker and Youth funding streams
- Allow for flexibility to fund customized training in areas such as basic skills/soft skills/job readiness
- Support the current definition for administrative costs in WIA which is consistent with accounting practices used by business. The current definition is:
  - Built upon generally accepted accounting principles
  - Based on function vs. independent activities
  - Carefully negotiated and tested in a multi-state/local demonstration
  - Supported by DOL's Inspector General

### **Driven by Appropriate Measures**

To ensure that local workforce strategies are successfully implemented, **appropriate measures and data systems must be developed** to accurately reflect local and regional service strategies, economies, and business metrics. By allowing for locally- and/or regionally-set measures and systems, workforce activities and services in each service area can be tailored to quality of life measurements for each community. As such, WIA reauthorization should:

- Require on-going studies and evaluation to measure success, such as the large-scale JTPA studies that helped form WIA. These studies would compare yearly outcomes, strategies, etc.
- Allow for local and regional areas to establish some of their own measures but require national common measures that include the greater flexibility allowed through ARRA such as cohort-based training models and long-term training.
- Develop measures that reflect both individual and aggregate data points; as well as metrics that reflect business engagement
- ROI – packed outcomes/impacts

### **Focused on Youth**

By 2010, the largest segment of the nation's labor force will be teens and young adults as 41 million new workers enter the workforce beginning to replace 76 million retiring workers. Only a significant reinvestment in all youth, but most especially those young people with low

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<sup>1</sup> Jobs Revolution: Changing How America Works. Steve Gunderson, Roberts Jones and Kathryn Scanland. Greystone Global, Inc. Chicago, Illinois. 2005.

<sup>2</sup> U.S. Census Bureau, Current Population Survey, 2006 and 2007 Annual and Economic Supplements < <http://www.census.gov/hhes/www/poverty/poverty06/table3.pdf>>.

<sup>3</sup> Editorial Projects in Education [EPE]. 2008 Diplomas Count: School to College- Can State P-16 Councils Ease the Transition? Special Issue, Education Week, page 3.

educational attainment and poor connections to work, will generate enough skilled, technologically savvy, and educated, U.S. workers to keep our nation competitive in the global economy. WIA Reauthorization should include:

- **An Enhanced Summer Jobs Initiative:** Well-organized summer jobs programs bring immediate and long-term benefits to teen workers, their communities and the business sector. Developing skills to be productive workers, learning about careers and the path to those jobs, and participating in the adult world of work are all important aspects of cultivating the next generation of effective workers. The Congressional investment in the Summer Youth Employment Program through ARRA provides a significant experience to youth this summer. This investment should be sustained formally through WIA reauthorization.
- **A First-Class, Second Chance Academic System – Multiple Pathways to Academic Success:** Only 68% of U.S. high school students are graduating, and for Hispanics it is 53% and African-Americans it is 50%. In math, science, and technology, we are far behind other industrialized nations in these career “must have” subject area proficiencies. At a time when U.S. employers are requiring post-secondary education and/or training for entry-level jobs, we must develop more academic options which enable students to achieve a high-school credential coupled with solid career competence for training in a high-demand career field. The system must reach out to our disconnected youth and offer them a variety of non-traditional pathways for academic credentialing and multiple opportunities to attain applied skills and career preparation in industries of continued or emerging growth.
- **Career Development & Education Partnerships:** By implementing multiple pathways during high school to the world of work and careers we provide opportunities for all students to earn portable credentials; prepare students for first jobs in high-skill, high-wage careers; and increase students' opportunities for further education, including education in a two- or four-year college or university.
- **Streamline the Ability to Reach and Engage Youth:** A re-authorized WIA should continue to focus services on those youth most in need---young people living in low-income families and youth who face significant barriers to employment. However, the legislation should ease the process of identifying and enrolling these youth by enabling the local workforce investment areas to use a variety of eligibility tools such as residing in geographic areas/census tracts deemed high poverty and communities designated as Empowerment and Enterprise Zones; attendance in schools with more than 70% of the population receiving free/reduced lunch; living in families that receive TANF or Food Stamps; foster care youth; being out of school and out of work. These options would increase the likelihood of engaging those youth who most need to be participating in workforce development activities.

### **Built on Partnerships**

Since the initial implementation of WIA, local systems have built leveraged partnerships with multiple stakeholders. These partnerships have allowed local areas to bring more to the workforce system than required, strengthening the workforce system and providing comprehensive, cohesive services to jobseekers. **Development and support of these partnerships should be an integral part of WIA reauthorization** as follows:

- A critical role of the local Board should be the alignment of partners for service delivery that delivers a mutual benefit to both the workforce system as well as the partner.
- The local Board should play a key role in partnership development by:

- Aligning/leveraging resources
- Convening partners
- Translating partner feedback into program design
- Sharing best practices and innovation
- The local Board should have flexibility to determine partners that are appropriate to each area's strategic plan
  - At a minimum, these partners should include:
    - Secondary and Higher Education systems (not necessarily community college if there are other more appropriate providers)
    - Local/regional businesses and associations
    - Organized labor
    - Organizations/agencies that provide support services (do not want mandated partnering with certain community-based organizations or government agencies)
- Structure funding to allow areas to receive additional funding incentives to reward leveraged funds for operation (in-kind and financial)
- Align goals of workforce and adult education around economic competitiveness as a key outcome-to provide a streamlined process of education and career preparation
  - Adult Education, ESL, Pell Grants and Wagner-Peyser must be funded to reflect their importance as well (not just WIA)
  - Adult Education should be integrated with workforce programming
  - Contextualized learning should be integrated with career education

### **One-Stop Career Centers as Critical Service Delivery Mechanism**

One-Stop Centers currently serve as the critical mechanism for workforce service delivery. These Centers are the successful, public service delivery arm of local workforce systems, providing direct job placement services to local jobseekers and engaging businesses to serve their hiring and training needs. Accordingly, **One-Stop Centers**, created through the original WIA legislation, **should remain as this service delivery mechanism** under new legislation. In addition, under WIA reauthorization, One-Stops should:

- Coordinate multiple resources
- Implement locally tailored systems
- Support local variation that could include:
  - More online capabilities
  - Affiliates at public access points such as libraries and community colleges