

**Implementing WIA at the Local Level:  
A Comparative Analysis of 10 Local Workforce Areas in California**

Third Interim Report  
Evaluation of California's Workforce Development System

David Campbell  
Cathy Lemp  
Bob Pence  
Bernadette Tarallo  
Jean Lamming  
Jeanette Treiber

Department of Human and Community Development  
University of California, Davis

August 2006

This report is supported in part by funds provided by an evaluation contract between UC Davis and the California Workforce Investment Board (CWIB). The analysis, interpretations, and conclusions in this paper are the responsibility of the authors and not CWIB.

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## Abbreviations used

ADA	Americans with Disability Act
CalJOBS	EDD's no-fee Internet job search system
CalWORKs	California Work Opportunity and Responsibility to Kids
CBO	Community Based Organization
CDBG	Community Development Block Grant
CDD	Community Development Department
CEO	Chief Executive Officer
CETA	Comprehensive Employment and Training Act
CFBI	Community and Faith-based Initiative
CQI	Continuous Quality Improvement
CSET	Community Services and Employment Training
CWA	California Workforce Association
CWIB	California Workforce Investment Board
DOL	Department of Labor
ED	Executive Director
EDAB	Economic Development Alliance for Business
EDD	Employment Development Department
ESL	English as a Second Language
ETP	Employment Training Panel
ETPL	Employment Training Provider List
FTE	Full Time Equivalent
GED	General Equivalency Degree
GYA	Glendale Youth Alliance
HR	Human Resources
ITA	Individual Training Account
JAWS	Job Access with Speech
JPA	Joint Powers Authority
JTPA	Job Training Partnership Act
LMI	Labor Market Information
LVN	Licensed Vocational Nurse
LWIA	Local Workforce Investment Area
MOU	Memorandum of Understanding
NAFTA	North American Free Trade Agreement
NoRTEC	Northern Rural Training and Employment Consortium
OJT	On-the-job training
PIC	Private Industry Council
RFP	Request for Proposal
RN	Registered Nurse
ROI	Return on Investment
ROP	Regional Occupational Program
SCOPE	Strategic Concepts in Organizing and Policy Education
SELACO	South East Los Angeles County
SETA	Sacramento Employment and Training Agency
TAC	Technical Advisory Committee
TANF	Temporary Assistance for Needy Families
TCWID	Tulare County Workforce Investment Division
WDD	Workforce Development Department
WIA	Workforce Investment Act
WIB	Workforce Investment Board

## **Acknowledgements**

At the outset we wish to express our gratitude to the over 250 local workforce stakeholders who graciously and enthusiastically supported this report by sharing reflections in open-ended interviews. They were uniformly generous with their time and information, candid about their experiences, and helpful in offering us access to individuals and documents that rounded out our investigation. Without this level of cooperation, our report would have been much less comprehensive.

In particular, we would like to express our appreciation to the executive directors of the 10 local workforce areas who agreed to be part of this detailed implementation study. All 10 executive directors, along with many other members of their staffs, have given countless hours of assistance to our research team and provided careful feedback on earlier drafts of this report.

Since the beginning of our evaluation project we have been aided by the support and assistance of staff at the California Workforce Investment Board, the Labor and Workforce Development Agency, and the Employment Development Department. At UC Davis, the authors would like to acknowledge the contributions of research team members Ted Bradshaw, Wendy Carter, Carole Hinkle, and Jeff Woled.

## Executive Summary

This report describes implementation of the Workforce Investment Act (WIA) in 10 of California's 50 local workforce areas. Under WIA, local areas have had considerable discretion to implement policies and programs that reflect local economic and social conditions. Yet relatively few evaluation or research studies have concentrated on local implementation. By paying attention to local dynamics, meanings, and perspectives, and by looking for patterns and common themes across the 10 cases, we hope to generate evidence that can inform workforce policy development.

### Scope and limitations of this report

We will ask readers to keep five important caveats in mind as they examine this report. First, the focus of this report is on local implementation within the 10 case study areas rather than on any concurrent state-level activities. Subsequent to our first interim evaluation report (Pence and Campbell, 2005), state workforce leaders under the Schwarzenegger administration have made significant efforts to address shortcomings in the workforce system, including a renewed effort to engage local stakeholders in state-level policy and planning. Our local fieldwork (conducted between February and November, 2005) coincided with these state efforts, but our charge was to examine local implementation during the entire period of WIA implementation, rather than to focus on recent developments. As such, this report should not be construed as reflecting upon recent state-level changes in any way.

Second, our research was designed to learn about local implementation through the eyes of local stakeholders. No federal or state workforce leaders were interviewed for this interim report, and their views on many of the issues discussed in these pages may differ from the local perspectives we describe. Our commitment was to document widely shared local experiences and perspectives that might inform federal and state policy and programs, rather than to establish the veracity of every contested claim.

Third, this report addresses dynamics surrounding WIA adult and dislocated worker programs. Youth programs are discussed separately in our fourth interim report.

Fourth, although the 10 local areas we studied were selected purposively to ensure diversity with respect to size, location, economic conditions, and other characteristics, no sample of local areas can be considered truly representative. We expect that many of the trends and patterns we report are consistent with on-the-ground realities in other areas of California and even beyond, but this cannot be assumed.

Finally, while this report represents the centerpiece of our workforce system evaluation, it is not our final product. A final report will summarize the accumulated evidence from all five components of our evaluation—state interviews, initial survey of local executive directors, local area case studies, youth study, and final local area survey—and will present our conclusions and recommendations based on these findings.

## Reading the report

The next two sections of this *executive summary* highlight our key overall findings. The first section presents an overview of local implementation patterns and stakeholder concerns and the second presents findings related to specific WIA services, policy mechanisms, and leadership structures.

The complete *cross-case analysis* presents detailed evidence and examples from the 10 cases. The table of contents allows readers to pick and choose among sections of the report based on their particular interests. We caution, however, that our charge in conducting the case study observations was to provide an overall systems view of how WIA was being implemented by local workforce systems rather than a detailed examination of particular program elements. The value of the individual sections of the report is best appreciated when seen in the context of other parts of the work.

### Overall patterns and concerns during local WIA implementation

Our research sought to understand WIA implementation within the fabric of local workforce development networks consisting of diverse organizations, funding streams, and patterns of interaction. Our most important overall findings are presented below, organized in terms of five essential system-building functions. These functions reflect what we found to be the most important tasks facing leaders in local workforce networks, including:

- 1) Understanding the unique *niche* workforce systems occupy and the risks, dilemmas, and opportunities associated with this niche;
- 2) Identifying the key *constraints* facing local workforce networks;
- 3) Securing *resources* for programs, services, and system-building activities;
- 4) Developing *strategic policy* (i.e., defining mission) in order to focus resources and link stakeholders in the pursuit of shared purposes; and
- 5) *Aligning workforce-related systems and entities* to create public value.

#### 1. The workforce system niche in local communities is unique, valuable, and elastic.

The WIA system occupies a unique, valuable, and elastic niche within local communities, straddling a cultural and economic divide defined by its two customers—job seekers (mostly low-income) and employers (mostly small and medium-sized businesses). Although other social service, education, and economic development organizations straddle this same divide, their client and mission loyalties tend to be less divided than is currently the case with WIA programs. For example, most welfare-to-work programs are more concerned with individual client needs than with overall community economic goals, while the day-to-day functions of economic development organizations put little emphasis on individual job seeker interests.

## Workforce system niche is a source of risk, dilemma, and opportunity.

Occupying this niche between low-income job seekers and the world of employers presents local WIA managers and Workforce Investment Board (WIB ) members with a risk, a dilemma, and an opportunity. The *risk* is that in trying to be part of both worlds they will lose credibility with members of each. The *dilemma* is that it is difficult—though not impossible—to design programs or service motifs that satisfy the interests of both job seeker and employer customers simultaneously.

The *opportunity* is to establish the WIA system as a vital bridge-builder between segments of society that seldom connect. Arguably—especially in light of trends toward a two-tiered society—this type of connective function is among the most important public tasks facing our society. The urgency grows as economic and educational trends exacerbate social inequalities. Local WIA systems realize their highest potential when they are able to marshal resources to help low-income Californians find good jobs, while simultaneously aiding local businesses and community economic development.

Many local area executive directors are recognizing the need to embed workforce programs in a broader civic vision of community development. In this vision, distinctions between workforce and economic development, job seeker and business services, social service and demand-driven approaches are integrated through a larger, overarching commitment to the economic and social health of a particular place (California Workforce Association, 2004).

## **2. Significant constraints limit local ability to realize the system’s potential.**

Any attempt to describe and assess local workforce systems must honor local achievements without losing sight of the challenges yet unmet, and the serious constraints that impede the ability of local WIBs to respond to those challenges. Without question, the workforce systems in our 10 case study areas are creating outcomes of public value. At the same time, the workforce development challenges facing the communities they serve grow continually more daunting, fueled by social and economic inequalities, a changing job market, and persistent poverty.

The most important constraints we identified include:

- the steady decline in federal funding for workforce programs;
- the lingering perception of some that WIA is “just another welfare program”;
- the fact that WIA dollars come with tight restrictions that limit the ability and authority of local managers (or elected officials) to exercise discretion;
- regulatory compliance and reporting requirements that demand a preoccupation with routine program oversight functions at the expense of strategic policy development, system alignment, and coalition-building;
- competition from other local centers of leadership; and
- a policy mission that has not traditionally aroused civic or political passion and interest.

### **3. Resource acquisition strategies create new and complex implementation patterns.**

Local WIA budgets are increasingly unstable from one year to the next, and successful local outcomes are dependent on the effectiveness of network management and resource acquisition strategies.

#### Local areas use multiple mechanisms to enhance funding.

We observed five primary means by which local areas sought to expand their pool of funds to support WIA objectives:

- by leveraging the resources of One-Stop contractors and other local partners;
- by tapping the funding streams of host administrative agencies (e.g., TANF, Community Development) to help support staff and program costs;
- by aggressively seeking grant funds, either directly, in partnership with other local entities, or via nonprofit affiliates set up to take advantage of funding sources that do not fund government programs;
- by tapping into local funding sources (e.g., tax revenues, resources from WIB member organizations);
- by developing fee-for-service programs.

#### Many local WIA priorities are influenced by non-WIA or non-local decision makers.

Reductions in formula funds have the effect of reducing the ability of local areas to act independently. As a result, local WIB priorities are often influenced by the decisions and dollars of other stakeholders in local workforce networks, or by the priorities and incentives set in place by federal or state grant programs.

The 10 areas we studied are relying more on discretionary grants and on finding ways to leverage WIA resources with those of other local workforce organizations. These strategies enmesh local WIA stakeholders in the shifting dynamics of community economic development and social service networks, creating new and complex implementation patterns. For example, training outcomes are typically the result of multi-organizational partnerships rather than a single entity or funding source.

#### Local ability to engage in long-range planning is limited.

One major effect of resource scarcity is to render long-range planning much more difficult, as WIBs' priorities and attention are re-set from grant to grant, or in response to short-term crises or opportunities. Since the majority of WIA formula funds are tightly restricted in their allowable uses, there is less freedom for local areas to use them to support locally-developed strategies or long-term community goals.

#### **4. Efforts to define and focus the WIA mission and strategy require more attention.**

All 10 areas have formal mission statements, but these tend to present goals in broad terms that offend no one rather than illuminating key strategic choices or local priorities (Gardner, 2005). In general, local area decision making can be characterized as “adaptation on the fly”—responding to immediate opportunities or threats rather than working out a long-term strategic policy.

A wide range of intra- and extra-local forces make continuous adaptation a necessity in all 10 local areas. At the same time, a few local workforce areas have moved toward a strategic policy approach—such as a business-first orientation or training for high-wage jobs—and have been implementing these priorities with coordinated action. In some of these cases, WIB and One-Stop leaders take the initiative in forging local strategic policy; in others, WIA resources support strategic initiatives organized by other local entities.

#### WIA policy signals create a strategic tradeoff: training services vs. job matching services.

According to the local informants, WIA policy signals have prompted a sharp decline in the number of individuals receiving traditional occupational training services. The resources currently used to maintain One-Stop facilities and staff universal and business services reduce the amount available for intensive and training services. The result is a system that places more emphasis on facilitating the flow of individuals into existing jobs with whatever occupational skills they already possess than it does on developing new skills that add value for individual workers and local businesses.

This strategy comports with the short-term wishes of many employers. It also meets the immediate needs of many job seekers who want a job as soon as possible. Whether it is the best long-term public strategy for workforce investment remains an open question. The momentum at the local level for increasing the mission emphasis on job-matching services is tempered in a few local cases where:

- unions and/or CBOs have lobbied the WIB for policies that concentrate resources to support the training needs of low-income job seekers;
- business-labor partnerships have led to greater than average emphasis on using WIA resources to provide training for high-wage jobs;
- more clients are enrolled in customized training after placement, so that the immediate needs of job seekers and employers are satisfied while an emphasis on skill development and lifelong learning is retained.

#### **5. Local systems alignment is improving slowly and unevenly.**

As the relevant locus of control of WIA programs shifts from bureaucratic hierarchy to local network management, the task of improving the alignment of local social service, education, economic development, and workforce systems has grown more urgent.

- We find that workforce systems alignment is enhanced by the presence of a local forum which softens system boundaries by connecting individual leaders through an overarching goal of community well-being.
- In some cases the WIB performs this convening role, but we found more instances where the convening body was a community-wide business-education alliance or the workforce program within the community college.

Service integration has improved, but key WIA mechanisms are problematic.

Across all 10 areas, we find a strong consensus supporting the ideal of a One-Stop service delivery system.

- One-Stop and partner staff credit the movement toward a One-Stop system with increasing what they know about related agencies and their programs, establishing better working relationships, and improving their ability to assess, refer, and better serve clients.
- Many of the key mechanisms by which WIA intended to facilitate partnership have proven to be problematic or less than helpful when implemented. These mechanisms include the concepts of mandatory partners, co-location, and the separation of policy development from program operation (the so-called “firewall” provision).

There are several sources of variation in local systems alignment.

- Alignment tasks vary across areas; urban areas with large and dense organizational networks can be complex to navigate, but their systems also have more staff to handle the work involved with system alignment. In rural settings with less dense networks, it can be easier to get all the relevant players to the same table, but a shortage of resources can make it more difficult to staff coordinated activities.
- Local agents of state-level bureaucracies often find themselves unwittingly torn between their program loyalties and their local network commitments. Some agents have made clear choices to opt in one way or the other; others struggle to reconcile the tension.
- The 10 local areas report widely differing experiences with the same state agency, based primarily on how flexible the local agents of that agency were willing to be in the interests of promoting local goals.

Alignment with local economic development. Most local areas report stronger alignment between workforce and economic development programs as compared to the JTPA era. Alignment with economic development was stronger in local areas organized at the county level (including a consortium of counties) and in areas where there was a strong commitment to employers as customers. Alignment tended to be less advanced in areas organized at the city level and where the tilt is toward emphasizing job seekers as customers.

All of our 10 local areas exhibit some form of conscious alignment with local economic development, usually in one of three primary modes:

- as a support system for **business recruitment and retention**, typically by offering time-limited, ad hoc assistance to employers who are considering moving to the local area;
- as the workforce arm of a local effort to support **high-wage, high-growth sectors** of the local economy—defined as industries that are essential to local economic development, have unmet needs for skilled labor, and offer jobs with family supporting wages and benefits and the promise of career advancement;
- as a **small business support program** that provides a wide range of services that help businesses survive and thrive, creating jobs and establishing relationships with employers that then benefit One-Stop job seekers.

Alignment with TANF. The nature of the alignment varies substantially across our 10 cases. At the extremes, we have one case in which the TANF and WIA programs are almost completely integrated and another where the local area is actively distancing itself from its former administrative home in social services in order to improve its ability to work with business. Most cases fall in between these poles.

- Several cases report arrangements with local TANF programs that provide substantial revenue to augment their WIA formula funds.
- Co-location of WIA and TANF services is the exception rather than the rule.
- Connections between the two systems at the service-delivery level are relatively common, and are generally viewed as beneficial.

Alignment with community colleges. Community colleges are viewed as among the WIA system's most important partners, but many factors impede alignment between the two systems. Levels of coordination are uneven across the 10 local areas.

- Weaving through some of our WIB and community college interviews is a mutual institutional wariness, rooted in fears about the effect of one entity on the other's resource allocation.
- WIA leaders note that their clients have a strong need for occupational training, but community colleges are—for the most part—not organized to serve the needs of adult workers for short-term training that speeds entry or re-entry into the workforce.
- Where fears and institutional obstacles are overcome, local areas have worked out effective and mutually beneficial partnerships. For example, in many local areas, a close alignment for health care training has evolved between One-Stops, community colleges, adult education programs, and hospitals.

## Key Findings Related to WIA Services, Policy Mechanisms, and Structures

This section of the executive summary is organized to correspond with the five distinct elements of local WIA systems identified in the case studies. These include:

- **Business services** programs which support job seeker placement and provide more specialized services to selected employers;
- Employment resource centers, open to all citizens regardless of income or eligibility for WIA enrollment (i.e., **universal services** located at One-Stops);
- Formal services offered to WIA-enrolled job seekers (i.e., **intensive and training services** involving case management, referrals, and/or job training and placement), the only part of the system subject to federal performance measures;
- A network of contracted service providers and mandated and informal program partners, which together constitutes the **One-Stop system**;
- The **Workforce Investment Board, executive director, and staff** with leadership responsibilities for program oversight and system-building.

### Business Services

During the WIA era, local areas have been encouraged to implement demand-driven programs and to expand their relationships with local employers. We find considerable variety and some ambiguity in how this mandate is being interpreted.

#### The business services mandate is open to multiple interpretations.

Most local areas use the term “business services” to describe their efforts to become demand-driven. There is considerable variation in the nature of the business services provided, along a continuum defined by two poles:

- At one pole, local employers are embraced as the primary customers for the workforce investment system and are provided with a wide range of specialized business services, albeit in different ways. This new approach is rooted in the economic development assumption that helping employers locate, expand, and thrive in a local area will eventually result in more and better jobs for local job seekers.
- At the other end of the continuum, some areas see direct, focused support for job seekers as the most pressing local need and the most appropriate organizational role for the local WIA system. Business-related functions such as job development, job posting, job matching, and the hosting of job fairs were common even before the new WIA emphasis on demand-driven service and continue.

Where a given local area falls along this continuum depends in part on whether business services are viewed as a separate and discrete program, or instead are viewed as an integral part of how the One-Stop system provides universal, intensive, and training

services. Some locals interpret the lack of dedicated funding and performance measures for businesses services as a signal that their primary task is to serve job seekers. Others view the WIA mandate as an occasion to create integrated strategies that simultaneously meet business and job seeker needs.

In all cases, the approach local areas take to business services is strongly influenced by such factors as the orientation of the WIB director and members, a rural or urban setting, historical relations with the business community, and the economic health of the surrounding area.

Business services goals vary.

Business services field staff consistently report that the service relationships they develop with local businesses lead to more job placements. At the same time, some local stakeholders view the shift of resources into business services as compromising the historic commitment of the workforce system to job seekers. Any attempt to reconcile these views would need to take into account alternative ways of articulating the goal of the business services effort. We heard local stakeholders articulate three distinguishable goals, including:

- providing non-job-related services to businesses that have no immediate relationship to placing a job seeker (e.g., help with web site development, access to rebates for using energy-saving lights), in order to build a trusting relationship that might eventually lead to a job placement;
- developing business relationships that are specifically designed to learn about current job openings and requirements, so that One-Stop customers can be efficiently and effectively placed with employer requirements clearly in mind;
- developing relationships that focus on identifying the needs of important local industries and linking job seekers to relevant skill development pipelines (i.e. sectoral initiatives, Giloth, 2004).

There is some evidence that expanding business services helps achieve another significant goal by developing a base of satisfied business customers who can offer political support.

It is useful to distinguish core business services from specialized business services.

- Core business services in most areas include applicant prescreening, job fairs, labor market information, and referrals to other services.
- Specialized business services include financial planning, marketing assistance, on-the-job training contracts, a variety of topical workshops, use of business resource centers, and a wide range of human resources support among many others.
- Job applicant prescreening is a primary tool for developing a relationship of trust with business. Applicant screening selects and narrows the applicant pool for employers, helps counteract the previous system image of sending unqualified

- applicants to employers, increases the credibility of the local area as a source for business support, and builds trust.
- In an attempt to gain business trust, many local areas seek to disassociate their programs from the welfare image associated with past workforce programs.
  - Business relationships in some areas support training partnerships that provide workers with the skills needed by industries that offer high-wage jobs (e.g., high tech, construction, nursing).

Business services typically have a low community profile.

- We find a consensus among WIB members, WIA managers, and business services staff that business services typically have a very low profile in the community.
- Despite the low profile, some local areas generate a substantial number of business services contacts. For example, in program year 2004-05, NoRTEC reports having served 5,459 businesses (an estimated 16.7% market share), and the San Bernardino County area provided some kind of service to more than 2,700 businesses.
- A dilemma expressed by some local stakeholders is that when they succeed in marketing themselves as the place for businesses to get their human resource needs met, they may lack the staff, resources, or qualified employees to meet all the demand they have created.

Business services customers typically operate smaller businesses.

