



Spokane Area WORKFORCE DEVELOPMENT COUNCIL

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SAWDC POLICY COMMITTEE MEETING JANUARY 27, 2009 RIPPLES – RED LION INN AT THE PARK 8:00 AM

Estimated Time	Tab	
		Call to Order/Introduction of Guests <i>Alethea McCann</i>
	1	Review our Policy Charter and align your thoughts to the accomplishments of our committee responsibilities.
		Articulate and Strategize SAWDC positions:
	2	A. Support directing 1.5% (or other percentage) of the infrastructure funding allocated to the state as part of the federal Stimulus Package to invest in local efforts to connect skilled workers to jobs on funded projects and prepare workers for long term career success in these targeted industries.
	3	B. Identify key elements important for inclusion in Re-authorization of the Workforce Investment Act or new workforce legislation.
		C. Ensure sufficient WIA funds appropriations in upcoming Congressional session which support public workforce investment system and infrastructure to meet local community needs.
		Other Business
		Adjourn
Encl.		Selected Background Materials

TAB 1

SUBJECT

Review our Policy Charter and align your thoughts to the accomplishments of our committee responsibilities.

BACKGROUND

See attached Charter.

DISCUSSION

As needed.

EXECUTIVE COMMITTEE ACTION

None.

FINANCIAL IMPACT

None.

REQUESTED COUNCIL ACTION

Vote to approve recommendations.



Spokane Area WORKFORCE DEVELOPMENT COUNCIL

Spokane Area Workforce Development Council Policy Committee Charter

DRAFT 1-12-09

I. Purpose

The purpose of the Spokane Area Workforce Development Council (SAWDC) Policy Committee is:

Formulating and validating Council positions on key national, state, and local level workforce development issues, e.g., Re-Authorization of the Workforce Investment Act, appropriations which fund the public workforce investment system, state legislative initiatives affecting workforce, and local issues such as raising the median income of Spokane area residents and the transitioning of under employed/under educated to a skilled workforce.

- Developing and recommending advocacy strategies to support workforce development issues.

II. Composition

The SAWDC Policy Committee is comprised of a Chair and 4-7 members as appointed by the Chairperson of the SAWDC and subject to the approval of the Council. The Committee may choose to organize itself into subcommittees to facilitate the accomplishment of its work. SAWDC members may choose to select staff from their own organization to serve in their stead as committee members. Ad Hoc Subject Matter Experts may participate in the Committee as appropriate but are not voting members of the Committee.

III. Meetings

The SAWDC Policy Committee shall meet at the discretion of the Chair as deemed necessary to carry out its responsibilities. The Committee's meetings may be held via telephone. The Chair of the Committee and/or the Chair of the Council may call such meetings.

IV. Scope of Responsibilities

- A. Identify state, local, and federal legislation regarding key workforce development issues, particularly where legislation affects funding and the regulatory environment
- B. Determine and validate legislative priorities for the SAWDC
- C. Develop and recommend SAWDC positions on legislation
- D. Develop and recommend advocacy strategies to support SAWDC legislative priorities
- E. The Committee functions in an advisory capacity and reports to the SAWDC
- F. The Committee will work closely with the Executive Committee

TAB 1

V. Recommendations on the Approach

Use the following resources for guidance:

- The SAWDC vision and mission statements, the SAWDC Strategic Plan, the SAWDC WIA Title I Wagner-Peyser Local Operations Plan and the WTECB *High Skills, High Wages, 2008-2018*
- Develop ground rules and meeting mechanics in keeping with conducting efficient, effective meetings
- An open communication process with regular meetings
- Consensus decision making when possible
- Open input for decision making
- Seek input from community stakeholders, including labor, Greater Spokane Incorporated, Community Colleges of Spokane, and Spokane Public Schools.
- The Committee Chair will be the communication link between the SAWDC Policy Committee and the SAWDC
- Use the tools and concepts of lean management and continuous quality improvement
- Involve staff who have specific technical program knowledge as ad hoc members of the Committee as appropriate
- A structured process for conflict resolutions for Committee disputes
- Bring unresolved operational issues forward to the SAWDC Executive Committee
- Annually review Committee deliverables to guide following year's work plan
- Use a sunset review to determine continuation of Committee

