



## 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 business-driven workforce development structure ensures that individuals are properly prepared to succeed in jobs that are available in each local economy. As cities focus on the link between economic and workforce development, it is clear that training must be informed by employer needs. Accordingly, WIA reauthorization should:

- Ensure a continued strong, locally-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/regional workforce and economic strategies; and as brokers of training and related services so that local boards are authorized to:
  - Collect local data
  - Determine target industries for special programming
  - Set standards for measurement of success
  - Business member majority will identify needs in the community that will influence programming and service delivery
  - Prioritize key strategies and populations
- 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

## **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 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

## **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. In order for the U.S. to successfully address the shortage of skilled workers to meet business demand, **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 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)<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 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

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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.

- 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 service strategies, economies, and business metrics. By allowing for locally-set measures and systems, workforce activities and services in each local 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 inform WIA. These studies would compare yearly outcomes, strategies, etc.
- Allow for local 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

### **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, US 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, participating in the adult world of work, are all important aspects of cultivating the next generation of effective workers.
- **A first-class, second chance academics system – Alternative Education:** Only 68% of US high school students are graduating, and for Hispanics it is 53% and Blacks 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 programming which enables students to achieve a high-school credential coupled with solid preparation for training in a high-demand career field.
- **Career Development & Education Partnerships:** By implementing multiple options 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 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:
    - Educational system (not necessarily community college if there are other more appropriate providers)
    - Local businesses
    - 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 security 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 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-facing 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