- Most of the business services customers operate smaller businesses.
- In some local areas, larger retailers such as WalMart and Home Depot avail themselves of the business services local One-Stops offer.

There is little strategic targeting of business services resources.

- In most cases, local areas help any business that wants service, regardless of whether it represents an important industry sector or not. They consider it part of their ongoing effort to achieve greater visibility and credibility.
- In all areas, WIB members, WIA managers, and staff seem to share a common knowledge of the critical local industry sectors (aided by labor market information provided by EDD and a variety of private vendors). However, knowledge about key industry sectors is not consistently used to target business services.

A variety of mechanisms are used to fund business services.

- There is a general consensus among local stakeholders that there simply is not enough money or staff to support business services adequately.
- Local WIA managers report using up to 20% of WIA Adult and Dislocated Worker formula funds and a much higher percentage of Rapid Response grant

- funds to support local business services. Some areas use non-WIA grants and contracts to cover at least a portion of the expenses for business services.
- One local area is experimenting with fee-for-service offerings such as reference checks, employment verification, employee handbooks, payroll services, and telephone etiquette training.

## **Universal Services**

Local stakeholders have enthusiastically embraced the WIA concept of universal eligibility for core services. Universal services include direct placement, job matching, short-term workshops, and drop-in assistance among others.

### Universal services require much work, but receive little if any credit.

- One-Stop centers get a significant number of visits, ranging from dozens each day in the smaller locations to hundreds at some of the larger sites. During our site visits, One-Stops were always in use and sometimes were quite busy, depending on the location and time of day.
- Many universal services customers require extensive staff assistance. While there are some self-help features of the universal services offerings, it would be a mistake to characterize these services as a self-help system. The boundary separating the core services available to any citizen from the intensive case management services offered only to enrollees is in reality quite permeable.
- One-Stop and WIB staff are angry that the WIA performance system provides no way to receive credit for this resource-intensive service to large numbers of job seekers at the One-Stops. Based on our earlier survey of One-Stop directors, an estimated 1.5 million Californians are now using the state's One-Stop centers each year (Lemp and Campbell, 2005).

### Resource scarcity has a major impact.

- Cuts in WIA funding have forced One-Stop contractors to downsize their physical operations, move to smaller quarters, lay off staff, and cut programs and services.
- The number of satellite/affiliated One-Stop centers declined from 129 in 2001 (Employment Development Department, 2001) to approximately 86 in 2005 (Lemp and Campbell, 2005), reducing the geographic reach of services, especially in remote rural areas or particular urban neighborhoods.

### The nature of services offered is fairly consistent across areas.

- Either by custom or by explicit policy, One-Stops generally serve whomever walks in the door, regardless of whether they live in the local area or not.
- One-Stops generally provide the basic services that are anticipated in WIA legislation.

- Job-search-related workshops are a common method used to deliver information to job seekers, allowing a more intensive focus on particular topics than can be provided one-on-one in resource rooms.
- Access to email accounts and to basic computer skills are vital to many clients, and free use of computers appears to be a key One-Stop attraction.
- Some local One-Stops post job openings where any client can view them, while others are more careful to screen candidates with initial assessments before directing them to opportunities they deem appropriate.
- Individuals not considered job-ready are referred to other local agencies, including community and faith-related organizations.
- Partner staff typically share the duties of serving universal customers at One-Stops on a time-available basis as part of their co-location obligation.

There is some demographic targeting of universal services resources.

- Sometimes demographic targeting is implemented via decisions about which contractors to fund; for example, by using community-based organizations with recognized links to particular neighborhoods or linguistic communities.
- Given the increase in non-English-speaking clients, translation services are a priority. Most One-Stops offer translation, either via bilingual staff or through a system where clients use a phone with a direct link to a translation service that is contracted by the local area.

Services for persons with disabilities are a priority.

- At the statewide level, California has taken a proactive stance toward WIA provisions (section 188) that are designed to ensure universal access to workforce services delivered through the One-Stop system.
- The commitment and capacity to serve the disabled population varies considerably across local workforce areas. Some areas appear to concentrate on fulfilling the minimum legal requirements, while others are engaged in special efforts through resource leveraging, developing targeted programs, and intensive staff training.
- Our evidence suggests that local area reporting on the numbers of persons with disabilities served is inconsistent. Local stakeholders articulated different understandings of what counts as a disability. Also, local areas vary in how aggressively they seek out information about disabilities during registration, with some relying solely on unprompted client self-disclosure and others doing more probing.
- In most areas, vocational rehabilitation programs operate a parallel system to the One-Stop system, focusing specifically on the needs of the disabled population. Leaders in both systems share a strong commitment to serving the disabled, but the integration of vocational rehabilitation partners into One-Stops was problematic in more than half of our case study areas. The most frequently mentioned barriers are the state rules and regulations governing vocational rehabilitation programs.

## **Intensive and Training Services**

Local area implementation is consistent with WIA legislation which specifies that training should be offered only as a last resort. This service design has led to a significant decrease in the number of individuals receiving formal occupational training as compared to the pre-WIA era.

### Enrollment decisions are driven by performance requirements.

As reported in previous evaluations of federal workforce programs, we find that local areas engage in a variety of behaviors designed to make their performance look as good as possible. This includes “creaming,” whereby preference is given to enrollees deemed most likely to help meet performance measures, along with strategic behavior regarding the timing of program entry and exits. Some respondents criticize these practices as a form of “gaming” that diverts resources from those most in need, while others defend training those most likely to benefit as the best way to ensure that public funds achieve the intended results.

- Some local areas or particular One-Stop staff actively support job seekers who need more intensive forms of support, whether or not they are formally enrolled.
- Across all areas, enrolled clients are expected to show their commitment by researching potential employers, interviewing people who work in the type of jobs they are seeking, etc. The client’s willingness and ability to complete these steps becomes a key determining factor in whether they become eligible for training if they have not yet found a job.

### Resource scarcity influences case management relationships.

Like other educational endeavors, case management services are labor intensive and work best when the staff are well trained, staff-client ratios are kept to reasonable levels, and the goals of the encounter are clearly specified. Funding cuts and the dual customer focus of WIA undermine these ideal conditions.

- We heard of case management ratios as low as 1:30 and as high as 1:90.
- Funding cuts have decreased staff training resources, reducing opportunities to network and to stay up-to-date on funding opportunities and innovative partnership practices.
- Case management staff we encountered throughout our study expressed strong dedication and could provide ready examples of their extra efforts to serve their customers. Program participants we interviewed were uniformly positive about their WIA experiences.

### Fewer individuals are receiving training services.

Four overall trends are suggested by local evidence. First, fewer individuals are receiving any type of training services using WIA funds. Second, WIA dollars are often part of a

leveraged, multi-organization effort to support an individual's training program. Third, the training that is provided is typically of relatively short duration. Fourth, despite the use of individual training account vouchers (ITAs) and the eligible training provider list (ETPL), client training choices are strongly guided by WIA case managers.

- All 10 case study areas report shortages of training funds.
- To stretch training dollars, local areas cap ITA amounts, direct clients to other publicly-funded training programs, advise clients to delay training until after they are employed, and/or require job seekers to contribute to training costs.
- In many training partnerships, WIA training funds provide social support services such as school supplies, textbooks, mileage, bus passes, uniforms, tools, testing, school fees, and referrals for clothing, housing, legal advice, food, or child care. Funds for the training itself typically come from other public or private entities, especially community colleges and adult and vocational education programs.
- The trends we identify make it more difficult to assess the exact contributions of the WIA system to job training outcomes. Current public accountability mechanisms—e.g., WIA performance measures—presume that WIA programs work in isolation, rather than taking into account the evolving division of labor between WIA and other publicly-funded training programs.

Implementation of Individual Training Accounts (ITAs) and Eligible Training Provider Lists (ETPL) is uneven.

- Most case managers we interviewed describe the ITA process they use as a form of guided assistance in which the client makes the final choice of career goals and providers, but relies heavily on the advice of One-Stop staff for their knowledge of in-demand skills in the local job market and the reputations of local providers.
- Local implementation of the ETPL features has been uneven; the lists seem to be working fairly well in local areas that have invested a great deal of energy into implementing the provisions, while other areas report that the system is plagued by problems that have precluded full implementation or led to the need for creative workarounds.
- Many potential training providers, including many community colleges, have been unwilling to sign up for the ETPL list, which stakeholders say has had the effect of limiting client choices rather than expanding them. Some of the providers are alienated by paperwork and tracking requirements that are deemed excessive. These complaints appear to be diminishing, in part because local areas have taken steps to make the paperwork as user-friendly as possible.
- In other cases, providers expressed concerns that the trickle of referrals to their training programs doesn't warrant the upfront cost of curriculum development.

Longer-term, occupational skills training is receiving less emphasis.

- The major trend we identified is a de-emphasis on longer-term occupational skills training. The exceptions occur when there is either 1) a special grant program, such as those that fund nurses training; or 2) active involvement of labor union

- representatives in coalitions (including business-labor or CBO-labor coalitions) that make occupational training for high-wage jobs a local priority.
- The occupational training programs that are most frequently mentioned by local respondents include nursing and other medical positions, truck driving and transportation, construction, mechanics, plumbing, and cosmetology.

Key training partners include community colleges, adult education and proprietary schools.

- Various local areas have identified either adult education and community colleges—or both—as strong and flexible partners in designing courses responsive to the needs of local industry.
- Proprietary schools continue to play meaningful roles; if anything, their value may be rising, since many of these schools specialize in the type of short-term training being emphasized under WIA, and because they are known for being demand-driven and able to adjust quickly to local employer needs.

### **One-Stop partnerships**

Despite the dissatisfaction over cost-sharing difficulties, WIA's emphasis on creating service-delivery partnerships receives unclouded approval from local stakeholders. We found considerable variation in the nature and vitality of local partnership arrangements at both the service delivery and administrative levels. Partnerships are frequently driven more by WIA mandates, organizational histories, and personal experiences (positive or negative) than by a detached analysis of program overlap, or a commonly-held workforce strategy based on shared values.

- The leadership styles of executive directors and One-Stop managers often set the tone for local partnership development. By looking for opportunities to partner, embracing partners with trust, and articulating shared ideals leaders can promote a culture of partnership.
- One-Stop partnerships and service integration tend to be stronger in local areas where One-Stop planning preceded WIA legislation, so that inter-organizational relationships have had longer to mature.

The mandatory partners provision spurs connections, but has many weaknesses.

- The mandatory partner idea is credited with spurring valuable discussion among local partners, at least some of whom would probably not have connected as meaningfully without the requirement.
- On the other hand, as implemented, the mandatory partner concept has four evident weaknesses as a vehicle for developing working partnerships.
  - First, the legislation did not specify the specific obligations of mandated partners; we find that relatively few mandatory partners contribute funds to support One-Stop infrastructure costs, although many do contribute staff time on a negotiated basis.

- Second, policy- and regulation-related barriers to integration have to be worked out case by case, rather than being supported by coordinated, ongoing efforts at the state or federal level.
- Third, the work-first orientation of WIA has led some of the workforce system’s education and training partners to find less reason to collaborate than in the past, when workforce programs were aligned more with social services.
- Finally, our findings suggest that local partnerships tend to work best when they evolve organically and pragmatically; many WIBs and One-Stops have stopped trying to force relationships and instead are working with partners with whom they have discovered shared interests.

Locals moving from co-location to “no wrong door.”

- As WIA implementation has progressed, many One-Stops were forced to abandon co-location of partners due to budget, space, and other operational realities. Similarly, partners’ funding cuts undermine their ability to co-locate staff and services, since agencies with fewer staff overall have a harder time contributing FTEs to the joint mission of a One-Stop facility.
- Many local respondents have expressed a growing sense that physical co-location is neither a necessary nor a sufficient condition for effective partnership and excellent customer service. Instead of co-location, they articulate the idea of a “no wrong door” system with multiple points of entry.
- Partner organizations have mentioned drawbacks associated with co-location. For example, deploying their staff to multiple One-Stops can spread them too thinly, particularly in urban areas that have several One-Stops requiring a staff presence.

The separation of policy development and program delivery has some liabilities.

- In 9 of our 10 local areas, there is formal separation between the WIB and its contractors (the tenth received a waiver), but in a number of cases informal working arrangements create less actual separation than may have been intended in the “firewall” provisions of WIA legislation. However, we find that these informal arrangements often have the advantage of building a cohesive local system in which there is a greater integration of WIB policies with One-Stop programs.
- Areas that exhibited stricter adherence to the firewall provisions seem to be characterized by more distant relationships between the WIBs and One-Stops, which both parties find troubling.
- Most local areas approach their service delivery contracting by building long-term relationships with a relatively small pool of local organizations with the requisite resources and experience. This *relational* model of contracting appears to make more sense in most local areas than does a *competitive* contracting model, which presumes (incorrectly in many cases) that there is a large supply of potential contractors from which to choose, and that these service providers possess resources that are more or less interchangeable.

CBOs, EDD, and Adult Education partnerships are valuable but variable.

- Many One-Stop centers in urban areas are managed by community-based organizations with deep ties in particular geographic and cultural communities. Typically funded to operate multiple social service and economic development programs, these CBOs often supplement programs supported by WIA funds with services funded by other grants. This enables them to provide a much more comprehensive range of services and to target those services at a narrower clientele, defined by a combination of ethnicity, language, culture, and/or geography.
- The state EDD has responsibility for ensuring local compliance with federal and state rules and regulations. Local areas have responsibility for designing programs that are adapted to local circumstances and needs. It is not surprising that these two imperatives sometimes run at cross purposes. EDD is perceived by many local stakeholders as a rule-bound bureaucracy intent on telling people what they can't do. However, relationships with EDD vary dramatically from area to area, and depending on which of its many subdivisions or particular personnel are at issue.
- Dramatic but uneven cutbacks in the number of EDD field staff have influenced local implementation. When EDD leaves, there are many consequences, including the necessity for One-Stop partners to pick up the slack for some EDD functions, such as helping clients deal with the unemployment insurance system, or finding new tenants for buildings that had been expensively altered to meet EDD requirements.
- The One-Stop clients most frequently referred to adult schools are those who need classes in ESL or basic computer skills. Local areas deeply involved in nurses training programs also find adult schools to be excellent partners in providing certain coursework for WIA-supported students.
- We found striking differences from area to area in alignment with Adult Education, with some areas citing mutually beneficial partnerships and others indicating distant or distrustful relationships. The local variations often appear to be rooted in the proclivities and personalities of particular leaders or in historical organizational rivalries.

### **System Leadership Structures**

WIB executive directors play a central role.

WIB executive directors are the central, pivotal leaders in local workforce systems and bear formal responsibility for local WIA programs. Their vision and imagination are among the most important factors shaping the character of local WIA systems. We find that executive director leadership is enhanced when one or more of the following conditions are present:

- The executive director has considerable autonomy and authority, either because the WIB is organized as a consortium across political jurisdictions (rather than being nested within an existing city or county department) or because of strong backing from top leaders in their administrative departments.
- The executive director deliberately nurtures a local culture and mindset that emphasizes using WIA resources to accomplish strategic local goals, rather than simply complying with federal and state directions and regulations.
- The executive director has a vision that engages others in system-building leadership, rather than focusing energy primarily on WIA program oversight.
- The executive director is supported by a skilled staff able to take on routine program oversight functions. Local areas report that the WIA rhetoric supporting local flexibility does not imply that there is less “red tape” associated with the system, which most locals describe as *more* extensive than under JTPA.

Administrative nesting differences are quite significant.

- WIBs that are organized as a consortium generally appear to have a greater ability to move quickly and seize opportunities, try out new ideas, and discard what isn’t working, and move on. They also tend to view WIA within a broader perspective of community and economic development, rather than from the more parochial perspective which WIBs nested in local government agencies must consider when making decisions. Associated weaknesses of this model are fewer checks and balances to prevent autocratic control, less obvious channels for the public to gain a voice in programs, a greater reliance on the skills and personality of the executive director, increased pressure to find the right person for the job, and the difficulty of replacing him or her when necessary.
- WIBs nested in government agencies generally appear to have access to more funding sources, greater credibility or political clout in seeking grants, built-in mechanisms for recruiting and promoting leaders and training staff across programs, and the stability and continuity that can come from a bureaucratic organization. Associated weaknesses include more vulnerability to political pressure, greater jeopardy when government revenues are in decline, a longer ramp up to bring innovations on line, a tendency to rely on long-standing processes rather than seeking new opportunities, and complex accounting arrangements needed to sort out whether WIA or departmental budgets are paying for staff FTE and various service functions.

Workforce Investment Boards struggle to assert a strong policy role.

WIA asserted a strong system-building role for WIBs, envisioning them as bodies that could coordinate and integrate the wide range of federal employment and training programs that are delivered in local communities. While we find some momentum toward broader system leadership, most WIBs fall far short of the envisioned role, and also of the deepest leadership aspirations of their own members. The serious constraints facing local areas discussed earlier in this summary—including limited discretion with

WIA funds and comparatively meager resources compared to other systems—are among the reasons why local WIBs often struggle.

- Most WIBs have low profiles in their local communities, and few have matured as local policy institutions. Instances where individual WIB members, or coalitions of members, advocated for clear, specific policy priorities are the exception rather than the rule.
- Simply mandating business majorities is not sufficient to create significant employer buy-in or empowerment. Stakeholders noted that without sufficient funds to take on projects that make a difference in the community, private sector players are difficult to engage on a long-term basis.
- Many executive directors see their role as motivating and guiding the board towards a more expansive vision of the local workforce system and a more active leadership role in that system.

#### WIBs have difficulty recruiting business members and other civic leaders.

In recruiting business and civic leaders, WIBs face something of a Catch-22. Until they can demonstrate a certain level of clout and power, it can be difficult to induce movers and shakers to become involved. Yet without their presence, it is more difficult for the boards to develop clout and power.

- Local areas express a chronic difficulty in attracting and maintaining business representatives on the WIB; in many areas this is a more or less ongoing task.
- Employers from small businesses were more likely to participate and to participate actively, than were representatives of larger businesses.
- Typically, WIB business representatives are participants in numerous community networks, which helps facilitate alignment across workforce, economic development, education, or other local systems.

#### WIB members report a steep learning curve.

Like participants in other voluntary community boards, WIB members are typically quite reliant on paid staff for information and direction. In general, we found staff-board relationships to be respectful and positive, with most board members full of praise for their executive directors and staff.

- The need to bring business members up to speed so that they can interact on a more equal footing with seasoned bureaucrats and provider representatives is a major task facing boards and board staff. Or, seen from the perspective of the business representatives, it can take them a long time to get government program representatives to see things from an employer’s point of view. We heard many business representatives relate that for a long time after their appointment they were “swimming in acronyms.”
- Business representatives get particularly impatient when WIB staff indicate the need to run things past local, state, or federal authorities before moving forward;

- or when an idea that makes sense in a local context is met with a comment like “the state tends to frown on that.”
- On the other hand, we heard both business and government representatives state that over time they began to gain a greater appreciation of how and why each sector goes about their business in the way they do.

### **Looking ahead**

The public policy literature suggests that successful implementation is most likely when there is a single mission, adequate resources, and clear administrative responsibility. By contrast, local WIA implementation is marked by mission diffusion, resource scarcity, and inter-organizational complexity. Despite these obstacles, and amidst an increasingly daunting set of workforce development challenges, local workforce leaders are making determined efforts to address the needs of their business and job seeker customers. The remainder of this report documents the activities, achievements, and concerns associated with WIA implementation in 10 local workforce areas in California.

## **Implementing WIA at the Local Level:**

### **A Comparative Analysis of 10 Local Workforce Areas in California**

This report describes implementation of the Workforce Investment Act (WIA) in 10 of California's 50 local workforce areas. Under WIA, local workforce areas have had considerable discretion to implement policies and programs that reflect local economic and social conditions. Yet relatively few evaluation or research studies have concentrated on local implementation dynamics. By paying attention to local dynamics, meanings, and perspectives, and by looking for patterns and common themes across the 10 cases, we hope to generate evidence that can inform workforce policy development.

This interim report is the third in a series prepared by a UC Davis research team charged with conducting a systems analysis of how WIA is being implemented at the state and local levels in California. Our scope includes WIA adult and dislocated worker programs; youth programs will be addressed in a separate report.

The focus of this report is on local implementation within the 10 case study areas rather than on any concurrent state-level activities. Subsequent to our first interim evaluation report (Pence and Campbell, 2005), state workforce leaders under the Schwarzenegger administration have made significant efforts to address shortcomings in the workforce system, including a renewed effort to engage local stakeholders in state-level policy and planning. Our local fieldwork (conducted between February and November, 2005) coincided with these state efforts, but our charge was to examine local implementation during the entire period of WIA implementation, rather than to focus on recent developments. As such, this report should not be construed as reflecting upon recent state-level changes in any way.

Our research was designed to learn about local implementation through the eyes of local stakeholders. No federal or state workforce leaders were interviewed for this interim report, and their views on many of the issues discussed in these pages may differ from the local perspectives we describe. Our commitment was to document widely-shared local experiences and perspectives that might inform federal and state policy and programs, rather than to establish the veracity of every contested claim.