VI. Proposed or Desired Outcomes

- Clearly articulated and validated SAWDC positions on significant local, state, and national workforce development issues
- Strategy for advocating SAWDC support of local, state, and national workforce development issues
- Support of Spokane's shared workforce and economic development goals

VII. Measures of Success

- Number of SAWDC positions taken on local, state, and national workforce development issues
- Number of strategies implemented for advocating SAWDC support of local, state, and national workforce development issues
- Attainment of Spokane's shared workforce and economic development goals

TAB 2

SUBJECT

Articulate and Strategize SAWDC position that supports directing a percentage of the Federal Stimulus Package infrastructure funding to local training investments.

BACKGROUND

See attached materials.

DISCUSSION

As needed.

EXECUTIVE COMMITTEE ACTION

None.

FINANCIAL IMPACT

None.

REQUESTED COUNCIL ACTION

Support recommendations of committee.

TAB 2

ECONOMIC STIMULUS MUST PROMOTE LONG-TERM EMPLOYABILITY AS WELL AS IMMEDIATE JOB GROWTH

Whether the next attempt at economic stimulus comes in two doses—one in November and a second in January—or in one larger dose next year, it now is certain that at least \$300 billion and possibly \$500 billion or more will be spent in 2009 to assist the unemployed and to promote job growth. Rather than short term jobs alone, these investments should be used to improve the competitive position of American workers in the global economy by tying stimulus spending to the nation's existing workforce development system which is designed to assist jobseekers in developing the education and skills necessary to gain well-paying jobs and careers in the 21st Century.

At this time, Congress seems willing to invest a small amount—somewhere between \$500 million and \$1.5 billion—to strengthen the capacity of the nation's One-Stop Career Centers and youth development programs. This additional investment is a positive, although small, step in helping both recently laid off and long-term unemployed workers. Customers in the nation's 1800 career centers have increased by one-third or more in recent months. Job orders, not surprisingly, have declined by 25 percent or more in most places. More people than ever need more intensive assistance in charting both short-term job opportunities and longer term career goals. At the same time, young adults—many of whom have faced recession level unemployment rates for some time—now face depression level unemployment rates. These youth need income, ideally through labor market attachment, but also need basic education and job-specific skills that put them on pathways to family-supporting jobs. The additional money for the workforce development system cannot come close to meeting these needs among both adults and youth but it is a start.

The bulk of the stimulus bill, as one would expect, involves job creation through government investments and family support through income transfers. These investments must focus on building the long-term skill capacity of the American labor pool even as they provide immediate income through jobs or other support mechanisms. There are at least three areas where Congress should require workforce development goals as part of their job creation or income support investments:

- **Public Works/Infrastructure.** The largest area of stimulus investment is likely to be in public works including the upgrading of existing infrastructure such as bridges, dams and highways. Other targets will include projects which have been approved but are stuck in the funding pipeline. These projects include school renovation and new construction.
- **Unemployment Insurance Extension.** The general 26-week limit for benefits will be exceeded by increasing numbers of workers over the next year or more. This year alone, some one million workers will exhaust their unemployment compensation eligibility. Since unemployment is a lagging indicator, reemployment efforts will need to continue well into the recovery.
- **Expanded Assistance to the Poor.** Food Stamps and assistance with energy bills will be expanded. TANF case loads will grow; however, funding for this program will remain at current levels. Housing assistance and programs for low-income elderly will face mounting caseloads.