### **Background**

WIA legislation and subsequent Department of Labor guidance included a number of specific provisions intended to alter local service delivery and expand its scope (Barnow and King, 2005, p. iii-iv). Those with the greatest potential to impact local workforce areas include:

- Declaring universal eligibility for core services focused on job placement;
- Sequencing of job seeker services through three tiers: core, intensive, and training, with graduation to the next tier only to occur if the client has not already found a job and if there are sufficient funds remaining to support training;

- Increasing reliance on market mechanisms including Individual Training Account (ITA) vouchers that allow clients to select training programs from an Eligible Training Provider List (ETPL) with provider performance information available;
- Establishing business-majority local Workforce Investment Boards with responsibilities for overseeing WIA programs, for establishing a One-Stop delivery system, and for fostering coordinated, long-term workforce planning;
- Institutionalizing One-Stop Career Centers as the cornerstone of the local workforce delivery system, and specifying 17 mandated One-Stop partners;
- Separating out policy development, program administration, and service delivery functions (the so-called “firewall” provision), except where a special exemption is granted that allows the same organization to both oversee and deliver services<sup>1</sup>;
- Encouraging local areas to become more demand-driven and to consider business as a primary customer of the workforce system.

These WIA provisions place significant new responsibilities on local areas, while continuing their traditional case management and job training functions. The universal service provision has increased exponentially the numbers of citizens served, with an estimated 1.5 million Californians now using One-Stop centers each year (Lemp and Campbell, 2005). The principle of becoming demand-driven has prompted not only the development of specialized business services programs, but also concerted efforts to improve the alignment of WIBs with local economic development programs and to alter the image of the workforce system in the eyes of employers.

This expansion of local responsibility under WIA has not been accompanied by increased funding.<sup>2</sup> Indeed, formula WIA funding for adult, dislocated worker, and youth programs has been in a steady decline in California since 2000 (Lemp and Campbell, 2005), continuing a longer-term trend that has seen total federal funding drop from a peak of \$9.5 billion for CETA in 1978 (Franklin and Ripley, 1984) to approximately \$3 billion for WIA in 2005.<sup>3</sup> Forced to do more with less, local areas have instituted painful cuts in staff and services. For example, the number of satellite/affiliated One-Stop centers declined from 129 in 2001 (Employment Development Department, 2001) to approximately 86 in 2005 (Lemp and Campbell, 2005), reducing the reach of services.

In this funding environment, decisions about where to target resources frequently become exercises in managing tradeoffs between equally desirable elements of the intended mission. The gap between mission and resources has led to more aggressive efforts to

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<sup>1</sup> One of our 10 case study areas, SELACO, received such an exemption and provides One-Stop services directly.

<sup>2</sup> Current federal funding for WIA programs is quite modest, compared to either historic U.S. levels or the levels of other industrialized nations, and remains well below any reasonable assessment of what is needed (Holzer and Waller, 2003, p. 5-6). Yet historically workforce programs have received funding that enables them to serve only a very small percentage of those in need, by one count as little as 1% of those eligible (Mangum, 2002, p. 296). Even the more optimistic estimates presume that for every one individual served another 9 who are in need of workforce services are not reached (Sandall and Rupp, 1988). Previous studies of WIA implementation have concluded that funding provided to state and local government is inadequate given levels of need and mandated provisions (Barnow and King, 2005; Young, 1988).

<sup>3</sup> The figures are not adjusted for inflation.

secure discretionary grants, and to networking activity designed to leverage WIA resources with those of other local workforce organizations.

Compared to the past, local WIA budgets are increasingly unstable from one year to the next, and local outcomes are increasingly dependent on the effectiveness of network management and resource acquisition strategies. These strategies enmesh local WIA stakeholders in the shifting dynamics of community economic development and social service networks, creating new and complex implementation patterns. Among other implications, these dynamics call into question traditional notions of accountability, as individual client outcomes are increasingly the product of a network of providers rather than of a single entity or funding source.

At least 30 other publicly funded employment and training programs operate in California, using between 4 and 5 billion dollars in combined federal, state, and local funding (California Budget Project, 2005, p. 1, 4). Within the array of publicly funded programs, the WIA system bears particular attention for two reasons. First, its One-Stop centers have been designated as a central point of entry to which any citizen can turn when seeking workforce services. Second, local WIBs are intended as mechanisms for promoting overall system integration of the various employment and training programs. Thus, the WIA system has the potential to play a unique role in cross-system alignment of workforce programs. Whether this potential can be realized by a program of comparatively limited resources and modest community visibility is an open question.

Under JTPA, local workforce areas managed job training programs which operated within a relatively stable and isolated bureaucratic structure. In that environment, vertical relationships and directives from federal and state governments had a clear priority. As time goes on, these same local areas are being called upon to develop and manage collaborative programs which draw on separate funding streams and require the coordination of multiple organizations within local workforce networks.

In the new governance environment, a compliance mindset and measures designed to enhance accountability to higher levels of government often work at cross-purposes with the need for local area leaders to act as opportunistic entrepreneurs. A key source of tension in local WIA implementation is that WIBs and One-Stops are caught between the continuing pull of the bureaucratic/program-centered model while they work out a new identity as participants in entrepreneurial networks that cross bureaucratic boundaries. They are inventing the new while remaining bound by old bureaucratic claims and restrictions, with mixed results.

## **Research Methods**

The California Workforce Investment Board (CWIB) charged our research team with producing a systems-level evaluation of state and local WIA implementation. We decided to concentrate the bulk of our WIA evaluation resources on local implementation for three primary reasons. First, local workforce areas have had considerable discretion to implement policies and programs that reflect local economic and social conditions, yet

relatively little is known about local implementation dynamics, as these are shaped by a combination of intra- and extra-local factors. Most WIA-related research addresses federal or state-level policies and programs (Barnow and King, 2000, 2005). Examining local implementation is especially called for in California, given minimal state policy guidance to local areas (Pence and Campbell, 2005) and the presence of a wide variety of WIA administrative arrangements at the local level.

Second, the rhetoric leading up to 1998 WIA legislation promised greater integration of more than 160 employment and training programs spread across 15 federal agencies, but the legislation itself did little to consolidate funding streams or otherwise support local WIBs in pursuing the goal of integrated services (King, 1999). Five years into WIA implementation, we wanted to learn how service integration and system alignment are faring.

Third, WIA represents a continuation of the longer-term trend toward devolution of federal social services and workforce programs, a process which has accelerated in the post-welfare reform era (King, 1999). Devolution presents both challenges and opportunities for local leaders, and leads to increasingly varied local systems (Barnow and King, 2005, p. x). The local case study comparisons developed in this report build on a base of research experience that the research team has gained in previous studies of the dynamics of devolution in California communities (Campbell, 2002; Campbell and Wright, 2005).

## **Research Objectives**

Our task is to describe how local WIBs and One-Stops have interpreted and implemented WIA provisions, and to assess the resulting strengths, weaknesses, challenges, and opportunities evident in local workforce areas. We were asked to provide an overall systems analysis, rather than a detailed evaluation of particular programs. In response, we crafted a research design that seeks to answer the following questions:

1. **Mission:** What is the mission of the local WIA system, as revealed in goal statements, interviews, and observable activities? How does the WIA mission relate to that of other employment-related programs, and what mechanisms exist to coordinate the mission and activities of the WIB and One-Stops with other organizations in the local workforce development network?
2. **Investments:** How are available WIA dollars allocated for various purposes? What non-WIA funds are being leveraged and how are different funding streams being integrated and coordinated?
3. **Service Design and Delivery:** What services and programs are offered and where are system resources concentrated? What service delivery niches do WIA-funded programs fill in local workforce networks? What are the strengths and weaknesses of the various program design changes that were mandated by WIA legislation?

The three sets of questions are inter-related. Mission definitions influence how resources are targeted which influences the mix of services offered and the priorities given to various potential customers. At the same time, WIA-mandated service motifs and resource constraints limit the freedom of local areas to identify local investment priorities rooted in shared community goals. A matrix providing a more detailed description of research questions can be found in Appendix 1.

## **Field Research**

The evaluation team has used a modified version of the field network approach (Lurie, 2001; Nathan, 2000; Barnow and King, 2005), a research method designed to understand how state and local governments and service deliverers carry out public policy after it is made. The method recognizes the diversity of state and local contexts within which national policy takes shape, and emphasizes the need to get beneath the surface by paying close attention to local dynamics, meanings, and perspectives. By using qualitative interviewing techniques, our field research team has been able to refine research questions over the course of the project, taking into account new information as it is revealed. Our analytical approach is primarily inductive, seeking to understand a range of local cases in sufficient detail in order to draw lessons that speak to broader policy and program concerns.

### Sampling criteria

In consultation with the state board, a technical advisory committee made up of state and local workforce officials from multiple agencies, and other workforce development experts, we purposively selected 10 of California's 50 local workforce investment areas as field research sites (see table 1). Local areas were selected to ensure diversity with respect to:

- Size (e.g., population base, amount of WIA allocation);
- Geographic location and economic conditions (e.g., distinct urban and rural regions within the state);
- Configuration (single county, single city, or consortium of counties or cities);
- Administrative home (nested in social service, economic development, community development, or standing alone as an independent agency).

In making our selections, we deliberately avoided a few high profile local areas which have been the subject of frequent study. Instead, we aim to learn from a more varied cross-section of local cases, keeping in mind that no sample of local areas can be considered truly representative.

**Table 1. Local Workforce Areas Selected for Case Studies**

<b>Local Area</b>	<b>Area Population (Rank in state)</b>	<b>Unemployment Rate 2003 [State avg =6.7%]</b>	<b>Configuration</b>	<b>Administrative Home</b>
Los Angeles City	3.7 million (1)	8.0	City	Community Development
San Bernardino County	1.5 million (6)	5.5	County minus city	Economic Development
Sacramento County	1.2 million (7)	5.6	County	Independent agency (City-county JPA)
Alameda County	1.0 million (9)	5.4	County minus city	Human services
NoRTEC Consortium	571K (16)	8.1	9-county consortium	Independent agency (9-county JPA)
Sonoma County	459K (21)	4.9	County	Human Services
SELACO Consortium	445K (23)	5.2	7-city consortium	Independent agency (Private non-profit)
City of Oakland	400K (26)	10.6	City	Economic Development
Tulare County	368K (29)	15.5	County	Independent agency within county government
Verdugo Consortium	315K (32)	5.8	3-city consortium	Independent agency (3-city JPA)

## Data collection techniques

To facilitate systematic comparison, the field research team used structured reporting guides based on an outline of key topics and employed common data collection techniques, including:

- Semi-structured interviews (in person and telephone) with a variety of local workforce development stakeholders, including:
  - WIB members, directors, and staff
  - One-Stop managers and staff
  - Mandated and non-mandated partners associated with the local One-Stops
  - Leaders and staff in other organizations involved in some aspect of workforce development, such as community colleges, adult education, economic development, TANF, unions, temporary agencies, and community and faith-based organizations
  - Representatives of contract service providers
  - Employers and representatives of organizations representing business interests
- Observations
  - Tours and site observations at local One-Stop Centers
  - WIB meetings
  - Workshops and training programs
- Developing lists of important local workforce development institutions and an understanding of their inter-relationships
- Review of documents, reports, and other published materials such as:
  - WIB Strategic Plans, charters, by-laws
  - Annual reports
  - Information packets given to new members
  - Press releases
  - Sample MOUs with partners
  - Sample contracts with One-Stop operator
  - Organization charts
  - Lists of WIB staff, their positions
  - Lists of WIB members, their affiliations
  - Lists of WIB subcommittees and their members
  - Detailed annual budgets
  - Samples of quarterly reports to state
  - Major grant proposals (successful)
  - Management reports (as available)
  - Statistical data on local area social, labor, and employment conditions
  - One-Stop material for job seekers and business customers
  - Web sites
  - RFPs for service contracts
  - One-Stop partner material: handouts, newsletters.

We conducted field work in the 10 local areas between February and November, 2005. During this time we visited more than 30 One-Stop centers and conducted approximately

25 interviews in each local area. Typical interviews lasted an hour or more, and allowed time for probing a variety of topics. With the permission of the respondents, most interviews were tape recorded and transcribed. To encourage frank conversations, we promised respondents confidentiality and said that no quotes used in our reports would be attributed to particular individuals.

### Data analysis

Transcribed interviews (totaling more than 4,000 pages) were analyzed by the research team member who took the lead on field research in the particular local area.<sup>4</sup> The lead researcher prepared a field report on each area using a common outline that contained more than 100 topics and subtopics developed during the course of our field work. These field reports were then analyzed with the aid of NVivo qualitative analysis software, which helps facilitate the identification of common themes and the sensitive interpretation of complex data from the various local contexts.

We considered publishing 10 individual case studies of the local areas, but decided against it for two reasons. First, we wish to honor our promise of confidentiality to those interviewed, while simultaneously providing a rich understanding of local circumstances and perspectives through selective use of quotes. Confidentiality is better protected in a combined report. Second, we wish to keep the focus on an overall system evaluation, since we were not charged with evaluating the performance of individual areas.

No investigation can penetrate all aspects of the local WIA experience. In sifting through the case study evidence to determine what to include in this cross case analysis, the following key criteria were used:

- Is there sufficient evidence to illustrate the range of local implementation approaches, to identify a clear pattern across multiple cases, or to support an overall generalization?
- Is the information of system-wide importance (as opposed to simply local interest)?
- Does the information yield insight that could be acted upon to improve the system?

We have taken a number of steps to ensure the trustworthiness of the data. These include triangulation of key findings, review of findings by a Technical Advisory Committee and other experts, review of this report by local WIB representatives, use of multiple researchers in developing interpretations, and consideration of findings in light of previous research.

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<sup>4</sup> The lead researcher in NoRTEC, Sonoma County, and Tulare County is Cathy Lemp; in Los Angeles City, San Bernardino County, and Verdugo it is Bob Pence; in Alameda County and Sacramento County it is Bernadette Tarallo; in Oakland it is Jean Lamming; and in SELACO it is Jeanette Treiber.

## Organization of the Report

Based on our observations, local WIA systems are now composed of five distinct elements:<sup>5</sup>

- Employment resource centers, open to all citizens regardless of income or eligibility for WIA enrollment (i.e., universal services located at One-Stops);
- Formal services offered to WIA-enrolled job seekers (e.g., intensive services involving case management, referrals, and/or job training and placement), the only part of the system subject to federal performance measures;
- Business services programs which support job seeker placement but in some cases provides more specialized services to selected employers;
- A network of contracted service providers and formal and informal program partners, which together constitutes the One-Stop system;
- The Workforce Investment Board, executive director, and staff, with program oversight and system-leadership responsibilities.

Our report characterizes what we have learned about each of these five elements with attention to how implementation dynamics are influenced by the broader community context in which these elements are situated. We begin with a description of business services and universal services, since these represent areas of new programmatic interest and comparatively little previous study. We then examine how WIA stipulations have altered the formal intensive and training services provided to WIA enrollees.

Next, we consider how the One-Stop ideal is being interpreted, and how the goal of integrating services across programs is holding up in the face of realities on-the-ground. This leads into a broader discussion of the leadership and governance of the local system, and the ways in which local stakeholders articulate the WIA mission. Our primary emphasis is on understanding the development of the local Workforce Investment Boards and the roles of their executive directors as they take on program oversight, policy development, and system-building functions. A final section describes some of the quality improvement and communication mechanisms evident in the 10 local areas.

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<sup>5</sup> Sometimes this entire constellation of elements is referred to as the One-Stop system, but that nomenclature is potentially confusing, since the term “One-Stop” can refer both to the *building* in which resources and program services are offered, and to the *ideal* of delivering services in a seamless and efficient manner via effective partnerships.

## Business Services

During the WIA era, local areas have been encouraged to implement demand-driven programs and to expand their relationships with local employers. We find considerable variety and some ambiguity in how this mandate is being interpreted. Overall, we find substantial but uneven commitment for a system shift toward emphasizing business services.

### Overview

Most local areas use the term “business services” to describe their efforts to become demand-driven. There is considerable variation in the nature of the business services provided, along a continuum defined by two poles:

- At one pole, local employers are embraced as the primary customers for the workforce investment system and are provided with a wide range of specialized business services, albeit in different ways. This new approach is rooted in the economic development assumption that helping employers locate, expand, and thrive in a local area will eventually result in more and better jobs for local job seekers.
- At the other end of the continuum, some areas see direct, focused support for job seekers as the most pressing local need and the most appropriate organizational role for the local WIA system. Business-related functions such as job development, job posting, job matching, and the hosting of job fairs were common even before the new WIA emphasis on demand-driven service and continue.

Where a given local area falls along this continuum depends in part on whether business services are viewed as a separate and discrete program, or instead are viewed as an integral part of how the One-Stop system provides universal, intensive, and training services. Some locals interpret the lack of dedicated funding and performance measures for businesses services as a signal that their primary task is to serve job seekers. Others view the WIA mandate as an occasion to create integrated strategies that simultaneously meet business and job seeker needs.

In all cases, the approach local areas take to business services is strongly influenced by such factors as the orientation of the WIB director and members, a rural or urban setting, historical relations with the business community, and the economic health of the surrounding area.

### Business services goals

Business services field staff consistently report that the service relationships they develop with local businesses lead to more job placements. At the same time, some local stakeholders view the shift of resources into business services as compromising the historic commitment of the workforce system to job seekers. Any attempt to reconcile

these views would need to take into account alternative ways of articulating the goal of the business services effort. We heard local stakeholders articulate three distinguishable goals, including:

- providing non-job-related services to businesses that have no immediate relationship to placing a job seeker (e.g., help with web site development, access to rebates for using energy-saving lights), in order to build a trusting relationship that might eventually lead to a job placement;
- developing business relationships that are specifically designed to learn about current job openings and requirements, so that universal service customers can be efficiently and effectively placed with employer requirements clearly in mind;
- developing relationships that focus on identifying the needs of important local industries and linking job seekers to relevant skill development pipelines (i.e. sectoral initiatives, Giloth, 2004).

There is some evidence that expanding business services helps achieve another significant goal—by developing a base of satisfied business customers who can offer political support.

Areas that are moving towards a business-as-customer approach to workforce development are caught in cross winds of organizational image and organizational resource. On one hand they must cultivate a new, visible image within the local business community as a useful, reliable, and effective business resource. On the other hand, the staff size for most business service units is so small and the available resources are so limited that it is difficult—though not impossible, as some locals are demonstrating—to develop a business services program of sufficient size and scope to capture much notice in the business community. If an area *is* successful in developing high visibility in the business community, that visibility can be a mixed blessing. It would not take many business customers to overwhelm the limited system capacity in many local areas. Customer demand that cannot be addressed with quality service can easily damage essential relationships with the business community. Limited, anecdotal evidence suggests that business services create benefits not only for the employers who are served but for job seekers and the broader community.

#### Core vs. specialized business services

Business-related functions such as job development, job posting, job matching, and the hosting of job fairs were common even before the new WIA emphasis on demand-driven service. These types of core business services directly link local employers with job seekers, and are important to meet job placement objectives.

However, WIA has spawned an expanding menu of more specialized business services that are not as immediately or directly linked to job placement. A brief mention in the Workforce Investment Act of employer services as a permissible local workforce development activity opened the door for this qualitative shift towards an economic development or business-as-customer approach to workforce investment. All of the local

areas we examined are exploring, developing and testing the levels and types of business services most appropriate to local circumstances. Implicitly or explicitly, local areas confront the following questions:

- Are there business services gaps in the local area that the WIA system can fill?
- Does the local WIA system have in-house business services expertise?
- Which businesses actually want support from the WIA system?
- What services do the interested businesses want?
- Which businesses are most important to the local economy?

### Varying local area commitment to specialized business services

We find a continuum of commitment to specialized business services both across and within local areas. Two areas—NoRTEC and San Bernardino County—now embrace local business as the primary customer for the workforce investment system and provide a wide range of specialized business services, albeit in contrasting ways. On the other side of the continuum, some areas emphasize core business services that are most directly connected with job placement. Depending on resources, they may also offer a few small-scale specialized services programs or provide referrals to other entities that offer workshops and other direct private sector assistance.

A workforce system administrator comments: “I think all of the areas want to embrace business services, but in some places going from a social service mentality to a business mentality is not happening very rapidly.” The cost of retooling is one barrier. WIA managers in most local areas expressed a strong commitment to developing useful business services, but pointed out that they had limited available resources to realize that commitment. SELACO is a partial exception due to its ability to draw on ETP funds.

### Staff commitment to business services

Even in local WIA systems that are clearly committed to a business-as-customer, approach, the level of commitment is not uniform across all organizational units within the system. In general, area administrators and members of the business services unit tend to be more committed to business services than the case management staff that work more closely with job seekers. There may be designated business service staff, but that does not necessarily indicate a firm commitment to specialized business services. A One-Stop manager explains:

A lot of One-Stops have their case managers doing business services part time. They put on their business hat and say, ‘OK, where are the businesses.’ They are not really looking at the business as their customer. They are not going out to find out what business is all about.

Local stakeholders do not always view the lack of a unified staff commitment to business services as a problem. One WIB director believes the division between job seeker and business focus among different staff units supports a creative and productive dynamic in the area. Whether it is a problem or not, WIA managers point out that staff commitment to business services is a factor in shaping those services. One manager said:

DOL said, ‘Work with business.’ I think absolutely we should, but I don’t think DOL thought this through so clearly. You are taking career counselors, some of them with long histories of working with a social service client base and you are going to make them business counselors? I’ve had experience in economic development and that is a different world. That is a whole different thing. You are in a whole new gear. Good luck. We are still working on that one.