TAB 2

In addressing the problems that employers, workers and families are facing and will face in the coming months, Congress would be well advised to use its existing investments to enhance the value of its new investments. Specifically, Congress has established a network of One-Stop Career Centers and satellite offices that are accessible to most people in person and to everyone using Internet connections. These centers are supported through the resources of dozens of federal, state and local agencies and programs that focus on helping people find jobs, education and skill development. These centers connect job seekers to dozens of life lines, obviously job referrals, but also services such as unemployment insurance, trade act benefits, child care, transportation assistance, Pell grants and student loans, work experience jobs for young adults, information on careers and training opportunities and more. Every worker who loses her job could use one or more of the services available at these career centers or through the virtual services available on line. Congress needs to mandate that this service is offered in the various programs that it funds under the stimulus bill. Here are a few examples of the possibilities.

Public Works. The jobs created through infrastructure investments will range from unskilled to highly skilled heavy equipment operators, engineers, architects, managers, etc. A percentage of the jobs in the unskilled to mid-skill (and entry-level apprentice positions) ranges should be targeted to dislocated workers, UI recipients and exhaustees, and other target groups. One-Stops already have contact with these groups. They have the ability to screen applicants against the skills and experiences needed by an employer. Center staff can refer job seekers to the education and training they will need to qualify for new jobs and often can pay for the training. Centers are experienced at working with unions to open opportunities for young people in apprenticeships. To get the ball rolling, government agencies and private contractors hiring under a stimulus funded project should be required to meet with the local Workforce Investment Board (WIB) to establish an agreement regarding posting of jobs and hiring of referrals from the local One-Stops.

Unemployment Insurance. The 21st Century economy places a premium on skills, flexibility and life-long learning. Those who are unemployed for long periods of time, including UI exhaustees, usually lack the basic education, soft and/or hard skills necessary to find good jobs in today's economy. Public policy should encourage people with poor and outdated skills to invest in education and skill development. This is best accomplished while still working or while collecting UI. One-Stops because of their partnership with the State Employment Service have a strong connection to those receiving UI and those who have exhausted it. One-Stop counselors are expert at motivating these workers to invest in education and skill training. They can move now to assist current recipients in preparing to qualify for jobs that the stimulus will make available in the future. UI should become an opportunity to upgrade skills rather than a time to sit at home or engage in fruitless job search.

Assistance to the Poor. One-Stops are a contact point for the Food Stamp Employment and Training Program (FSETP) that helps recipients find new jobs or better paying jobs. One-Stops are active in upgrade programs targeted to low-wage workers and can help them qualify for jobs that will grow out of the stimulus. In many communities, the One-Stop is the main service focused on drop outs and disconnected youth, working to attach them to the mainstream job market.

TAB 2

In summary, the nation's One-Stop Career Centers (they go by a variety of names in addition to One-Stops including Career Link, Job Link, Workforce Center, Workforce Solutions) are a valuable resource in helping the growing ranks of the unemployed find both new jobs and the education and training necessary to find a family-supporting job in the new economy. However, it is a resource that is too often ignored as Congress seeks to revive job growth today while making certain that our workforce has the skills necessary to succeed with good jobs in the global economy of tomorrow. Both efficiency and effectiveness call for workforce development, using the resources of the nation's One-Stops, to become a key component of the next stimulus effort.

TAB 2

Stimulus Summary

High unemployment and rising costs have outpaced Americans' paychecks. This component of the Stimulus Package is intended to help workers train and find jobs, and help struggling families make ends meet.

HELPING WORKERS FIND JOBS

- **Training and Employment Services:** \$4 billion for job training including formula grants for adult, dislocated worker, and youth services (including \$1.2 billion to create up to one million summer jobs for youth). The needs of workers also will be met through dislocated worker national emergency grants, new competitive grants for worker training in high growth and emerging industry sectors (with priority consideration to "green" jobs and healthcare), and increased funds for the YouthBuild program. Green jobs training will include preparing workers for activities supported by other economic recovery funds, such as retrofitting of buildings, green construction, and the production of renewable electric power.
- **Vocational Rehabilitation State Grants:** \$500 million for state formula grants for construction and rehabilitation of facilities to help persons with disabilities prepare for gainful employment.
- **Employment Services Grants:** \$500 million to match unemployed individuals to job openings through state employment service agencies and allow states to provide customized services. Funds are targeted to states with the greatest need based on labor force, unemployment, and long-term unemployed rates.
- **Community Service Employment for Older Americans:** \$120 million to provide subsidized community service jobs to an additional 24,000 low-income older Americans.