In NoRTEC the process of helping contract providers make the transition to a business service emphasis has taken the form of a multi-year commitment involving many meetings, retreats and support from internal and external program consultants.

A program director describes the initial orientation period:

For at least two years we kept saying, ‘Let’s focus on business as our primary customer and the rest will fall into place.’ The struggle was not only convincing the business community but also our own internal staff. Change is difficult and many of these individuals worked for years in JTPA and for them it was like, ‘If we focus on business are we turning our backs on the job seeker?’ So there was that struggle.

Asked how his area had developed its business services program, a local employer representative said:

Through a lot of training and developing the Employer Services position, and making sure that anybody that is in that position understands the role. That it is not just about filling job announcements; it is building relationships because the primary role of an ESR is to develop repeat business, not one-time-help-them-out-and-we-are-gone.

#### Typical employer customers are in small businesses

Most of the customers who actually use WIA system business services operate small businesses. They typically feature small staffs, overworked owners, limited human resources (HR) capabilities, and little extra money. A business unit supervisor explains:

Businesses of that size typically don’t have a true HR person. That person probably wears six hats. For smaller businesses with 5 to 10 employees it is typically the owner who is also probably the salesperson and the HR person and the janitor all at the same time. They are the ones who most use our services.

Another business services representative adds: “Really large operations tend to stand on their own. They have their own HR departments. They’ll fax over a job opening, but other than that they don’t use us too much.” Again, there are exceptions. Rapid Response and special ETP projects often target larger businesses with customized training or retraining programs. Overall, however, business service supervisors and staff members report that they mostly work with small to medium-sized businesses.

## Common business services challenges

The remainder of our discussion of WIA business services is organized around common challenges we found across the 10 local areas, including:

- Gaining the attention and trust of local employers;
- Determining which businesses to serve;
- Determining which services to offer;
- Funding services;
- Developing performance measures and assessing impacts on job seekers, businesses, and the community.

### **Gaining the attention and trust of local employers**

Relationship is the foundation of business service. Business owners, WIA managers, business services supervisors and staff members, and WIA partner representatives across all areas underscore the importance and challenge of gaining the trust of the local business community. A program director explains:

If you treat your business customer right, everything else falls into place. It's basically developing trust within the business community. If you develop that trust, they will come to you for all their needs. Everything will fall into place. The job placements will fall into place.

A WIA manager explains:

The primary role of the employer services staff is to build relationships, not just 'one-time-help-them-and-they-are-gone.' Our customer satisfaction will come from repeat business.

There seem to be two aspects of the general strategy that local areas are using to build trust in their local business communities. The first is to distance the local WIA system from images associated with previous workforce development programs. The second is to provide service (in some cases, almost any service) that will be useful to local business.

### Shedding the JTPA image

Justified or not, previous job training programs like CETA and JTPA carry a great deal of negative emotional baggage among many employers. Some of the individuals we interviewed both within and outside of the WIA system used the terms "welfare", "social service," and "government" as if they carried a pox. The business services supervisor for a large urban area comments:

We had a stigma among business that we were only trying to get them to hire welfare recipients. We had to try other things, provide other services to build trust. The only way we could build the confidence of business was to get out there and prove we weren't just government out to get people jobs. We needed to prove we could actually move things forward.

A WIA manager agrees:

Business feels that we are a government agency. They don't see us as a business service. We don't speak their language. We don't market services that will entice them. Everything we say is agency/government program. They don't view business support as a benefit we can offer...

A number of areas recognize the importance of language in developing a new identity in the business community. In one area "job developers" are now "Staffing Specialists" supported by "Business Consultants". In another area "job developers" have become "Business Services Specialists." A Business Services Specialist explains:

Business owners would look at my card and say, 'Job Developer'? How and why are you talking with me about all these other services? The change of title helps me when I go in the door. They're no longer expecting me only to talk with them about jobs.

A rural WIA manager adds:

We're trying to develop a new language—business as a second language—for everyone to use. Front-line staff dealing with clients and the business community all the way up to my office. So much of the language that we use right now is a turnoff to the business community, the acronyms and all of that...

### Useful, reliable service

Providing quality service is the most basic vehicle that local areas use to develop a relationship of trust within the business community. Business services representatives argue that once a business manager or owner receives any type of useful service from the local area, she or he will be more likely to turn to the business services staff when it comes time to hire new workers. A business services representative explains:

If I can offer some kind of service to a business at no cost or low cost and it truly benefits them, then I have established a relationship with them. They will come to find out that we are actually a resource. They'll know I'm mainly about jobs, but they will also see that I am connected to the right people and can help them out.

Another business services representative adds:

I may visit the business looking for jobs, but I'm also there to help the business any way I can. I want to establish a relationship with them so they know they can call us if they have problems. 'Who should we call? Call the local business services people. Last time they helped us get rid of our weeds so maybe they can help with this other problem' Ultimately we're about putting people to work, but we realize that if we satisfy business by offering any help we can, other things will come. You know, the Field of Dreams....

In a later section, we detail the range of services local areas provide, any of which can be part of the relationship building effort. Regardless of the particular menu of services, good listening is a key attribute of successful business services. One WIA manager states:

The only way to find out what will make the good fit is to sit down and actually listen to the employers. The ‘actually listen’ is the critical component. We’re really good about going to employers to ‘listen’ and spending the whole time talking. It’s really hard for us to do....we’re really good about telling them what cool things we’re already doing.

Business services managers find that job applicant prescreening is often their most powerful tool in developing a relationship of trust with business. Applicant screening selects and narrows the applicant pool for employers, helps counteract the previous system image for sending unqualified applicants to employers, increases the credibility of the local area as a source for business support, and reinforces the relationship of trust between business services field staff and employers. A WIA manager explains:

The business services people have an interest in seeing that business needs are met. Sending unqualified people out there isn’t going to meet anyone’s need. It will embarrass our business services staff with the very businesses they are trying to serve.

A One-Stop manager adds:

Especially with the smaller businesses, we can build trust by getting them good job applicants. If they call us with an opening and we can get a good employee in there then they are like, ‘Wow! I want someone just like this person for my next opening.’ And then the relationship builds.

### Visibility/marketing

We found a consensus among WIB members, WIA managers, and business services staff that business services have a very low profile in the local business community. A One-Stop business services representative notes: “Our reputation is good with the businesses that use our services, but most businesses don’t know about us.”

Despite the low profile, many local areas generate a substantial number of business contacts. For example, in program year 2004-05, the San Bernardino County area provided some kind of service to more than 2,700 businesses. NoRTEC reports having served 5,459 businesses (an estimated 16.7% market share) and also obtained signatures from approximately 1,000 business customers voicing support for area services.

Some WIB members are calling for system marketing to raise the profile of business services. One area hired a public relations firm to produce radio and print ads that featured WIB business representatives. Many areas use Chamber of Commerce meetings and economic development meetings to promote area services.

A joint venture of the four WIBs in Contra Costa and Alameda counties, East Bay Works uses a foundation-funded web site to tout local, regional, and national resources under four major categories: business services, job training, job seekers, and youth. Job seekers are referred to the 14 One Stops in the East Bay, and the prefix of a business caller dictates to which business services representative their call is forwarded.

Yet, business services field staff voice caution about marketing promises that can't be filled. What happens to the new relationships with business and the new identity as a source of reliable business support when the local areas can't provide that support? A One-Stop business services manager in Los Angeles comments:

I'm not sure if we could handle it if we were well known by business. I hear other business service people talk about a marketing campaign to let business know we are out here. Well, I already have more business customers than I can handle. We have such a small staff. I hesitate to promise more than we can really deliver.

An Alameda county WIA representative adds:

If there were no businesses coming to us and if we had a couple more staff we might consider some sort of marketing. But as it is, we're inundated. We can barely keep up with what we've got. We're pretty much maxed out.

These cautions are somewhat less relevant in rural areas with fewer businesses overall, and few large industries. For example, one NoRTEC contractor made a major effort to connect with representatives of businesses in transportation, hospitality, health care, manufacturing, and wholesaling. Staff found that it was difficult to capture the attention of business owners with phone contacts alone, and eventually had to request to visit the businesses, as one staff member describes:

[We] called a few times, and got 'I don't know, who are you?' The staff finally said, 'Just let us come out and let you know what we've got,' and they allowed it, and it was such a wonderful meeting, because not only did our staff learn a tremendous amount about the working conditions, and the requirements, and all of the different things in that particular organization, but they then had an opportunity to ask what we do and they learned a lot about us that wasn't just the impression they may have had in the past.

The effort paid off, according to the contractor:

It did introduce new businesses to our center and resulted in new business customers and new job order postings. So, our visibility was increased, our job seekers had access to more information about jobs and careers in those sectors and more job opportunities, and our staff learned all kinds of things they didn't know previously. That was a huge benefit. It was a big effort that staff really enjoyed - and it led to some other new efforts down the road.

### **Determining which businesses should receive services**

In all areas, WIB members, WIA managers, and staff seemed to share a common knowledge of the critical local industry sectors. However, this knowledge is not consistently used to target business services. Instead, the decisions that direct business services to particular customers typically are shaped by the pragmatic response of WIA managers and staff to specific requests and local circumstances. Business services targets shift from day to day, and from grant to grant, against a backdrop of trying to serve a

broad range of local business needs. As a business services staff member states: “We don’t limit who we work with. We get just about everybody...all sectors, all types of industries.”

Limited resources and the desire for a cohesive, coordinated program of local economic development are leading some workforce system managers to consider focusing WIA resources on specific types of businesses. A few are experimenting with sectoral and living wage strategies that target resources—including specialized business services—to industries that promise higher wages and benefits, career ladders, etc. (Giloith, 2004). These efforts are still the exception rather than the rule among our 10 areas.

While the health care industry is a common sectoral focus across all 10 areas, this has been driven less by business services decisions than by the availability of training funds. Thus, we will discuss these initiatives in the “training” and “alignment with community colleges” sections later in this report.

### Serving any and all businesses that request service

In most cases, any business that wants or will accept help will receive service, regardless of whether it represents an important industry sector or not. There appear to be four reasons why this is typically the case: 1) the perceived mandate as a public agency to serve anyone who requests help; 2) the desire to avoid criticism for preferential treatment; 3) performance measures that emphasize job placement rather than wage attainment or contribution to local economic development; and 4) the lack of easily identifiable target industries in some local areas that consist primarily of diverse, small businesses.

It is no accident that the sectoral strategies most frequently touted in the literature are usually funded primarily by private foundations (Giloith, 2004). By contrast, WIBs are public agencies with an implied mandate to serve the entire public. A One-Stop administrator comments: “We have to provide the basic services to any business that wants them. Job listings, things like that. We are a public agency. We can’t turn them away.”

The need to appear even-handed creates additional pressures which work against sectoral targeting, as a workforce system administrator notes:

The contract people would rather we do no industry sector targeting at all. They want universal services across the board because it assures that we are not supporting political favorites. It avoids the tough questions and being criticized for being selective about where we are spending the money. In their defense, in the absence of a strong WIB, city agencies don’t have the clearance to make those kinds of decisions. The WIB and the city council do and they need to provide cover for city administration in making these kinds of choices.

By emphasizing job placement, as opposed to living wage attainment, WIA performance measures create an incentive to say yes to any business that requests service, since

refusing them might compromise a future job placement. One WIB administrator argues there is too much focus on industry sectors, since a placement is just as good whether it is in a declining industry or a growing one:

You see that a lot - which three industries are you most involved with? That's only a piece of the puzzle and it's not the whole puzzle. Even industries that are going down still have a lot of jobs and they still need a lot of people.

In some local areas the concept of sectoral targeting makes less sense from a pragmatic standpoint, since the economy consists primarily of diverse, small businesses, rather than large industries that control lots of jobs. This is often particularly true in rural areas, such as NoRTEC.

#### Identifying key industries but remaining open to serve all businesses

We found it typical for a local area WIB to identify a short list of key industries, but for business services staff to remain open to the wider employer community when offering services. For example, the Sacramento WIB has targeted seven critical industries, but according to a WIB member they remain open to serving the wider employer community:

The mission is to connect the One-Stops with the employer community at large, specifically the critical industries which we've been asked to focus on by the WIB. I don't know that we really targeted any particular employer if you're asking me that. We don't want to exclude any segment. We have an open dance card.

In Verdugo, there appears to be a generally shared knowledge and agreement among WIB members and staff about the important industry sectors that should be targeted. The WIB has had major program initiatives focused on two industry sectors: entertainment and health care. However, these targets are in large part a product of grant opportunities, and the WIB still seeks to serve a broad range of local businesses. For example, the WIB has sent out a survey to identify the business support needs of a wide range of local businesses.

#### Exceptions to the general pattern: experiments with targeting business services resources

A number of local respondents articulate the idea that business services resources should be targeted to particular industries or types of employers. The rationales they offer suggest that this counter-trend is reflective of a larger debate about the mission of WIA, and the wise use of WIA resources given their scarcity.

##### *Rationales for targeting*

Those arguing for more focused targeting of WIA business services resources typically cited 1) resource scarcity, 2) the need to emphasize community needs rather than simply employer demands, and 3) a long-run economic development perspective.

Regarding scarcity, a WIB member notes: “We’re scattered all over the place. We work on one industry this month and then two months later we’re onto another industry. We need to get strategically focused.” The Los Angeles City WIB is discussing plans to establish an innovation fund which will provide seed money for industry or occupational sector initiatives similar to an existing Health Care Career Ladder Initiative. A One-Stop director comments on the rationale:

We are identifying the industry clusters in the area because our resources are so diminished and our staff is so diminished that we really need to figure out our niche. What industries are growing in our immediate area? What industries are driving the local economy? We have to focus our resources.

The representative from a CBO active in local workforce issues makes the case for a sectoral approach from the perspective of community needs:

We need to identify high wage, high growth industries and industries that provide career paths for communities. Industries that meet communities’ needs. These are all criteria that could be used to think about which businesses and which industries actually get subsidized with these WIA tax dollars. And then we need to directly invest in the industries that meet those needs.

Another rationale for targeting is centered around the long-range economic development potential of particular local sectors. For example, in Alameda there has been a strategic effort to expand beyond an information and high technology base to target both biotech and high-end manufacturing. This vision appears to be nurtured primarily by the large, 600-member Economic Development Alliance for Business (EDAB), whose executive director is quite influential on the WIB. Biotech and bio-pharmacology as well as healthcare have been the focus in Alameda County for reasons suggested by WIB member:

...you can see out 15, 20, 30 years of gainful employment because of the need...so biotech and healthcare were probably the two hubs that I think we have seen maybe the best traction.

### *Living Wage Policy as a Targeting Strategy*

A number of urban areas use living wage standards to target business services and to focus other resources, such as training funds. We will use Los Angeles as a case in point.

Both the Los Angeles City WIB and the Los Angeles City Council have formal policies that direct the allocation of system resources to those businesses that support living wage and career ladder employment. For example, living wage for a single adult is considered \$9.83/hr. For a single adult, an infant, and a preschooler, the living wage is \$19.88/hr.

A WIB member:

We want workforce investment to go towards good employers, which means they provide good wages, allow for unionized labor, provide a safe working environment while investing in the career advancement of their workers. It is about being strategic in which businesses receive this

subsidy [business services]. We need to strike a balance. It can't just be about business services. There has to be recognition and attention to the needs of poor and working communities.

In response to the WIB policy, a business services supervisor in Los Angeles is developing a decision matrix to help guide area business service choices. In this matrix, businesses qualify for different levels of business service based on criteria such as wage levels, career ladders, importance to the local economy, and political importance to the local area. In this targeting scheme, business services are divided into universal services that require little extra effort from the One-Stop, intensive services such as HR support, and a fee-for-service level for items such as customized training. Those businesses that score higher on listed criteria are eligible for more intensive business services. The supervisor explains:

We don't want to say 'No' to a business that is looking for our help, but if we have a way of ranking how we provide services we feel like we will end up putting our energy more into the businesses that will have more of a benefit for us.

Noting their mandate to provide minimal services to any business, a Los Angeles City One-Stop administrator goes on to comment:

The question is, do we go the extra mile, and provide extra services to a business that has a history of labor violations or that only pays minimum wage and offers no benefits to its workers?

Adherence to the living wage policy requires discipline and hard choices. A Los Angeles One-Stop agreed to organize a job fair for a large service corporation that pays minimum wage and is accused of various labor law violations. The company has been a long time focus of union concern. The One-Stop planned to screen job applicants and to provide the company with office space to conduct job interviews. A workforce system administrator continues:

Some of the WIB members went ballistic...The question is whether the system goes out of its way to provide a special level of service when the company does not really support its employees. Maybe there is no harm in providing space to the company, but space is money. Is that where the system should allocate its resources? The One-Stop agreed and withdrew the offer.

Support for the living wage policy is not unanimous within the Los Angeles workforce system. A city staff member familiar with city council politics notes that a number of council members did not vote for the living wage ordinance. A representative of a local partner organization says living wage requirements limit choices for job seekers:

People take the jobs they want and you have a certain population that is willing to take a low wage job at a Wal-Mart because that job is appropriate for them. You don't need an outside agency to pass judgment on whether that is a good job or not. Why is that agency making that determination for the job seeker?

We also discovered that local areas with extremely high levels of unemployment, such as Oakland and Tulare County, express fewer qualms about working with Wal-Mart or similar businesses. For example, Tulare County's Workforce Investment Department helped Wal-Mart recruit employees at a new store in Dinuba. A WIB staff member:

There's 400 positions for the Wal-Mart in Dinuba which is one of our small towns over in our north county. Well, if we're working with people and Wal-Mart needs them to be a certain—like maybe they need them to have some team experience they didn't have. Well, our people are equipped to go out and train them on some team building. We can shine them up so they can be ready to work with Wal-Mart.

### **Determining what types of business service to offer**

Areas that offer specialized business services generally develop their service menus with input from local business, ideas from other areas, and consideration of available local resources, including staff skills.

#### Local feedback mechanisms

Insight into the service needs of local business comes primarily from WIB business representatives and from area job development staff. In some areas, these WIA system job developers are considered as sources for the most up-to-date information on local business activities and local business needs. Some areas combine this staff generated information with feedback from formal surveys of the local business community.

Some local WIA providers perceive a limited need for an extensive array of specialized business services, either because they serve impoverished areas with relatively few businesses or because there is already an abundance of local business support services. Local One-Stop providers in the latter areas must navigate a dense organizational landscape of existing service to identify an appropriate business service niche.

Local variation means that no single approach to business services can be imposed on all areas. While applauding the value of NoRTEC's strategy of providing HR support to small businesses, a Southern California WIB administrator cautions that HR may not be an appropriate item for the service menu in every area:

I don't think we should be providing HR services through the One-Stops down here. I worked in HR for a while. It is complicated and legally it can be a mess. We don't have that kind of expertise and I think it would be a mistake for us to go there. Other people are much better qualified to provide those services.

#### System networking

Some local areas also get business service ideas through contact with other local areas at events such as California Workforce Association conferences and DOL sponsored workshops. Publications and networking links help WIA managers share experiences and

ideas about the shift to a business-as-customer service approach. The CWA publication *Tuning In* provides snapshot summaries of business service programs throughout the state WIA system. The Department of Labor Business Learning Partnership Program arranges and supports mentoring relationships between local workforce areas that have effective business service programs with areas that want to improve their programs.

### In-house expertise and use of contractors

Many of the specialized business services offered by local areas require specialized business knowledge. Staff members within a system that until recently was focused on direct job seeker services may not have such business expertise. In general, areas deal with the lack of in-house expertise either by hiring new staff with business backgrounds, by instituting some type of staff training, or by contracting out the most specialized business services to outside providers.

For example, NoRTEC One-Stop contractors require that all staff members have training in business services. They send staff to professional development training to have them certified as Registered Professional Career Counselors, Registered Career Paraprofessionals, Global Career Development Facilitators, California Accredited Consultants, Human Resource Professionals, etc. The WIB reports that this puts their operations in a very good marketing position, because they have become locally recognized for their outstanding expertise.

When there is no in-house expertise, local areas arrange outside business assistance, for example tax or legal assistance. One local area uses Community Development Block Grant (CDBG) funds to contract out technical business services to a regional non-profit economic development center. The center provides local businesses referred by One-Stop staff with legal, financial and marketing assistance. A One-Stop business service representative comments:

Given our level of expertise we knew there was no way we could go into a company and provide the level of services they needed. If we tried to do that I think we would do more harm than good. On the other hand, the economic development center has people with 20 and 30 years in the business. They have the experience and the resources.

The Sonoma County business services representative refers employers to local partners—EDD’s Employer Advisory Council and the Small Business Development Center at Santa Rosa Jr. College—for business-related seminars and workshops. Tulare County offers periodic training opportunities (some led by knowledgeable staff, some featuring experts in various fields) to local businesses at its on-campus professional development center.

### Service menus

Table 2 presents the business services menus of three WIBs, reflecting the general pattern of some overlap and some diversity in offerings across areas.

**Table 2. Business services offered by three WIBs**

Alameda	Los Angeles	NoRTEC
Human Resources issues	Filling business job orders	Recruiting
Workplace safety	Organizing job fairs	Distributing and collecting applications
Laws and regulations	Financing assistance	Prescreening, checking references
Entrepreneurship and business development	HR assistance	Interviewing
Home office businesses	Business planning	Creating job descriptions
Financial planning	Tax credit and voucher assistance	Arranging for translators/interpreters
Patents, trademarks and copyrights	Insurance services	Providing meeting space
Tax credit information	Speaker services	Providing fully-equipped offices
Information technology concerns	Hosting business events	Developing employee handbooks
Connect with state and local resources (LMI)	Developing customized employment plans	Creating HR forms and new-hire packets
	Marketing assistance	Offering training in customer service, telephone etiquette
	Identifying career ladders	Arranging/conducting workshops/seminars on legal and procedural topics
		Helping develop websites
		Making tax credits available
		Setting up OJTs
		Arranging customized services for incumbent workers

In the next sections we illustrate in more detail some of the core and specialized business services offered in our case study areas.

### *Job fairs*

Every area hosts job fairs that bring together a number of job seekers and one or more employers for a job placement event. One Southern California WIB organizes these job fairs around local industry sectors. During the first hour of these four-hour events,

industry representatives participate in a panel discussion for an audience of job seekers. Each panelist offers a short company introduction and a description of possible career ladders, little known job opportunities, hints about the job application process, and the types of applicants the company is seeking. After presentations, the panel is adjourned into a more traditional job fair where individual job seekers meet and submit applications to individual company representatives. So far the area has hosted fairs for a number of local industries including finance and banking, health care, public sector, and retail. Both employer and job seeker response to the industry seminars has been positive. A One-Stop manager comments:

The industry representatives love it. They absolutely love it. Every single time the surveys come back they say it is the best format they've ever seen for this type of event. They love to be in the role of educator. They like that they don't have to repeat the same company description to every individual participant looking for a job. They learn from each other because when you have five members of the same industry sitting together they start connecting with each other and it helps us connect with the business community. The job seekers like it. The employers like it.

### *Applicant Screening*

Some areas prescreen job applicants for local business. Prescreening decreases the number of unqualified applicants an employer must sort through in order to find an appropriate hire. It also helps the local One-Stop develop a reputation among local businesses as a source for reliable employees.

Describing his approach to recruitment, one local area business services representative noted:

I'm not into the cattle call kind of having 110 people come into the center. I really like to do it by invitation only with the clients a very managed kind of group that has been prescreened.

In some areas, we learned that job applicants can examine job postings but cannot access employer contact information until they have been screened by a One-Stop employment services representative. An area business services representative comments:

We want the job candidates prescreened to make sure they are the right fit for the employer. When we refer a candidate to an employer that employer knows they are getting someone in the right ballpark. We don't just send 20 people over to see about a job.

This practice is consistent with a strong orientation toward business as customer, but may conflict with the norm of providing an equal opportunity for all job seekers to find a job.

### *Customized training*

Customized training supports incumbent workers with post-placement, skill-enhancement training. Although a permissible use of WIA funds, there appears to be relatively little

application of this option. Like other forms of WIA training, this option suffers from the lack of resources. Another impediment is that WIA rules prohibit offering customized training to clients who already meet the area self-sufficiency standard. In many workplaces, this creates a situation where some workers in a particular business are eligible and others are not; not a scenario that most businesses are willing to deal with.

One local area creatively worked around this problem by re-setting the region-wide self-sufficiency standard at \$15 an hour:

There's this little thing called a 'Self-sufficiency standard' ...most WIBs put that at minimum wage or the poverty level, but ours set it at 15 bucks an hour as a minimum for our area. We have research to back it up, but bottom line, the law says it is defined by the local WIB. My WIB wanted customized training to be a business service and for us to be able to serve our employed workforce. There are studies floating around that base self sufficiency on family size, county, etc. One problem with this approach is that it requires unnecessary documentation, with eligibility having to be determined and documented for each individual. More paper work, more intrusive, more time wasted. Worse, it means having to tell an employer 'We can help Joe, Bob, and Fred but we can't help these other two guys because they have only one kid. If they had *two* kids we could help them.'

Business will throw you right out, so it had to be open to everybody, doesn't matter if the wife is working or not, or how many kids you have..... Since, I have heard of other WIBs in the Bay Area setting their self sufficiency wage in the \$20 an hour range.

One example of a customized training program is an Oakland work-specific ESL program arranged for 33 janitorial and dining workers at UC Berkeley. Another example is customized employee training for call centers in the Sacramento area. ETP funding allows SELACO to provide a more extensive customized training program to local employers.

### *Service information and referral*

Providing business with information and with referral to sources of support is another form of business service. Business service specialists use information about local business programs and services such as tax incentives, energy conservation rebates, and small business loans as a way to target, gain entry, and support local businesses. In one area, the small business services staff collected a number of informational business handouts in a briefcase that became the area Business Service Kit carried by area representatives during cold calls. In San Bernardino County, business services representatives took a two-day course from Southern California Edison to learn how to advise local businesses on strategies to reduce energy costs. Business Resource Specialists in Tulare County use information on county enterprise zone tax incentives as a foot-in-the-door marketing device for business entry. Once inside, the service representatives encourage business owners to both apply for the tax credits and take advantage of the workshops, recruitment opportunities, and other business services offered through the local WIA system.

### *Labor Market Information and local market information*

While all areas report using LMI to help identify local industry sectors or emerging economic trends, some WIA managers see LMI as a type of business service to help guide local economic development and business planning. The business services supervisor for one urban area notes that a number of local public and private organizations rely on the WIB for local economic forecasting:

The LMI information is amazing—a mind blower. The LMI gave us a level of expertise that is not matched anywhere else locally. Planning Departments and Economic Development Departments of local cities, even the local newspapers, are always calling us and asking, ‘OK, What’s happening here? Can you give us this data to write our 5-year plan or whatever?’ It’s nice to have this kind of information at your disposal.

In another urban area information and contacts developed through almost constant on-site business visits has made the business services staff an important source of street-level information about the local economy. An administrator for a local economic development agency explains: “Their staff has more contact with business than anyone else in the county. They really have the pulse of business in this area. I rely on them.”

We found that most local areas supplement LMI available from EDD with reports produced for their specific areas or regions. Often WIA funds are used to contract for this service from consultants. Sometimes local academic centers or nonprofits provide reports that can be accessed free of charge.

### *Business Resource Centers*

Some areas have Business Resource Centers that have information, support technology, and office space dedicated for the use of business customers. These centers provide access to computers, telephones, office supplies, business resource libraries, and meeting space.

A fairly typical example is the business resource center located in a San Bernardino county One-Stop. The center is basically a small suite of rooms down the hall from the much larger job seeker resource room. The décor of the center is similar to the rest of the One-Stop. Metal shelving along the walls holds books on finance, business, and computers. Four computers are available in carrels at the center of the room. Employers can use two adjacent smaller meeting rooms for interviewing job applicants. Most, but not all, Business Resource Centers are located in One-Stops.

Business services representatives report that the centers are regularly used, although on our site visits we often found them idle. A representative from Tulare reports that the business center conference room is often booked well in advance. Approximately 30 people use each of the two San Bernardino County Business Resource Centers each month. A Los Angeles City One-Stop manager reports that the Business Resource Center

in her One-Stop is often used by people who are just starting small businesses. The Tulare centers are often used by business people who travel or who are relocating in the area:

We have some business people who don't have a physical office at all. They travel. They come in, log on, and pick up their messages then it's off on the rest of their schedule. We also give businesses that are locating here a contact point until they get their own phone system. They have no fax machine, no phone, no anything, so they need help. The cool thing is that there is no fee for them...it's just the work we do.

### *Anything they need*

Local areas most committed to a business-as-customer approach will provide any business service they have the expertise and legal ability to offer. These areas exhibit an entrepreneurial spirit of creativity, a willingness to experiment, and to concentrate on customer service in responding to the needs of local business. They stress the importance of developing relationships with local business owners and see service as the primary vehicle to develop those relationships. If staff members can't help a business owner, they refer them to someone who can. A WIA administrator:

We're the kind of agency that can do anything. If [a business] wants to know if we can do it, the answer is 'Yes.' We'll worry about how we'll do it later.

A business services supervisor explains:

My number one job is to help the businesses in my area with their employment and staff needs, but I'm also tasked with helping the businesses stay healthy, so I try to help them in any way I can. If there are weeds hiding their parking lot entrance, maybe I can call the right people and help get those weeds removed. If they are having a problem with city government, maybe I can help with that. I just try to find out the issues that are causing the business owner problems and then see if I can help out.

### **Funding business services**

With no designated WIA funding, there is a general consensus that there simply is not enough money to adequately support business services. Oakland has a single staff member and \$150,000 dedicated to business services (\$50,000 of which represents WIA funds; the rest is from enterprise zone program income). Alameda has 3 staff members and a \$300,000 budget, and restricts any given employer to no more than one major service per year. San Bernardino County has 22 staff members, but those staff members serve over 66,000 businesses located throughout a 200,000 square mile area.<sup>6</sup>

A One-Stop manager:

I personally would be glad to do more in terms of business services, but give me the money. Right now we take Rapid Response funds to do this and we are always

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<sup>6</sup> Business services staff members are generally based in area One-Stops. Some areas also have business services supervisors or staff located in area administrative offices that are separate from One-Stops.

treading that border between disallowed and allowable activities. It is ridiculous. If you want us to do it, then give us the resources and the freedom to do it.

Local WIA managers in different areas use different strategies to compensate for the lack of dedicated WIA funding for business services. Funding strategies include use of WIA formula and Rapid Response money, use of ETP grant and other specialized grant funds, and fee-for-service offerings.

#### Tapping into WIA formula funds

Most local areas use a portion of WIA formula and Rapid Response allocations to fund business services. Local WIA managers report using from 4% to 20% of WIA Adult and Dislocated Worker formula funds and a much higher percentage of Rapid Response grant funds to support local business services. A One-Stop business manager explains:

Our business funding comes from a little bit of each one of the funding streams. We divvy it up on the time sheets that way. We look at what we are doing for business as being beneficial to the job seekers that are the focus of those streams.

A WIA system administrator adds: “In our opinion, business services are part of job development so we fund it that way. Our business outreach will allow the job seeker to get the best job, to make the best connection with business.” Financial managers bemoan the challenging accounting gymnastics and paperwork needed to ensure business staff costs are allocated to the most appropriate WIA funding categories.

Some voice discomfort about the use of formula funds for business services. One WIB director comments:

Funding business services is a balancing act. There is not a lot of flexibility. We maximize it as well as we possibly can within the realm of WIA. You could use Dislocated Worker and maybe Adult funding for business services, but that would be pushing it. Some areas use formula funds by projecting to the end users for business services, but I won't take a chance on it. The state compliance people are pretty tough around all of this.

#### Non-WIA grants

Some areas use non-WIA grants and contracts to cover at least a portion of the expenses for business services. SELACO combines a long-term ETP grant with WIA funding to provide comprehensive business services. Alameda uses a special Department of Labor grant to provide specialized business support for the local biotech industry. Another area funds most of its business service staff through a contract with the CalWORKs program.

#### Fee-for-service

As WIA formula funds steadily erode, the idea of charging fees for certain One-Stop services has emerged as a funding option. Although this currently represents a very small

portion of business services funding, we investigated it in some detail, wondering if it is a potential solution to the more general funding difficulties facing local areas.

By custom, tradition, and in some cases explicit law, government service programs typically are offered without charge. When WIA made the shift to considering business as a primary customer, it altered one of the main assumptions underlying the traditional practice—namely, the idea that service recipients were poor, in need of taxpayer assistance, and unable to pay. By contrast, many businesses can afford to pay reasonable fees for service.

One of our 10 case study areas, NoRTEC, is experimenting with a wide range of fee-for-service products, and provides a focal point for learning about the strengths and challenges of this approach. A second area, Los Angeles City, is currently developing a strategy for serving businesses that meet criteria for wages and career ladders, and are considering charging fees for the more intensive services. Our interviews in other areas suggest that the fee-for-service idea has yet to take root.

In NoRTEC, some stakeholders have accepted the fee-for-service concept, some have embraced it, and some are still not comfortable with it. The diverse opinions are illustrated by the following voices, the first two cautious and the latter more supportive. A current WIB member:

Part of me as a businessperson says, 'I guess I understand we need to generate revenue, to help our own cause,' okay, there's that part of it. There's another part of me that thinks it's odd that we're a publicly-funded program, through various grants and other monies, and yet we're charging for our services. So, I don't know, it doesn't feel quite right, it almost feels like we're an employment agency, a personnel agency. And yet, we need to stay alive, we need to survive.

A business services representative:

[Employers'] main concern is whether there's a fee for anything, they want to know. And that's the great thing that I have the opportunity to share with them, "I'm not coming out to sell you anything, I'm coming out to make you aware of what your tax dollars are paying for, and how you can benefit from them." And that's usually the thing that gets me in the door, because they're interested in seeing where those tax dollars are going, because so many times they're just writing the check, and they have no idea that there's anything tangible out there that they can benefit from.

A more positive take is provided by a One-Stop staff member:

I've got to tell you, businesses expect to pay a fee for a service that has some value to them. So, honestly, when we started charging a fee, we really started speaking the language of business.

### *EDD stance*

The stance of EDD toward business services is one critical factor in how local areas view this option. The experience of one NoRTEC contractor illustrates the dilemmas of implementing fee-for-service in an environment where EDD feels legally restricted from taking part. In this case, EDD had to pull out of a particularly successful One-Stop partnership when the contractor began phasing in fee-for-service programs. A member of the board of the nonprofit running the One-Stop comments:

You had a lot of partners co-locating and working together. Well, we co-located with EDD in their facility, as the One-Stop, and they had staff, and it was awesome. And then, we needed to start looking at other revenue sources, so it was fee-for-service. Well, EDD couldn't be a part of that, so we had to separate the two. And that's like going backwards. It was a legal issue; because we were charging fee-for-service, for some of our services, they could not participate.

### *Fee-for-service products*

NoRTEC's experimentation is still in its early stages, having been introduced only in the past couple of years. The NoRTEC web site lists 39 fee-for-service products, including 9 in the category of hiring services, 9 in human resources, 12 in training, and 9 listed as "other." NoRTEC respondents listed a variety of specific fee-for-service offerings including:

- Reference checks
- Employment verification
- Employee handbooks
- Payroll services
- Computer classes
- Telephone etiquette training
- Customer service training
- A Quick Books class.

### *Implementation issues surrounding fee-for-service*

Testing the local interest in various fee-for-service products has taken time. A contractor talked about the evolution of her product line:

We started out with about 7 types of different services; we found that 4 or 5 of those were really the ones that business wanted, and we perfected those over the year. We were just looking at our projections from a year ago, and we projected higher in some areas, and there wasn't interest there; and the areas where we projected lower, we made much more there...talk about demand-driven services.

When we spoke in August, 2005, one of the county contractors had been working with the fee-for-service concept for about a year and a half; other contractors are phasing in fee-for-service products more gradually. For most contractors, fee-for-service has taken much more time and effort to implement than many expected. A One-Stop staff member:

What we didn't take into account was the time it takes to put a new product together. Oh, my gosh! All those pieces. A great training. With handouts. And PowerPoint. The marketing piece. Educating everybody on what that training is all about, practicing that training, and then scheduling it, and getting it out there, and doing it. Ugh! Just intensive. So we didn't factor that in that first year.

NoRTEC One-Stops have confronted—and resolved—a number of issues in implementing the fee-for-service approach. The most frequently mentioned issues were:

- deciding which services will have fees attached and which will not;
- deciding how much to charge for services;
- helping staff manage the transition (e.g., from being providers of free services to selling a service).
- figuring out how to collect the money (even using Visa or Mastercard);

It is not anticipated that fee-for-service schemes will be fully self-supporting. The hope is that they will return some income back to the organization, ideally enough to support a business services position. A NoRTEC administrator notes:

WIA funding is not likely to increase for a while and the only hope of continued operation for the Business Services team is to offset their costs through fees or some other supplemental income. The business program is encouraged to leverage local resources and to build partnerships with local business and charging a reasonable fee for specialized services seemed to be a 'business way' to accomplish that. Plus it raises the question of value. What value does the local business community see in our services if they are unwilling to pay for them?

### **Developing business services performance measures and assessing impacts**

Almost everyone we interviewed agrees that some type of WIA system performance measures for business services would be helpful, provided they were accompanied by dedicated funding and implemented with appropriate flexibility. WIA performance measures are viewed as a way to provide system legitimacy, recognition, consistency, and some measure of accountability for the business services provided by a local area.

A Southern California WIA manager points out that performance measures provide direction for resource allocation:

WIB directors are trying to figure out how to pay for business services. With no accountability outcomes for the state, it is really hard to gauge how much you need to invest in business services. The accountability performance measures provide some kind of guidance for those decisions.

A One-Stop supervisor comments: "Since no performance measures are attached to business services, when there is pressure to meet numbers it is easy to shove business services aside."

### Efforts to develop local business services performance measures

WIA managers believe that whatever measures are developed should be useful for system management, should provide system accountability, and should insure system legitimacy for business services in terms of funding and staff resource allocation. Most local areas currently use some variation of a simple service or contact count as their in-house measure for the support they provide to local businesses. A One-Stop supervisor explains:

We have expectations about how many job orders staff need to bring in each month, how many new calls they make to businesses, how many follow-up calls. We just don't have many other ways to measure what they do besides just counting.

One area uses a more formalized Business Services Monitoring list to categorize the types of services provided to business each month. Categories of service include human resource support, business expansion, employee training, and layoff assistance. Other large areas use similar service category menus for staff service counts. These service menus provide general guidance on the categories of business support legitimized by area administrators while still allowing local flexibility in selecting the specific service that is most appropriate for localized circumstances.

Some of the most important aspects of business service are hard to quantify. A business services manager:

It is hard to measure some of the most important things that my staff do. When they stop in and chat with a business owner it may help develop trust and a relationship that will pay off later. How do I count the quality of that visit? Sometimes when I write up an evaluation it just comes down to my interpretation.

### Maintaining consistency in business service

In areas where the commitment to business services is high, a new challenge becomes maintaining consistency in services across multiple One-Stops, multiple service providers and, in some cases, across large geographic distances. Areas such as Los Angeles City and NoRTEC offer clues about how larger systems might provide some system consistency while still allowing for local flexibility. Their methods include definitions in contracts, communication, and technical support. Service providers in Los Angeles and NoRTEC are required by contract to provide business services. In Los Angeles City, area administrators determine the *range* of business services that can be offered in the area, but do not dictate the *specific* business services that each provider must offer. In NoRTEC, a set of common definitions guide local One-Stop contractors (see Table 3).

**Table 3. NoRTEC business service definitions**

Primary Functions:

**BUSINESS START-UP:** The business is new to your area. Services include job posting, aggressive recruitment, interviewing facility, personnel policies, employee benefits, loans, tax incentives, training, marketing, location, state and federal IDs, labor law, workers comp, etc.

**BUSINESS EXPANSION:** Business Expansion efforts run the gamut from hiring and training new employees, to helping acquire small business loans and arranging confidential consultations with professional service providers.

**BUSINESS VITALIZATION:** Services designed to achieve a stable and prosperous business community. This is a catch-all which includes most of the services offered under start-up, expansion and information exchange, plus services specifically designed to keep a business from going under, leaving the area, and to minimize layoffs.

**CLOSURE/LAYOFF:** When business must close their doors, the One-Stop Rapid Response Teams can help affected employers plan effectively, comply with federal regulations, reduce stress, bolster employee morale, and help dislocated workers toward practical, effective re-employment.

Service Clusters:

**BUSINESS INFORMATION EXCHANGE:** Services include workshops and seminars, resource library, Internet courses, coordinator reports, newsletters, town meetings (e.g., economic summit), etc.

**HUMAN RESOURCE SUPPORT:** Services include consultation/assistance provided for personnel policies, job descriptions, labor law, interviewing, hiring, firing, workers compensation, benefits, etc.

**EMPLOYEE RECRUITMENT:** From articulating the job description, to designing a legal application form, to advertising, screening applicants, reviewing related labor law, performing the initial interview, and narrowing down the fields of candidates to a manageable number.

**EMPLOYEE TRAINING:** From training new hires to skill upgrades, on the job, in the classroom, in customized workshops, or over the Internet.

**LAYOFF ASSISTANCE:** Layoff transition services for the business and the employees, from a single individual to a full closure. Services include employee orientation, needs survey, planning committees, lawful termination, One-Stop job seeker services, etc.

**PUBLIC POLICY:** Assisting a local business person access local, regional, state or federal public policy decision making of interest to local business.

Frequent communication among area providers and between providers and area WIA managers is also a key component in NoRTEC and Los Angeles City for cross pollinating new ideas about business services and for encouraging a far flung network of providers to operate on the same general business service page. In Los Angeles City, each One-Stop is contractually required to have a designated business unit representative. This staff position serves as a communication link between area business service administrators and One-Stop providers. Regional One-Stop business services representatives meet monthly and all area One-Stop business services representatives meet quarterly.

WIBs also can provide technical assistance to help local providers develop and maintain quality business services. While One-Stop providers generally appreciate the technical support, one voiced concern that technical support can easily slip into compliance enforcement:

What was once area business services support for One-Stops became more of a ‘You Will Do This’ dictatorial kind of thing. There were new people at the area level and they weren’t really sure what their mission was, but they knew they had to make sure the One-Stops were doing these business services. So it became more about enforcement than support.