UNEMPLOYMENT INSURANCE BENEFITS

- **Benefits Extension:** \$27 billion to continue the current extended unemployment benefits program – which provides up to 33 weeks of extended benefits - through December 31, 2009 given rising unemployment.
- **Increased Benefits:** \$9 billion to increase the current average unemployment insurance benefit from roughly \$300 per week, paid out of State trust funds, by \$25 per week using Federal funds, through December 2009. There are currently 5.3 million workers receiving regular UI and an additional 1.9 million receiving extended benefits.
- **Unemployment Insurance Modernization:** Provides funds to states through a "Reed Act" distribution, tied to states' meeting specific reforms to increase unemployment insurance coverage for low-wage, part-time, and other jobless workers.

HIGHER EDUCATION: Tuition is up, unemployment is up, and as a result more people are choosing to go to school to upgrade their skills and more of these students need student aid. This investment addresses those short term needs while investing in our nation's future economic strength.

- **Pell Grants:** \$15.6 billion to increase the maximum Pell Grant by \$500, from \$4,850 to \$5,350.

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- **College Work-Study:** \$490 million to support undergraduate and graduate students who work.
- **Student Loan Limit Increase:** Increases limits on unsubsidized Stafford loans by \$2,000.
- **Student Aid Administration:** \$50 million to help the Department of Education administer surging student aid programs while navigating the changing student loan environment.

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SUBJECT

Identify key elements important for inclusion in Re-authorization of the Workforce Investment Act or new workforce legislation.

BACKGROUND

US Conference of Mayors and National Workforce Association documents.

DISCUSSION

As needed.

EXECUTIVE COMMITTEE ACTION

None.

FINANCIAL IMPACT

None.

REQUESTED COUNCIL ACTION

Approve recommendations of committee.



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 city 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
 - Business Board member majority will 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
- 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

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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
- 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

Business demand for skilled workers in the U.S. economy is rapidly outpacing 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 appropriate levels to triple investment over the next four years bringing levels from \$3.5 billion to \$10 billion
 - This added investment will support programming directed to address:
 - The 76 million workers who will enter retirement in 2010 (baby boomers)¹
 - The 12.3% of individuals living in poverty²
 - The 1.23 million students who will drop out of high school in 2008³
- 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

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

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

³ 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.

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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
- 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 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.
- **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.
- **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.

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

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- 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

**Workforce Investment
Act Reauthorization
Proposed
Recommendations**

**National Workforce
Association**

November 24, 2008



TAB 3

Streamlined decision making – the importance of the local Workforce Investment System

Background

For over 30 years, workforce development programs in the United States have steadily evolved and devolved with increasing responsibility directed to local governments and local workforce investment boards. This decentralization has led to improved local program designs that are responsive to the demands of local labor markets and that effectively meet the needs of both employers and job-seekers.

Local Solutions for Local Economies

The Workforce Investment Act (WIA) built on the successes of earlier legislation by reinforcing and encouraging locally driven strategic planning to solve local labor market problems. NWA's local workforce professionals recognize that the current system requires adjustments to respond to the workforce challenges spurred by both rising unemployment and the increasingly competitive global economy. NWA believes the local workforce delivery system should remain the primary mechanism for delivering services to jobseekers and businesses in need of skilled workers.