### Assessing impacts

What limited outcome evidence we were able to obtain for this report is anecdotal. That evidence supports claims that local business services help local job seekers, local businesses, and some local communities.

Business services field staff consistently report that the service relationships they develop with local business lead to more jobs. A representative from NoRTEC believes that serving business as the primary system customer has dramatically increased the number of job openings in some counties within the area:

Like Tehama will tell you, they used to have 30-40 placements at any given time—openings, you know, job openings. And now they’re running well up into 150 a week. And they didn’t do anything different except work with local business.

In another area, a business services representatives claims that working with business can even help some clients who are hard-to-employ:

I can cite you a number of cases where one of our staff will go back to an employer who has come to trust us and get that employer to give someone a job who might have some skills but not know how to demonstrate it. Week after week I see this happen.

Most areas have testimonials on record from local business managers who are pleased with the support they’ve received through area business services. Many areas report organizing and hosting huge, successful job fairs that bring job applicants by the hundreds (sometimes thousands) to major retail outlets such as Target and Home Depot. Certainly, these major corporations save a great deal in initial hiring and initial HR costs

thanks to area business services. There is also anecdotal evidence of customized training programs having positive impacts on local business. For example, a NoRTEC customized training program reportedly helped a computer supply manufacturer increase manufacturing efficiency and product quality by more than 20%. The San Bernardino County WIB estimates that its business services unit saved 1,100 jobs in the area last year.

Business service units in some areas provide substantial support to larger, regional economic development efforts. In San Bernardino County the area business services staff provides crucial information on local economic trends and opportunities to the Alliance for Education. This information forms the backbone of an Alliance-sponsored on-line career planning matrix. Business services staff members in a number of areas provide LMI data to public and private economic planners and businesses.

Finally, it is worth noting that business services could have a substantial impact by developing a base of political support both for individual local areas and for the larger WIA system. Some WIB business representatives already play important roles as political advocates for local areas. Provided they are well received by business customers, both core and specialized business services have potential to dramatically expand the size of this important political voice. As noted earlier, NoRTEC helped organize this local voice by collecting signatures from over 1,000 business owners or managers throughout the area on a statement citing the benefits of NoRTEC's business services. Area managers now use this clear statement of business support to market and advocate for their programs. A strong voice of advocacy from local business owners and managers could help increase political support for the WIA system at local, state, and federal levels.

## Universal Services

Historically, job training programs reach only a small fraction—by some estimates as little as 1 to 5%—of those in need of employment and training support (Lafer, 2002; Mangum, 2000). WIA has extended the reach of job matching and job placement services in local areas by establishing universal eligibility for core services offered at One-Stop career centers. Asked to state what they like best about WIA, local stakeholders often start with the idea of universal eligibility: “It’s great that we can now serve everyone without having to worry about eligibility.” A One-Stop manager:

Anybody can walk in the door and they don’t even have to give their name, walk into the Resource Room, and avail themselves of what is there. For those of us who have been around since CETA days it was always, ‘Okay, let’s fill up these six inches of this file folder,’ and then you can give a service. [Now] we can say, ‘Well, welcome! Come on in!’

Compared to JTPA, WIA services reach more people, including individuals with fewer or no barriers to employment, but in most cases do so with less depth of treatment. The services now emphasized include direct placement, job matching, short-term workshops, and drop-in assistance. By contrast, JTPA served fewer and needier individuals and provided more extensive occupational training. The change is a direct result of WIA policy signals—particularly the tiered sequencing of services—and in this regard local implementation appears to strongly mirror federal intent.

While there are some self-help features of the universal services offerings, it would be a major mistake to characterize the existing universal services system as a self-help system. As we document below, universal services customers often require extensive staff assistance. In addition, the line separating the core services available to any citizen from the intensive case management services supposedly offered only to enrollees is in reality quite blurry. Increasing, more intensive levels of staff-assisted service are part of what is needed to best serve the diverse array of resource room customers.

These trends help explain the local area resentment we documented in our second interim report—a genuine anger that the WIA performance system provides local areas with no way to gain credit for the large numbers of citizens they serve in resource centers. Some but not all local areas have swipe card systems that enable them to capture information on how many and what types of individuals are being served, and what services they receive. No area has devised a system for tracking employment outcomes as a result of universal services, and more than one respondent questioned whether such an effort would be useful. Comparing One-Stop resource centers to a public library, one local administrator argues: “libraries don’t get evaluated by those kind of outcomes; what matters is how many you serve and the quality and accessibility of the service.”

The remainder of this section provides more detail on the following aspects of universal services:

- The impact of declining resources;

- One-Stop physical settings;
- Use levels and staffing in resource rooms;
- Varieties of core services;
- Reaching demographic groups;
- Services for individuals with disabilities;
- Reaching geographic areas.

## **Declining resources**

Cuts in WIA funding have forced One-Stop contractors to downsize their physical operations, reduce the number of One-Stops, move to smaller quarters, lay off staff, and cut programs and services. A comprehensive overview of these changes, based on the responses of executive directors from across the state, is available in the second interim evaluation report published in April, 2005.

A 45% decline in the total number of One-Stops between 2001 and 2004 means that universal services are not as easily accessible in some geographic areas as they were initially. We saw vivid evidence of the impact of these cuts in the nine counties that constitute the NoRTEC consortium in Northern California. A program director from Trinity County described her situation like this:

At one time we had 5 One-Stops in Trinity County, and then [lost partners] one by one. And it's not just that they didn't want to be there, their funding was cut, too. As EDD employees retired, they didn't re-staff, and then, as their leases expired, they said, 'We're not going to lease out facilities in other buildings.' The whole CalWORKS program in our county used to have its own building, but their staff has shrunk, and they're back down where they started. And so we moved from a 10,000 square foot building, and it was a nice building because we had huge conference rooms, and we had an 18-computer computer lab, and we had 3 conference rooms. We moved over here and we have 2,000 square feet. Our rent there was like \$3,500 or more a month, and our rent is less than \$2,000 here, and it's necessity. So, scale-back, scale-back, scale-back. Staff development has been cut tremendously; I used to go to conferences like CWA and stuff like that. I don't go to conferences any more. We haven't been able to replace our computers.

Another NoRTEC county went from four One-Stops to one, although it maintained a “co-location” status at former installations by leaving computers with partner agencies so that job seekers could access many One-Stop services electronically. As a contractor said:

When our funding was reduced, everyone's was. I mean, this was something that was across-the-board to all our partners as well. We had really good relationships with them, they used to all be co-located with us. When these budget cuts came, we had to figure out some kind of creative ways to continue those partnerships through technology. And so we are electronically connected to all of our partners. We call it Smart Net, we meet monthly, so that we all know what's going on: We have an electronic newsletter, called Smart Net News, that everybody submits articles for. And then every time there's an opportunity for them to be in the One-Stop, to do orientations for their services, or what not, that's what we do.

Some local area administrators argue that the intent of WIA legislation was to have EDD pick up the costs of One-Stop infrastructure under its obligations as a partner, since EDD already had the Job Services and CalJOBS functions in place and often had acceptable facilities as well. Instead, local areas typically bear most or all of the costs of infrastructure out of their formula WIA allocations, reducing the amount available for services.

Securing and maintaining the physical space necessitated to operate these centers is not cheap. On the other hand, once you pay for the building and related infrastructure costs, core services represent a relatively inexpensive way to provide professional job matching services to large numbers of citizens. While some argue that more core services can be offered on-line via the Internet, not all citizens have computer access and it appears that much of the benefit to clients comes from the availability of staff assistance. This is particularly true for individuals with more barriers to employment or less stable work histories.

### **One-Stop physical settings**

The look and feel of One-Stop centers vary—a few still mimic traditional employment offices, but the majority now have a more modern, corporate appearance, in many cases complete with inspirational, corporate art on the walls. Typically there is a front desk with a friendly staff person who can steer users in the right direction. Quite often near the desk is some kind of visual announcement of scheduled workshops that are available.

Our interviews suggest that the choice of One-Stop buildings and locations is driven by a variety of factors. Perhaps most important is the availability and affordability of sufficient space. Convenience for customers, including a location accessible by mass transit, is also taken into account.

We have no data on whether the more corporate image of some One-Stops influences the likelihood that job seeker or business customers will use the facility, although staff sometimes speculate that this is the case. For example, many noted that they had made specific efforts to project a more corporate image as part of their larger goal of appealing to employers.

The general atmospheres inside resource rooms can be most often equated with that in libraries. Generally clients sit working quietly at computers, while staff circulate to provide individual assistance. Occasionally the quiet atmosphere may be disrupted, either by the presence of an unruly customer or by an impromptu celebration when a client has found a job. At one One-Stop a client landing a job is touted with music and a Pay-Day candy bar, and has his or her picture taken to add to a wall of success stories.

## Security

In recognition of the wide range of individuals who walk through the doors, many One-Stops take the precaution of having uniformed and armed guards. At one One-Stop we visited, staff noted that unemployed individuals often have mental health issues; they responded by enlisting a mental health professional who offers a support group on site. Other local staff noted that they attract some regular clients, many of whom are repeat customers intent on finding a job, and a few of whom use the center primarily as a place to find social support. Staff we observed dealt with the latter with tolerance. Some adopt a professional style designed to turn the individual's attention back to the job search. In other cases they "just hear people out." We witnessed one staff member listen to a customer spend five minutes telling a story about how he lost his most recent job. Afterward, the staff member noted:

We get a number of people who have problems that will make them hard-to-employ, but unless they ask for additional services we just help them with the computers. We can't make assumptions. Some people just stop in for the social interaction. We're just a stop along the way to wherever they are going. That's OK. As long as they don't disrupt other people and can follow the rules. We check in with them and see how they are doing.

## Physical separation of universal from intensive services

Where universal services and intensive services are offered at the same location, they tend to be physically separated. Intensive services are offered in another part of the building, sometimes behind locked doors, within a maze of cubicles, on a second floor, or other barriers. In other cases intensive services are provided by sub-contractors at other locations.

## A mobile One-Stop

One area, Tulare, offers services through a specially designed bus operated by one of its CBO contractors, and paid for with a Community Development Block Grant rather than with WIA funding. This allows them to reach small rural communities whose citizens cannot access the regular One-Stop facilities. Both universal and intensive services are available. A staff member gives a picture of the unit's capabilities:

It has 10 computer workstations that are connected to the Internet, so job search, résumé preparation, all that kind of thing is right there on the bus. It has a cellular fax machine so you can fax a résumé to an employer. There are cell phones there that you can call and make job interviews. It's a resource room. It's connected by a satellite dish and it runs off its own generator so you don't have to plug in anywhere. We can just drive the bus up anywhere, park it, open the door, and we're open for business.

The mobile unit becomes a multi-use resource for rural towns. Children come aboard to do homework and in one farm worker community we were told that:

There's a little old lady that comes there once a week right at 9 o'clock and if the driver's five minutes late on opening the door, she's knocking on the door. She gets on and goes to the computer station way in the back, logs on and sits there, and teaches herself English.

### **Use levels and staffing in resource rooms**

Because uniform data is not available, there is no readily comparable data on the use of universal services. From our observations, it is apparent that One-Stop centers get a significant number of visits, ranging from dozens a day in the smaller locations to hundreds at some of the larger sites. During our site visits, One-Stops were always in use and sometimes quite busy, depending on the location and time of day.

By mandating universal services but failing to provide a dedicated funding stream for them, WIA legislation seems to presume a self-help system. By contrast, most local respondents agree that a viable system of universal services requires significant amounts of staff time. A One-Stop manager comments:

Supposedly Core A is completely self-directed. Who are you kidding? It takes a lot of staff to support those self-directed services. Staff are always out there helping people with the computers or resumes or something else. The only things out in that resource room that are completely self-directed are the bathroom, the water fountain, and the pamphlets. The rest of it takes staff time.

A local administrator echoes: "It is always staff assisted. There's always somebody that has to help in some way, shape, or form."

The extent of staff assistance varies according to the need of the individual, the local area's policies, and the available time of the staff person on any particular day. Depending on their size, most One-Stops have from 1 to 4 staff members sitting at desks and/or circulating in the area where universal clients come in, ready to assist. If a client marches purposefully to a computer and plunges right into their own job search, staff may drift over and ask how things are going, and maybe recommend a look at the job listings that are posted. If a new client seems unsure of where to begin, a staff member comes to help. One-Stops run the gamut from allowing job seekers to circulate through the universal services area at will once they're checked in to providing one-on-one service to each incoming individual, even if he or she has been there before. In one One-Stop, universal customers stack up in chairs waiting for their turn for this personal assistance. In another, critique of resumes is a regular staff function.

### **Universal services in a demand-driven system**

Some local One-Stops post job openings where any client can view them, while others are more careful to screen candidates with initial assessments before directing them to opportunities they deem appropriate. For example, in one area a client must speak with a job coordinator in order to get employer contact information. The job coordinator checks the job requirements against a self-report of the client's background. If the applicant is

qualified, she receives employer contact information. If she is not qualified, she and the job developer explore other options.

Given their strong focus on meeting employer needs, NoRTEC resource rooms feature a continual interaction as job orders are taken, circulated, and filled. In describing how this looks in one NoRTEC county, a One-Stop business representative provides a snapshot of the interaction between job seeker and the staff member working the universal services area:

Our staff, when we take a job order, we put it into the system to create this flyer. And this flyer, before it ever goes on the wall, goes out to everybody in the form of an e-mail, and it has special instructions with it. 'Here's a new company for us, they would be great because the doctor really is looking for whatever; if you have anybody, it's a careful pre-screen, make sure they're- whatever.' So staff sort of has a heads-up on that one. And then they can go onto the wall as well. So then staff, when people come in, and somebody says, 'Oh yeah, I'm here to apply for whatever, because I saw it in the paper, whatever,' they might also say, 'Hey, maybe you should also check out this one over here.' They're looking- they should be sort of looking for people who, in their minds, match something particularly well, that they might not be aware of. 'Oh, you're bilingual. Well, here's this position that just came out, you might want to check it out.' And these come back to us in our boxes, we take a look at them, and they are subjective, you know, 'Shows great customer service skills, may use eye contact; doesn't have it on their resume but actually did work in a mill for 2 years in high school,' whatever. And then we collect those, and however we said we'd get it to the employer, we get it to the employer.

NoRTEC has also developed a "skills pool," essentially a way of tracking the skills of non-enrolled clients when they initially register, in order to assist staff in making job matches.

The walk-in traffic at One-Stop centers provides staff with a ready mix of clients from which to cull those likely to match the job orders received from business, or likely to be good candidates for enrollment. In some One-Stops, case managers are available for drop-in counseling services that customers can sign up for. These sessions are often a couple of hours in length, allowing the client to receive more extensive counseling related to their interests and goals, and the case manager to gain information that helps the decision about whether to enroll.

#### Self-help as default when resource centers are understaffed

A few resource centers are understaffed and individual attention is rare:

What is happening, basically, is we provide the information and employers and job seekers find each other. It has absolutely turned into a self-help system. There are no longer the resources to do screening. We get the job order in the system, and we teach the job seeker how to use the system. We try to guide as much as we can, we try to help the job seeker know how to present themselves to an

employer, know how to screen themselves for appropriate jobs. But we're not spending a lot of quality time with each individual

In these situations, clients spend a good deal of their time working alone at computers, or reading through information provided on information sheets, bulletin boards, or in other fashions. Staff find that having good resource materials can cut down on the amount of time they have to spend with individual clients, and in many local areas these seem to have been the product of a joint effort of all the One-Stops, since they are similar from site to site.

#### Providing services to non-local area residents

Either by custom or by explicit policy, One-Stops generally serve whomever walks in door, regardless of whether they live in the local area or not. In isolated cases, this becomes a point of contention between adjacent local areas, particularly in cases where clients flock to an area deemed to offer better service than their neighbor. In one case, a government One-Stop contractor decided to close its operation because it came to realize that most of its clients were coming from another political jurisdiction.

#### **Core services**

WIA legislation specifies a three-tiered service sequencing in which core services represent the first tier. The legislation lists the following core services that are available to everyone and are to be provided at all One-Stop centers (Brustein and Knight, 1998, p. 34):

1. Determination of whether the individuals are eligible to receive assistance;
2. Outreach, intake, and orientation to the information;
3. Initial assessment of skill levels, aptitudes, abilities, and supportive service needs;
4. Job search and placement assistance, and, where appropriate, career counseling;
5. Provision of employment statistics information, including the provision of accurate information leading to local, regional, and national labor market areas;
6. Provision of performance information and program cost information on eligible providers of training and other services;
7. Provision of information regarding how the local areas are performing on local performance measures;
8. Provision of accurate information regarding the provision of supportive services, including child care and transportation;
9. Provision of information regarding filing claims for unemployment compensation;
10. Assistance in establishing eligibility for welfare-to-work activities and programs of financial aid for training and education that are not funded by the Act; and
11. Follow up services for participants who are placed in unsubsidized employment for not less than 12 months.

From our observations, most but not necessarily all of these services are readily available at any given One-Stop. Local areas sometimes expand on this basic list. For example, here is the definition of core services in one local area, as defined by local WIB policy:

- Determination of eligibility for assistance under title 1B
- Orientation to One-Stop centers
- Initial assessment of skill levels, aptitudes, needs for additional assistance
- Employment statistics, job listing
- Performance info on training providers
- Info on unemployment insurance
- Information or referral to supportive services
- Determination of eligibility for welfare-to-work
- Use of resource room
- Internet browsing
- Internet accounts
- Workshops and job clubs
- Talent referrals
- Initial development of employment plan

In another area the list of resource room services includes:

- Computer access
- Fax, copy, phone access
- Resume, interviewing, job search workshops
- One-on-one job coaching (moral support, resume hints)
- Employer and employer agency recruitments
- Referral to partner agencies
- Orientation to One-Stop services (strongly encouraged)

Although the exact array of services varies from area to area, or within areas between different One-Stops, something similar to the above lists is available in most locations.

#### Workshops a key service delivery vehicle

Workshops are a common method used to deliver information to job seekers, allowing a more intensive focus on particular topics than can be provided one-on-one in resource rooms. Typically, One-Stops maintain a regular schedule of workshops on topics such as:

- Orientation to One-Stop services
- Job search strategies
- Work readiness skills/job clubs
- Motivational or self-esteem
- Resume writing
- Basic computer skills
- Interviewing skills
- Literacy
- GED (although most refer clients to other organizations)

- Workshops for dislocated workers on more advanced topics, such as salary negotiation, advanced interviewing skills, etc.

SELACO puts a major emphasis on a motivational workshop that is offered to selected clients:

We try to assign it to individuals who are thinking of changing occupations or who are referred to training or are simply there to find a job. We have a variety of clients. There are some that know exactly what they want to do and some that are completely lost and they are practically falling into depression because they cannot find a job. This has helped many of them. We have a high success rate.

Tulare County has developed an “ethics in the workplace” workshop that is offered periodically to both job seekers and incumbent workers.

One difficulty in offering workshops is the diverse needs among the One-Stop’s wide range of clients. In one area with a high number of dislocated workers, we heard concern that the workshops aimed at higher skilled clients to the neglect of others:

I think that a lot of our workshops are too high-powered, I think they are aimed at people with a lot of already really good job skills. You’ve got to be quick, you’ve got to be able to follow...I don't think we always serve blue-collar workers very well in the workshop environment. We do in other areas, but not in the workshop environment.

#### Access to computers and email accounts

Access to email accounts and to basic computer skills are vital to many clients who lack their own computers and in many cases any familiarity with computers. Free use of computers appears to be a key attraction, and some One-Stops have to institute a waiting list and individual time limits during peak hours. Computers are equipped with the various software necessary to support job search; often some are dedicated to CalJOBS only. As in other workplaces, keeping computers working and up-to-date is a key function and cost. Most of the machines we saw appeared to be of fairly recent vintage and in working order.

#### Referrals to other providers

Sometimes One-Stops identify needs that can be better met by other local organizations. For example, resource room staff at the Sun Valley One-Stop found that many Spanish-speaking customers did not have basic computer skills to access the CalJOBS system. In response, the One-Stop partnered with a local community college to develop a course in basic use of computers that is conducted in Spanish. The One-Stop provided classroom space and computers while the college provided an instructor. These classes are offered on a regular basis at the One-Stop, free of charge.

## **Reaching particular demographic segments of the population**

Tight WIA funding creates a zero-sum game in which special attention to any particular group reduces services to other universal customers. Within this overall constraint, One-Stop centers make some efforts to expand the reach of services to particular demographic groups. The one common focus for targeting resources is the disabled population, which—as mandated by law and as a matter of special statewide commitment—receives special attention in service planning and delivery.

### Translation services and cross-cultural connections

Given the increase in non-English speaking clients, translation services are an urgent priority. Most One-Stops offer translation, either via bilingual staff or through a unique system where clients can call a service contracted by the local area to provide translation. The latter option is used in larger urban areas that confront a large number of languages among their client population, more than can be served with their existing staff.

Armenians make up over 50% of the population in Glendale (part of the Verdugo local area) and a large number of Armenian immigrants in the area do not speak English. According to community leaders, this is becoming an increasingly important local workforce issue, yet Armenian employers and job seekers infrequently use the system. A former president of the Armenian Chamber of Commerce was named Vice Chair of the WIB. Through his community connections, the Verdugo One-Stop helped to organize an Armenian Chamber of Commerce job seminar bringing together employers and job seekers and introducing the Armenian community to One-Stop services.

The English Center for International Women at Mills College uses a combination of WIA and foundation funding to serve immigrants who don't speak English. Their program of intensive ESL combined with training in office skills is one of five programs touted by the Casey Foundation for its ability to promote a quick transition to self-sufficiency. It avoids the more common pattern whereby an individual works at a low paying job for years while going through an extended adult school or community college program at night.

Under some circumstances, having a linguistically diverse clientele creates more options for One-Stops in their role as suppliers of labor to employers. As an Oakland One-Stop staff member states:

In downtown Oakland we have a heavy Asian population, we have a heavy Spanish-speaking population, we have African-Americans. The strength of the clientele is their diversity. Someone will call and say, 'I need 10 people who speak Cantonese or Mandarin.' We look at it as a plus as opposed to a minus. You might look at it as a barrier, but I look at it as an opportunity. 'You only speak Cantonese; well, I have businesses that need people who can speak Cantonese. I need a bunch of guys who are willing to load trucks. Fine we've got guys just out of jail who are willing to do that.'

### One-Stop specialization

One-Stops within a given area sometimes specialize by serving different client niches. For example, in Alameda the three community colleges that operate One-Stops serve more displaced workers and workers re-entering the labor force, while other One-Stops tend to serve more low-income clients. A One-Stop placed in the midst of a large Spanish-speaking population has chosen to offer a job club in Spanish.

Sometimes demographic targeting is implemented via decisions about which contractors to fund, as certain nonprofits are known for working with particular communities. Examples include the Chinatown One-Stop in Los Angeles, known for its work with Asian immigrants, and the Unity Council and Lao Family in Oakland, with strong connections in the Latino and Asian communities, respectively (among others). Through a subcontract with Allen Temple, a faith-based organization, Oakland also targets ex-offenders.

### Special grants

In other cases WIBs recognize a sizable minority group that makes up a significant percentage of the local population, and make special efforts to find out their needs and seeks special funding. For example, Tulare County has received numerous special grants aimed at its farm worker population, and Sonoma County has targeted youth leaving foster care.

### **Providing services to persons with disabilities**

WIA legislation (section 188) contains provisions that are designed to ensure universal access to workforce services delivered through the One-Stop system. California has taken a proactive stance toward these provisions. State legislation (AB 925) that became effective January 1, 2003 created the California Governor's Committee on Employment of People with Disabilities, housed in the Employment Development Department. This committee helps develop state policy and recommendations, and assists local areas in building their capacity to serve disabled populations. For example, the Committee helps co-sponsor an annual training forum with a regional Department of Labor office. Topics related to serving the disabled are also a frequent occurrence at statewide meetings of the California Workforce Association, and local areas also draw support from disability-related consultants.

Given the broad focus of our evaluation, we cannot provide a detailed assessment of the quality of service delivery to the disabled. However, we did make special efforts to talk to disability navigators in local areas, and we were able to gather some general observations about how One-Stops were set up to serve individuals with different types of disabilities. Consistent with what the governor's committee has reported (Governor's Committee, July 2004), we find that the commitment and capacity to serve the disabled population varies considerably across local workforce areas. Some areas appear to concentrate on fulfilling minimum legal requirements, while others are engaged in special

efforts through resource leveraging, developing targeted programs, and intensive staff training.

### Variability in how disability is operationally defined

One important factor influencing the level of commitment is the way disability is operationally defined. There appears to be fairly wide variation among and within areas in the understanding of what counts as being disabled, and whether the local area should make special efforts during registration to identify those with disabilities. For example, in one area a One-Stop official says: “We are learning that things like substance abuse are considered disabilities, which has raised the percentage of disabled at one our One-Stop from 2 to 12%.” Other One-Stops take a laissez-faire approach, relying solely on client self-identification: “If they don’t identify themselves as disabled, we don’t count them as disabled.” Comments like these suggest there are good reasons to question the reliability of the reported data on how many disabled individuals are served in local areas. They also reinforce the recommendation of the governor’s committee on the need for a better system of reporting and collecting disability services and employment data (Governor’s Committee, July 2004, p. iii).

### Disability Navigators

Disability Navigator funding has given some areas added resources to serve the disabled. Among our 10 case study areas, we encountered one area that has not applied for navigator funds and does not see a need for it in the population it serves, while most others have either one full-time staff person who serves as Navigator, or several staff who have taken on Navigator tasks as part of their job description. In some systems the navigator has considerable status and is looked upon with pride. One Navigator describes her job as being “a champion for persons with disability.” Another Navigator is herself in a wheelchair and provides staff training and services with the added benefit of being able to relate personal experience.

Staff training is one of the Disability Navigator’s main responsibilities. The amount, kind, and intensity of staff training differ considerably across areas. Some local areas already had training programs for their staff before the Navigator grant became available, and some have developed staff training programs since then. The way staff is trained ranges from on-site training sessions to on-line training courses and workshops. The Navigators themselves first undergo intensive training before they pass on their expertise to other staff. The goal is to have every employee be aware of the special needs of the disabled and to be able to provide service themselves or to make in-house referrals or referrals to other organizations and service providers.

### Special efforts to serve the disabled

Table 4 provides a partial list of improvements, special services and programs that case study areas use to serve individuals with disabilities.

**Table 4. Examples of special services and programs to expand disability access**

**Technology improvement at the One-Stop center:** text readers, software, or height-adjustable tables, or other technologies to serve the blind or deaf.

**Outreach to and networking with disability support organizations:** In some areas the WIB organizes partnerships with other organizations such as service providers and advocacy groups for persons with disabilities.

**One-Stop staff training and staff capacity building on disability issues:** Use of on-line training or training at special workshops or conferences.

**An employability hotline:** disability related information for employers and job seekers; hotline staff can refer callers to disability coordinators at each of the area One-Stops for follow-up connections.

**HR disability seminars and training programs for employers:** Topics covered by the programs include disability etiquette and effective interviewing, cost effective workplace accommodations, updates on disability law, and information on tax credits and other financial incentives.

**Developing information toolkits** and other marketing materials to assist and attract the disabled.

**Referrals** to the Department of Rehabilitation and other organizations.

**Applying for federal grants** to leverage Navigator resources. Examples are Project Inclusion, a national program that has provided several years of funding to one site, and the Ticket-to-Work program.

**Developing a community directory** for disabled services.

**Helping employers comply with ADA regulations.**

**Working closely with local employers that hire disabled people.** Target and Wal-Mart were mentioned as superstores that make an effort to hire people with disabilities, and that the One-Stops work with closely for client referral.

**Developing resources for use by One-Stop staff:** This goes beyond staff training and refers to reference material specifically put together for One-Stop staff to use.

**Public service announcements** on local cable stations and news releases. One Disability Navigator mentioned this as an efficient marketing tool to promote One-Stop services to the disabled population.

## Partnerships with Department of Rehabilitation programs

A key partnership impacting services to the disabled is between One-Stops and local vocational rehabilitation programs. In most areas, vocational rehabilitation programs operate a parallel system to the One-Stop system, focusing specifically on the needs of the disabled population.

Leaders of both WIA and rehabilitation programs share a strong commitment to serving the disabled, but the integration of vocational rehabilitation partners into One-Stops was problematic in more than half of our case study areas. The most frequently mentioned barrier to more extensive collaboration with local WIA systems is the strict state rules and regulations governing vocational rehabilitation programs. Essentially, vocational rehabilitation is a categorical program operating in a One-Stop environment that is attempting to move away from categories toward more integrated services. This causes inevitable tensions.

With sympathy, a staff member who works closely with the Department of Rehabilitation describes the difficulty of being a true partner with this agency:

Rehab's rules are very strict. A Rehab worker can only do Rehab stuff. So, for example, when we have an orientation, we never know who's going to walk through the door; probably they aren't all people with disabilities, they're not potential Rehab clients, so a Rehab worker isn't really supposed to be doing things like orientation because of their funding.

A member of the Department of Rehabilitation in Sonoma County underscores the difficulties this state agency is experiencing:

It becomes a challenge to commit staff to the One-Stop. So far in this area we've tried to remain direct service partners but at some point we may have to decide to go electronic. That's been a challenge. For many agencies like ours there have been hiring freezes and subsequent reductions in our staffing in the past few years. When that happens, it is a huge challenge to our commitment to the WIB. We have to decide where to put our resources. That's the challenge for the WIBs is that everybody is making those kinds of decisions.

Whether and how these barriers to a full One-Stop partnership should or could be overcome is a potentially fruitful topic for state-level talks across the two systems. Such talks might be informed by the experience of Sonoma County, where WIA system leaders have built a strong relationship with vocational rehabilitation. Although they acknowledge limitations rooted in the distinct mission of vocational rehabilitation programs, local leaders see WIA has having expanded the opportunity for partnership between the programs. One states:

In the WIB structure, if you're a mandated partner, then you have a say-so in terms of what kinds of services go on there and what direction the organization should take. It's been helpful to have some voice in terms of what's going on so that we can develop services for people with disabilities at the One-Stop instead of having them come to my shop.

Speaking of Vocational Rehabilitation, a Sonoma staff member said:

We also have good working relationship with our Dept. of Vocational Rehabilitation. We've been very lucky. All I can attribute it to is that the individuals who are in the management positions locally representing those state departments are a different breed or something, because we all stay on the same page and work together very well. Not that we don't have our conflicts or our arguments, but regarding the big policy issues, they're very much right-on partners.

### **Targeting services by geographic region within the local area**

In a perfect world, WIA resources and services would be deployed so that all citizens, regardless of where they live, have relatively equal access. In reality, a number of factors constrain the availability of services. As resources shrink, remote rural areas or the more rural parts of an urban local area often end up being less well served. For example, closure of a Petaluma One-Stop created significant hardships for local job seekers who found it difficult to get bus or other transportation service to Santa Rosa.

We encountered a number of strategies used by local areas to target resources to particular geographic areas. In some local areas, One-Stops are located according to the boundaries of city council or county supervisor districts. This is done in part to placate political interests, but it also can have the effect of ensuring that services are somewhat evenly spread throughout a local area.

In Sacramento, at least some of the One-Stops have been located in areas known to have high unemployment rates, an attempt to concentrate WIA resources where they might be most needed. Oakland has been gradually increasing the resources it devotes to community and faith-based organizations who work in specific areas of the city, taking advantage of their infrastructure as strong and well-established nonprofit organizations.

Finally, it is worth noting that local areas sometimes devote resources to serving areas beyond their specific boundaries. For example, because SELACO manages an ETP program for the region, it often serves employers beyond its specific boundaries. Also, no matter how local area boundaries are drawn, it will always be possible for individuals to walk into a nearby One-Stop across the boundary from where they actually live.

## Intensive and Training Services

WIA legislation specifies that intensive services are available only to those who are unable to find employment through core services, and have been determined by the One-Stop operator to be in need of intensive services to find employment. Intensive services are defined in the legislation as including:

- Comprehensive and specialized assessments of skill levels;
- Individual employment plans;
- Individual and group counseling;
- Case management; and
- Short-term prevocational services.

WIA treats formal training services as a last resort for individuals who have been unable to find employment via core or intensive services. Even then, training is offered only when funds are available, case managers believe the client will benefit, other funds such as Pell grants are used first, and the training meets any other conditions set by the local WIB.

As predicted, this service design has led to a significant decrease in the number of individuals receiving formal occupational training compared to the past (Mangum, 2002). As of 2003-04, WIA adult and dislocated worker programs in California used more than \$352 million dollars of federal funding to formally enroll more than 100,000 job seekers in intensive and training services (California Budget Project, 2005). By comparison, a 1995 report identified 208,662 individuals who were enrolled in 1992-93 under JTPA (Bradshaw, 1995, p. 7).

A One-Stop contractor notes that it is axiomatic that as funding goes down, training numbers drop:

We're doing less training of job seekers than we used to do because we just don't have the money to do that. And it went along with our being more business-focused, and being more business-focused we look more at, there's a job opening and they want to hire somebody immediately that has these skills, not that there's a job opening and we want to train somebody who two years from now will be ready for those skills. So, as we lost some money, we became less focused on sending people to long-term training, and more focused on getting people jobs immediately, or giving them just a very short-term training, which fit right in with what businesses were asking for and needing.

In most local areas, universal, intensive services, and training services are managed by the same One-Stop operator. Tulare County is an exception; most of their adult and dislocated worker intensive and training services are provided by one of two CBOs that subcontract with the system operator which provides the core services.

## **Enrollment decisions**

Previous evaluations of performance management in federal workforce programs have found that local areas engage in a variety of behaviors designed to make their performance look as good as possible (Barnow and King, 2005; Franklin and Ripley, 1984; Mangum, 2000; Young, 1988). This includes “creaming,” whereby preference is given to enrollees deemed most likely to help meet performance measures, along with strategic behavior regarding the timing of program entry and exits (Barnow and King, 2005, p. x). Some criticize this practice as a form of “gaming” that diverts resources from those most in need, while others defend the practice as the best way to ensure that public funds achieve the intended results. A One-Stop manager critical of the current approach states:

I understand the importance and the need for performance measures, because the surest way to lose all your money is to have no measures, because then you lose public support. But our performance measures feel to me like they are so high that you have to do such up-front screening, that we are not providing services to people who would benefit because we are not willing to risk them.

A contrasting view comes from a case manager:

Performance measures mean that the money that you’ve actually spent on these individuals has a positive outcome. How you control that process will control your outcome. This is basic economics, so you use profit optimization. So, when we look at profit optimization, we want the most efficacy of the system that we can get.

The decision as to whether to enroll a particular client is made deliberately and carefully, driven primarily by the need to meet performance measures and to gain the confidence of local employers. Most local areas set performance quotas that One-Stop contractors must meet. One-Stop staff are encouraged to identify job seekers who will help meet a service category quota (e.g., dislocated worker) or a wage retention quota. A case management supervisor comments:

We are constantly concerned about the numbers, especially this time of year. We have three weeks left in the year and every day the executive director is asking about the numbers and the director of operations is asking every day about the numbers. I have a staff that is very concerned about the numbers.

### Provision of some intensive services to non-enrollees

System administrators, One-Stop supervisors and case managers all acknowledge that One-Stop staff commonly provide intensive-level services to customers that are not formally enrolled. For example, one area has a policy of working with clients in the intensive services mode for 60 days before enrolling them officially, in order to further ascertain the client’s likelihood of succeeding. In other cases, minimal levels of intensive services are offered as something case managers do to soften the harsh effects of the “creaming” made necessary by performance measures. A case manager explains:

We help lots of people, but we won't enroll them unless we have a good shot at making that wage increase. You don't want to shoot yourself in the foot, but you also don't want to screen out people who really need help.

Another case manager described a process whereby easier- and harder-to-employ clients are balanced within the overall caseload in a way that performance quotas are still met:

You want to reach out and touch as many people as reasonably possible, so you use profit maximization. We're going to blend some of those people that might be considered creaming, and some of those who are hard-to-serve, and try to moderate that provision of service to assist our community.

One CBO contractor in Oakland—the Unity Council—believes that most of the clients that walk through its doors need intensive case management. They are able to sidestep the normal pressure to cream clients because they can place clients in jobs controlled by their own organization. For example, Unity Council can place clients at different levels of teaching because it offers Head Start services to more than 500 families; these clients are also enrolled in community college child care programs so they can move up a career ladder. Unity Council manages three senior housing facilities and multi-ethnic senior support programs in which they can place clients as support services workers.

#### Who makes enrollment decisions

Typically, the enrollment decision is made by the individual case manager, but in some areas the decision goes through a case review team made up of case managers and their supervisors. If there is concern about a particular individual's ability to meet wage retention requirements, the enrollment decision is sometimes reviewed by senior staff. In some local areas, this is more typically an issue in dealing with dislocated workers, who must not only be placed but must meet specified wage replacement standards, one of the more demanding federal performance measures. A One-Stop director notes:

If the case manager is concerned that the individual was a high wage earner...say they were making \$25/hr and it now appears they can now only get \$12/hr., we will have a round table. We meet with all the case managers, the manager of the department, the assistant director and we will discuss if we are really be able to help this person or not.

Case manager enrollment decisions are often informed by a weekly staff meeting where information is shared on how well the unit is meeting various performance targets. For example, the numbers might show that dislocated worker enrollments are running low and emphasis is put on increasing those enrollments. Or placement percentages may be low, forcing case managers to be more selective in seeking out job ready clients.

#### Factors influencing enrollment decisions

The exact criteria which case managers may use for enrollment decisions can vary, and the process involves difficult discernments shaped by judgment, experience, and local

mission and circumstances. A One-Stop official in an area that emphasizes serving job seekers says:

Does this person have retention written on his forehead? That's where we're trying to go, and we want to make sure that this person has retention. For a while, they (the case managers) were trying to find people that were perfect. I had to remind them that *we* work and we're not perfect. So you have to allow a person some areas that have to be addressed while they are working on their training or trying to find a job. You do not have to be all polished up and shiny when we put them into the program. We're supposed to do that while they're in.

NoRTEC offers dislocated workers a choice between being retrained, relocated, or re-employed—a choice that involves difficult tradeoffs between the need for immediate employment and the likelihood of getting a job that will approximate or exceed the previous wage rate. The resulting decisions are heavily influenced by the nature of the local economy and the educational opportunities that are available.

One obvious red flag precluding enrollment is if the client has a known drug or alcohol problem. These individuals are typically referred to treatment programs, with the option of returning to the One-Stop after they have completed their programs.

#### Co-enrollment with other One-Stops

In some cases clients are co-enrolled in different One-Stops in the same local area, but we were told this happens only when they are being served by clearly distinct grants or funding streams. For example, an Oakland case manager has an enrolled client who receives support services from Oakland and is also enrolled by the Alameda WIB in a biotech training program.

#### **Case management relationships**

At the heart of enrolled WIA services is a one-on-one encounter between a job seeker and a staff person seeking to help him or her find meaningful employment. In this fundamental respect, WIA services are not unlike those that were offered in previous federal job training programs, including the Job Training Partnership Act. Like other educational endeavors, workforce development services are staff-intensive, and work best when the staff are well-trained, staff-client ratios are kept to reasonable levels, and the goals of the encounter are clearly specified.

When some One-Stop administrators and staff describe the connection between case managers and clients, they emphasize the fragile self-concepts of many job seekers, many of whom come in depressed because they have been unable to find a job. Many of our informants describe case management in terms that sound like a counseling relationship. A case manager comments:

Whatever the clients come in with, we sit and listen and try to help. People come in here who have some kind of family crisis. Prison. Drugs. We try to help them deal with these life issues. There is a lot of fear. We hold their hands and walk

them through the process. What kind of help we provide really depends on the kind of problem they bring in.

A One-Stop supervisor comments:

Someone may have support from friends and family but often there is still the tension around not being employed. That person can come to this place and there is someone who will sit and talk, give counsel, encouragement, whatever, without any of that tension.

One case manager made a poignant observation about how she increasingly finds herself in the same boat with her customers:

You're helping victims of layoffs when you are facing the pink slip as well, so how can you possibly give these people the hope and the optimism that they so desperately need to continue a job search when they are dealing with depression, illness, and poverty and when you are facing the same issues that they are?

### Constraints on effective case management service

A number of aspects of WIA implementation clearly have made it more difficult for case management staff to provide the level of assistance job seekers most need. Funding cuts mean higher staff-client ratios. We heard of ratios as low as 1:30 and as high as 1:90. Higher ratios can translate into less frequent client interaction, a problem since case managers report that at least some of their clients need daily or near-daily calls and attention. Funding cuts also cut into staff training resources, reducing staff opportunities to network, and to stay up-to-date on funding opportunities and innovative partnership practices. Finally, the introduction of business as a primary customer led some staff to tell us that they are in a more ambiguous position—is their goal what is best for the client or what is best for local employers? Or can this riddle be solved to the satisfaction of both parties?

In areas that have made employer relationships the highest priority, we found case management relationships with clients to be just as caring and supportive as they are where job seekers are the priority. To the extent that there are differences based on mission philosophy, they are more likely to show up in the enrollment decision process than in the way intensive services are conducted. A NoRTEC case manager describes their role in supporting students who have gotten Pell grants to attend community college training programs:

A lot of times we'll case manage, and help them with support services, and track them as they're going through their training. It's amazing how many different things can come up during the training, like the child care provider situation at the beginning might be well taken care of, and they have back-up; but then during the course of the training [something] falls apart on them, and it's like, oh geez, we can help with making that coordination with the local childcare provider, and see if they're eligible for any other funds to help with the cost of that.

### Local variation: single point of contact or multiple case managers per client

Many local areas indicate that the preferred situation allows a client to relate to a single case manager through the entire post-enrollment process, including intensive services, training, placement, and retention. A One-Stop administrator stresses the importance of initiating the one-on-one relationship between case managers and job seekers early in the process:

If we connect the client with a case manager right away, we begin that relationship right away. The case manager feels more comfortable about making the enrollment decision and the client feels more comfortable because they have a contact person. ‘This is your case manager. This is your counselor.’