Business Driven System

The Workforce Investment Act also preserved the role of business leadership for local workforce boards. Local elected officials and the local workforce boards, working with the business community, service providers and community-based organization leaders shape the vision and customize the system to better respond to specific local labor market needs. Business leadership was also extended to state boards to achieve more responsiveness and greater accountability on the demand side of the labor market and has achieved a more effective collaboration and partnership-building between the state and local levels. We support strong business leadership in WIA reauthorization with enhanced participation of labor representatives to respond to the workforce needs in local and regional economies.

Nationwide Network

WIA also called for bold systems changes and innovations in service delivery. A nationwide network of One-Stop Career Centers emerged, integrating the services of multiple partners and funding streams, improves access and efficiency for both job seekers and employers. One-Stop Career Centers are high quality, accessible service environments offering information, guidance and resources for a spectrum of job seekers including dislocated workers, low wage and disadvantaged workers as well as employed workers seeking to upgrade their employment situation and must be important part of any future workforce system.

Preserving Our Economic Future

The development of regional economies is important to our overall competitiveness in a global economy. We support requiring state held funds to provide incentives for and assist in the creation of regional strategies and the convening of key stakeholders (including workforce development, economic development, secondary, postsecondary, and adult education) to develop initiatives that are geared toward the building of regional economies, so long as such regional planning be conducted only with the consent of local boards and local elected officials. Local boards (or some combination of local boards) should perform the convening functions involved in such regional planning efforts.

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THE ROLE OF THE LOCAL WORKFORCE SYSTEM IN INNOVATIVE WORKFORCE STRATEGY DEVELOPMENT

For almost 60 years, the publicly funded workforce system has evolved to meet the changing needs of America's labor markets. From MDTA to CETA to JTPA to WIA, publicly funded workforce organizations have demonstrated their capacity as the appropriate "vehicles" to deliver services most efficiently at the local level. Our government has already invested billions in establishing an infrastructure which is the basis of our local service delivery efforts. It is now time to re-tool and build a stronger and more robust system if we are to remain relevant and competitive in the future.

The demands of employers and job seekers are continuously growing and changing in the "knowledge economy," subsequently, the role of the workforce system continues to change. To keep up with the increasing pace and needs of the business community and the general economy, the workforce system serves as the focal point of community efforts to **coordinate** and **align** multiple workforce efforts to maximize labor market efficiencies.

The workforce system has evolved into a venue that proactively connects, catalyzes, convenes, and aligns the efforts of educational institutions, economic development agencies, businesses and training providers to ensure that a region's employment needs are met on a timely basis. The publicly funded workforce system serves as:

Connectors: The workforce system serves to connect disparate aspects of education, training and the labor force in an effort to continuously promote development and work opportunities in the communities. They link available resources within regions and effectively funnel them to diverse entities to make things happen.

Catalysts: The workforce system forms strong alliances to address present needs, and to proactively and strategically plan for projected needs of the business community and job seekers.

Conveners: The workforce system brings to bear the influence of the private sector to forge together the necessary players and resources and ensure that local labor market interventions are productive and collaborative in nature.

The essence of the new 21st Century workforce development system requires that certain principles be implemented or enhanced. The principles have been identified as follows:

Stronger partnerships with Federal, State and Local authorities are necessary to increase collaboration and to more effectively ascertain the needs of a community; hence, facilitating the development and implementation of effective needs analysis methodologies of local and regional labor markets.

Continuous **strategic planning** to expand services as needed and reach broader groups of people; this would facilitate the return of many unemployed individuals back into the labor market, while the system would employ methods to increase job retention and earnings.

Engage the **business community** and other key stakeholders; extensive and continuous research into labor market conditions would take place to accurately gauge economic growth and assist in the development of the regions' existing industry.

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Evolution into a more **versatile system** that will be flexible enough to identify and implement new training programs, with strengthened local control to allocate resources as deemed necessary according to the changing needs of regional communities.

With proper enhancement, the workforce system, already in place, is the ideal vehicles to continue delivering services to Americans. The daunting nature of economic and workforce challenges requires a renewed national commitment and new national priorities. Bold new thinking and drastic shifts in current policy will be necessary to realize the vision of a 21st Century workforce development system.

A MARKET DRIVEN SYSTEM – KEY PROGRAM ELEMENTS AND DESIGN

In order to meet the quantitative, qualitative and economic alignment workforce challenges of the twenty-first century global knowledge and innovation economy, local workforce systems must be given *maximum flexibility to meet the workforce needs of their communities*. This includes the design and delivery of local/regional workforce development programs and services. Local workforce systems should represent the nexus between education, economic and community development. These local systems must also have the ability to determine the mix and scope of a variety of strategic initiatives, programs and services that best serves the workforce needs of business and the talent force of their communities. As a result, local workforce systems should include the following elements:

- **Strategic Initiatives:** Local boards must play an important coordinating role for strategic initiatives, convening regional stakeholders for development of regional workforce and economic development strategies; and in the brokering of resources and services, especially training to meet the skill needs of jobseekers and employers in their regions. A key component of this approach is local boards' leadership in building a culture of collaboration and partnership among the major stakeholders in their communities to develop strategic alliances, attract resources, and convene key leaders to address critical workforce development issues.
- **One-Stop Network:** Programs and services for regional workforce systems should be delivered through local or regional networks of one-stop centers. These one-stop centers should offer integrated, universal services from the variety of state and local workforce development programs and organizations. New workforce legislation should provide financial incentives to states that integrate programs and maximize funding to local workforce systems. Adequate funding should be provided to support the local one-stop network technology and infrastructure. System reporting should also include the expanded services to individuals and businesses that are provided through the one-stop network.
- **Training Programs:** Training programs are an essential element of the workforce development system. The purpose of training programs should be to develop the talent of workers to meet the needs of the local economy for today and tomorrow. Training programs should meet the needs of entire spectrum of the workforce. This includes: 1) entrant workers, those young people transitioning from the educational system into the workforce; 2) transitional workers, those individuals transitioning in and out of the workforce at any given time; and 3) incumbent workers, those individuals currently employed. Programs for entrant workers help them to transition into the world of work and provide them with the necessary skill sets for current and future jobs. Transitional

TAB 3

workers will need to upgrade their skills with additional education or training to meet the needs of economic growth sectors. Incumbent workers will need targeted training and professional development programs to keep their skills aligned with new technologies and business processes. Leveraging of resources for training should be an important part of this approach and incentives and rewards should be provided for state and local workforce investment systems that are successful in the leveraging of additional resources, beyond those provided through the WIA system, for training and other WIA services.

- **Programs for Targeted Populations:** Workforce development and training programs for targeted populations established by the federal or state government should be integrated into the local workforce development system. The local workforce system should coordinate these programs to align them to the needs of local businesses and eliminate duplication of services.
- **Sector-Based Initiatives:** The needs of businesses and the local economy should drive the program and service mix for local workforce systems. A primary goal of the system should be to produce the necessary workforce to meet projected skill shortages in critical growth sectors of the economy.

A HIGHLY ACCOUNTABLE LOCAL WORKFORCE INVESTMENT SYSTEM

NWA supports efforts to simplify performance standards under WIA, and develop cross-program performance measures that will help to build a comprehensive, outcome-oriented workforce investment system with maximum flexibility for local areas and regions. It is critical that performance metrics and success measure accurately reflects the accomplishments of the workforce system.

NWA supports the approach previously taken by the Senate in its WIA reauthorization bills, which included streamlined performance measures, but retained skills attainment and customer satisfaction as measures for the Adult and Dislocated Worker programs, and did not include the efficiency measure. We also strongly support the requirement in the previous Senate reauthorization bills that would require states and localities to use a regression model approach in determining performance.

Finally, we encourage the inclusion of stronger language pertaining to the negotiation between states and local areas on the establishment of local performance standards, to ensure that this is truly a negotiation process in which local conditions are fully taken into account.