An exception is one local area that splits case management activities by function such that a client might interact with a different case manager for assessment, training, and/or retention.

One reason to emphasize a single point of contact is that clients seem to prefer it, and it is more likely that clients will “disappear” when they are handed off from one case manager to another. However, at least one local area assigns a particular case manager to deal with all clients in the retention phase of services.

### Client assessment and individual employment plans

If it has not already happened in the pre-enrollment phase, entry into enrolled services leads to some form of interview and assessment to determine what the job seeker wants, followed by development of an individual employment plan.<sup>7</sup> Because of the broad nature of our inquiry, we are not able to describe the specific types of assessments being used, their success in steering clients in the right direction (rather than wasting time following a path they later regret), or how well they fit with those being used by local employers, but this is an important topic worthy of increased attention.

### Expectations for client involvement on their own behalf

Across all areas, enrolled clients are expected to show their commitment by researching potential employers and by interviewing people who work in the type of jobs they are seeking. Often the client’s willingness to complete these steps becomes a key determining factor in whether they become eligible for training if they have not yet found a job.

Clients in one local area are required to put together a fairly elaborate application, consisting of labor market information to show their skill will be in demand, evidence of having visited at least three potential training providers, and evidence of having considered the “entered employment” rate and average starting wage for each of the training programs. Table 5 describes a 13-step advancement to training process used in one area.

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<sup>7</sup> We heard of one or two cases where this step was skipped because it was not deemed necessary.

**Table 5. Example of Process for Client Advancement to Training**

1. The client is referred by a case manager to the One-Stop training coordinator.
2. Initial screening by training coordinator (Dislocated Worker? Legally eligible for WIA funding? Realistic occupation goals? Likely to follow-through?).
3. Client must fill out Individual Service Strategy form. (Basically a resume of the last 5 years).
4. Formal application for WIA-training (filled out by client w/ assistance from training coordinator).
5. Client must research desired job title.
6. Client must search local newspapers or internet to find at least 5 local job openings in the desired job category (must go over job qualifications with training coordinator).
7. Client must research and identify appropriate schools off state ETPL list (Internet).
8. Client must audit 2 or 3 schools, sit in on classes, talk with instructors and students.
9. Select school.
10. ITA contract issued.
11. Client must get school signature on ITA.
12. Client must sign agreement to maintain contact with training coordinator.
13. Client must have phone or in person contact with training coordinator every other week for the duration of training.

Other examples of prerequisites for advancement to training include the requirement that the client can speak English before receiving training services (other than ESL), and the requirement that clients pay for their own drug testing when that is required by the training provider.

One apparent benefit of these arrangements is that they have the effect of encouraging clients to be active on their own behalf, rather than simply be passive consumers of pre-set services. Also, the presence of performance quotas provides a measure of security against the possibility that this process will result in a total shift of risk and responsibility for training choices onto the client, since case managers continue to have a strong stake in the success of training for each client.

### **Training services**

Four overall trends are suggested by local evidence. First, fewer individuals are receiving any type of training services using WIA funds. Second, WIA dollars are often part of a leveraged, multi-organization effort to support an individual's training program. Third, the training that is provided is typically of relatively short duration. Fourth, despite the

use of individual training account vouchers (ITAs) and the eligible training provider list (ETPL), client training choices are strongly guided by WIA case managers.

Behind these trends are a number of forces pushing in the direction of less-intensive training. One is the decline in funding. A second is the influence of work-first philosophy, implicit in the sequences of services. A third is the new economy, since the decline of stable manufacturing jobs has undercut older forms of occupational training that presumed large numbers of well-paid and stable jobs in a particular industry.

The result is a system that places more emphasis on facilitating the flow of individuals into existing jobs with whatever occupational skills they already possess than it does on developing new skills that add value for individual workers and local businesses. This strategy comports with the short-term wishes of many employers. It also meets the immediate needs of many job seekers, who want a job as soon as possible. Whether it is the best long-term strategy for workforce investment remains an open question. One long-time national workforce system leader points to the historic evidence linking good wage outcomes to occupational training of longer duration (Mangum, 2000), and questions the wisdom of a system that serves more individuals, but in a relatively short-sighted manner.

### **Tradeoffs between training and other services**

All 10 case study areas report shortages of training funds. Increasingly scarce WIA training funds are used to pay for supportive services (e.g., school supplies, textbooks, mileage, bus passes, uniforms, tools, testing, school fees, referrals for clothing, housing, legal advice, food, or child care) while the actual costs of training are borne by community colleges, adult schools, other public or private entities, or even by the job seekers themselves (who are sometimes required to contribute parts of the cost). This makes it more difficult to assess the exact contributions of the WIA system using traditional accountability mechanisms.

Federal and state allocations and directives set the parameters within which the local tradeoffs surrounding training are experienced. A system administrator:

The current administration in Washington talks about how we are going to train American workers; train them back to work. Well, where is the money to back that up? It is not there. Last year we had enough money to train ten people in this area.

A One-Stop manager:

The state gives us enrollment goals. Well, if I have to enroll to meet that goal that means I need a certain number of staff and office space and overhead. How much is left for tuition? A pittance. So that is what we go back to the Board with, 'Let's put a pittance into training and do the best we can.'

A One-Stop director:

We have a certain amount of money set aside in our budget for training and when we run out, we're out for the rest of the year. It happens every year. In orientation we let the customers know we only have a limited amount of money for training. We try to keep it as real as possible.

### Competing priorities: training vs. universal services

While federal and state decisions constrain local options, there is still ample room for local discretion in defining and managing the resulting tradeoffs. Many local stakeholders identify a tradeoff that pits training funds against the need to provide universal services. Overlapping this disagreement are questions about continued investment in One-Stop infrastructure, the bricks and mortar necessary to maintain facilities. A system administrator:

I don't want to sound like I'm a nut that wants to tear down all the One-Stop centers, but if you look at the share of revenue that goes into those centers versus other strategies for workforce development, we are out of balance. I mean we created this enormous One-Stop infrastructure, but we don't have any training dollars to use it. We need to shift some of that money that is now going into infrastructure.

A business representative on a WIB complains that the costs of maintaining area One-Stop facilities limit WIB resource flexibility and subvert the intention of WIA:

I've been told by certain people that we're not supposed to train people anymore. Our job is to maintain the system. Well, I go to Washington and talk with our congress people every 8 to 10 weeks. Congress believes we're still training people. All they want to know is 'Where's the training dollar?' They still call them training dollars in Washington. In California, we call it rent. We have all these One-Stop facilities and a lot of employees....

Some believe that the local area troubles are at least partially self-inflicted. An administrator from a partner agency who has long-time experience in workforce development comments:

When the WIBs got started, the first thing they did was take all those dollars and with stars in their eyes they went out and bought or rented all these cool buildings. They put in really nice cabinets, really nice chairs, nice tables. They hired staff. They were so rich they did all this and still gave people money to go to private schools. OK, now they are facing a budget crisis that they knew was coming. I mean, hell, it was written in the original legislation. So what is the first thing they eliminate? Training. When they had the money they should have been working out contracts with community colleges, adult schools, ROP programs.

A city staff member:

The One-Stop providers are good because they give people an opportunity to come in and use the computers, but maybe we could integrate that service with the library system. The function is valuable, but I'm not sure we need to pay for

the provider's rent in order to do that. We could free up funding for more emphasis on career ladders, strategic industry clusters, living wage jobs.

### **Strategies for extending scarce training dollars**

The severity of the tradeoffs pitting training against other WIA services are readily apparent when one considers the steps local areas must take to extend scarce training dollars, including:

- Capping training expenditures;
- Directing clients to other publicly funded training;
- Using WIA training dollars for support services;
- Advising clients to delay training until after they are employed.

#### Capping training expenditures

Most local areas now institute formal caps on the amount of training dollars per client. We have heard of caps as low as \$2,500 per client, but they are more typically in the \$3-5,000 range. Tulare County staff report that ITA amounts were initially set at \$7,000 but have now been cut to \$3,500. Sonoma County staff report a WIA-funded training ceiling of \$3,000 per individual, with up to \$5,000 possible for non-English-speaking and disabled job seekers. However, a Sonoma case manager said that \$10,000 is what was needed for “real training” and another staff member said, “We run out of training money most years.”

In San Bernardino County, local area policy allows case managers to make the decision to provide training if training costs are less than \$1,500. If the training costs \$1,500 to \$3,500, it must be approved by the One-Stop supervisor. From \$3,500 to \$7,500, it must be approved by a regional supervisor. Training costing more than \$7,500 must be approved by the WIB director.

In some cases caps are deliberately relaxed to take into account the needs of particular clients. A One-Stop case manager:

They [the WIB] made the decision that if someone is monolingual, other than English, or they have a special need in terms of disabilities, that they would be allowed to go over the [allotted] amount. Because they might be in training longer if they were monolingual, or bilingual, or their English needed some work, or if they were disabled, they might need some more adaptive equipment, or they might need some additional time in training.

Sacramento County instituted a maximum Scholarship award or cap for each critical industry that is based upon the average tuition and allows a higher scholarship for industries that pay a higher wage. Oakland negotiates discounted tuition with private training providers in return for enrolling five or more students at one time.

### Directing clients to other publicly funded training

One change from the JTPA era is that case managers must now be much more aware of other local sources of training support, rather than simply knowing the rules and regulations governing WIA training funds. The most common strategy for leveraging scarce training dollars is to direct customers to local adult schools or community colleges. In essence, resource scarcity requires that WIA officials seek out arrangements whereby the chief cost of training for enrolled clients is paid by other public programs. It is beyond the scope of our research to ascertain whether these arrangements constitute a reasonable division of labor that allows the most efficient or effective use of public funds in any given local network. Clearly, leveraging training in this fashion does not expand the total sum of local resources available to support individuals in need of training and related support services.

For example, SELACO tries every possible avenue to tap into funding other than its own. It does so through referrals to schools which are publicly funded, such as adult schools and community colleges. Moreover, it tries to work with those schools that allow for the flexibility of combined funding through Pell grants. A local administrator explains:

[We] try to accommodate the client and the school, but not every school is flexible. We try not to deal with the ones that are not flexible, and if they are not Pell schools we don't deal with them. Basically, we can't afford to. When we had more money that we could spend, it was a different ballgame.

A Tulare County One-Stop manager indicated that the first thing they do when someone qualifies for training under WIA is to see where else funds might be found to supplement WIA dollars:

...if someone is WIA-eligible, the first thing we require them to do is go through financial aid, to see if they can get a Pell Grant. Then you supplement what they can't get. We also help them buy tools, uniforms, and things like that... We stretch our money by figuring out who needs it the worst, like—say someone's getting a Pell Grant, we're supplementing the rest of it for them to go to school. Maybe they have some other source of income, so they don't need us to buy their tools as much as someone else does. We kind of look at all that.

Another example is the Chinatown Service Center in Los Angeles City, which serves an immigrant population. Out of one group of 70 WIA enrolled customers, 47 have been sent to city or county adult education ESL classes. The One-Stop director estimates that in the last year his customers received about \$20,000 in ESL classes that did not come out of One-Stop training funds.

Sonoma County staff advise clients to take full advantage of unemployment benefits while they are finishing school, applying for assistance under the EDD-administered Trade Adjustment Act programs which provide training grants of up to \$10,000 for qualified individuals, and applying for special grants targeted for victims of the decline in the computer and telecommunications industries. They also note that beginning in 2004, Workers Compensation no longer provides vocational rehabilitation services directly;

instead, they give the recipient a voucher for training. Since many of these individuals are beginning to seek professional guidance at the One-Stop, they can be counted as an individual served, but the One-Stop doesn't have to pay for their training.

#### Using WIA dollars for support services that leverage training

In many health care training partnerships, WIA funding provides social support services such as child care, transportation, and the cost of books, uniforms, and equipment while funds for the training itself come from other public or private entities.

For example, as part of the larger Health Care Career Ladders Initiative in Los Angeles, a local One-Stop is working in partnership with a Kaiser Hospital and a local proprietary school to provide LVN and RN training. Kaiser is offering subsidy and flexible work time for the training that will support the career ladder advancement of their current employees. The proprietary school is providing scholarships to help defray training costs. The local One-Stop is providing gap and extra support funding for nurses who qualify for WIA enrollment.

In Sonoma County, the WIB chair is a Kaiser Permanente Senior Vice President who, through her connections with the three hospitals serving Sonoma County, helped spearhead a process that resulted in several sizeable hospital contributions to support various aspects of health care training not covered by state grant funds, such as the cost of prerequisite classes. The Tulare County WIB has also helped broker partnerships between local hospitals, the local community colleges, and the employment connections to help leverage grant funds. In both cases, WIA funds are spared as much as possible so that they can be stretched across a greater number of enrolled students.

In another example, the Chinatown One-Stop recently started a new program funded by grants from the Rockefeller Foundation and the California Endowment. This program, California Works for Better Health, operates on the assumption that better jobs leads to better health. One-Stop customers who are eligible for the program are placed in career training (e.g., health care, construction) or career pre-training (e.g., ESL). The California Endowment pays for this training, and the One-Stop uses WIA training funds to provide support services. The One-Stop director estimates this program leverages approximately \$14,000 per customer for healthcare training or \$8,000 per customer for construction training.

#### Advise clients to delay training until after they are employed

In many cases, case managers advise clients to attempt to get a job with their available skill set. For example, rather than encouraging a client to go into training, SELACO will always first assess the client's skills and look for transferability. At least one SELACO respondent strongly believes that this strategy is being underutilized in the job market, because clients and companies are not sufficiently aware of transferable skills.

A NoRTEC case manager counsels clients to go to work first, and then be realistic about what kind of training they can get while working:

And what we try and do is give people alternative ways to pursue that education if they need that, like knowing how to access financial aid, and adopting a more realistic approach. This is probably what most of us would have to do if we decided right now to go back to school, or change careers, or pursue education. You'd probably have to work and fit school in part-time; you're not going to do it in 2 years, or 4 years. It's going to be a long-term plan. Sometimes it's helping people look at how they might do that, and helping them access the job that will work with their needs for going to school.

### **ITAs and the ETPL List**

Two key policy mechanisms instituted by WIA are individual training accounts (ITAs) and the Eligible Provider Training List (ETPL). The idea was to provide an informed consumer choice among a variety of training providers whose results are regularly published.

Consistent with previous research (Barnow and King, 2005), most case managers we interviewed describe the ITA process they use as a form of “guided assistance.” Local implementation of the ETPL features has been uneven; the lists seem to be working fairly well in some areas where locals put a great deal of energy into implementing the provisions, while other areas report that the system is plagued by a variety of problems that have precluded full implementation or led to the need for creative workarounds.

### Case managers’ role in guiding client choices

Voucher systems presume that consumers are in a good position to make informed choices. Yet most disadvantaged clients are reliant on the guidance and assistance of experienced case managers. Most case managers describe the ITA process they use as a form of “guided assistance,” where clients choose among options that have been framed by case managers. The options are determined by the case manager’s sense of the reputation of different providers. One case manager describes this approach:

It comes down to their choice, but if I’ve had negative experience with a school, I will share it. I don’t think it’s fair not to let them know what’s going on.

Another notes:

We make the client aware of the ETPL list, but basically we steer them to the school that will best serve their needs. After years of doing this we know which schools are good and we try to direct them towards those schools.

Case workers, training supervisors and employer services representative do not hesitate to advise clients on what they consider to be poor programs. A One-Stop manager:

I do know that when a training program burns somebody, word gets round, and our supervisor will not...if somebody is not good, don’t even bother bringing that option to her, because she won’t sign it.

While the ultimate choice of training providers lies with the enrollee, WIA staff seek to protect clients from the over-inflated promises made by unscrupulous training providers. One case manager explains:

It's not fair to our WIA enrollees that they search this list of, say, class A truck driver schools and they are not told that they have to have 18 months road experience before they can get a job. They go for 4 weeks of class A training, get their class A license and are ready to drive a truck but, they don't have 18 months experience as a truck driver. And it is their choice. They make the ultimate choice and we can only say, 'If you do this, this is what will happen.' The schools are constantly saying, 'Don't listen to them. We'll get you a job.' It never happens.

### *Supportive roles played by case managers for clients enrolled in training*

Case managers play supportive roles before and during training services. A key role for the case manager is to help the client face reality. As one training coordinator puts it:

I've been called a reality buster. I don't want to see them back on the streets. Many of the people who come through here don't know the true situation out in the work place. Part of my job is to help them get a realistic idea of kind of work is really out there...to get the ads from proprietary schools out of their head.

Another role case managers' play is monitoring the training programs themselves, to make sure they are complying with the ITA agreement:

If there is a problem, I call the school to fix it. Some of the schools photocopy the textbook and I get after them. I say, 'No. We're paying for real books.' Sometimes the school skips over something that was on the course outline and the client is not getting that information, so I call the school. Or if the client is sick or injured and we need to extend the training for some reason. I'm like the law and make it right.

In some areas, case managers also handle employer contacts, while in others clients work with both a case manager and an employer service representative when seeking employment.

### Challenges associated with ETPL lists

The problems start with the fact that many potential training providers, including many community colleges, have been unwilling to sign up for the ETPL list, which ironically has the effect of limiting client choices rather than expanding them. Some of the providers are turned off by paperwork and tracking requirements that are deemed excessive. In fairness, these complaints appear to be diminishing, in part because local areas have taken steps to make the paperwork as user-friendly as possible. In other cases providers are concerned that the stream of referrals to their training programs is not likely to be enough to risk the upfront cost of curriculum development. This concern is exacerbated as the number of individuals being trained has declined.

The ITA system itself adds to the problem, since its focus on individual vouchers eliminates the practice common under JTPA of reserving slots in classes for a larger group of individuals. One local community college administrator sees the need to move toward a “bundled ITA model” in which the One-Stop identifies groups of job seekers who qualify for ITAs and will benefit from training programs designed around local employer needs:

Customer self-selection of schools sounds good in theory, but I am not so sure it works well in practice. Rather than having students just go out and find a school, we should focus the training dollars based on industry needs.

Another difficulty cited by local areas is incomplete implementation by EDD of a system that provides timely, accessible, and easily comparable performance data across training providers. Without it, the basis for informed choice is not present.

To overcome this difficulty, many local areas have developed their own systems for tracking provider performance. For example, NoRTEC maintains a list on its web site called “vendor performance” which lists various training institutions alphabetically, together with the initials of clients who have taken a given program, the clients’ home county, the date upon which graduates found a job, and the wage they received. A brief section follows the title of each program which gives the number of students that have taken the course, how many have received a certificate, how many have found employment, and the average wage they are paid.

The requirement that ITA-funded training leads to a certificate is another difficulty. A case manager explains:

When we had JTPA, if a person only needed computer software they could go enroll in software classes. It was black-and-white, it was easy, it was simple. Now it's very difficult to get just software classes, it has got to be bundled in a certificate program. And a lot of people that walk in, that's what they need, that's the skill they're lacking, so there's been kind of a disconnect there.

In one local area there is only one adult school on the ETPL list, and they became eligible after deciding to present a certificate at the completion of every class. Now the case manager is delighted to be able to send people to pick up the one software class they need:

...every single class they have, they got approved, and basically, a certificate....[T]hat's great, that they did that, somehow they figured it out, and they got themselves on the list that way. Now I get to send people to individual computer classes...

### **Types of training emphasized**

According to WIA legislation, training services that can be carried out with adult and dislocated workers include (Brustein and Knight, 1998, p. 35):

- Occupational skills training

- On-the-job training
- Programs combining workplace training with instruction
- Training provided by proprietary schools
- Skill upgrading and retraining
- Entrepreneurial training
- Job readiness training
- Adult education and literacy activities in combination with other services
- Customized training

The major trend evident in our local cases of WIA implementation is a de-emphasis on longer-term occupational skills training in favor of short-term training of one of the other types. Below we examine the first four categories, since they are the ones we encountered most frequently in the 10 cases we studied.

### Occupational training

In the current system, occupational training that occurs is usually the result of 1) special grant programs, such as those funding nurses training; or 2) influence of labor or labor/CBO coalitions that make occupational training for higher wage jobs a local priority. Often community colleges play key training roles. Higher levels of training are more likely where local areas have more funds relative to the numbers they serve, such as in local areas that receive larger appropriations relative to their population base due to high local unemployment.

Training programs for the following occupations were among those we most frequently heard in our local interviewing:

- Nursing and other medical positions;
- Truck driving and transportation;
- Construction;
- Mechanics;
- Plumbing.

By contrast, we learned that in some areas advanced computer training is not encouraged, because it is expensive and often becomes obsolete in a short period of time.

### *Targeting training resources to high wage jobs*

Of our 10 local cases, Los Angeles and Sacramento stand out as having WIB policies to promote training that leads to higher wages. The City of Los Angeles has a training program called City Jobs (Aaron, 2002). City Jobs provides paid training and comprehensive support services for the hardest-to-employ individuals who are living below poverty levels. City Jobs participants are guaranteed living wage jobs with the city once they complete the program.

Originally funded by the city through a federal Welfare-to-Work grant, funding of the program transferred to WIA and WIB oversight once the Welfare-to-Work grant ended.

Between 1999 and 2002 the City Jobs program trained 237 participants with a 71% job retention rate. In recent years, the City Jobs program has decreased in size and scope due to funding cuts. In the 2005/06 budget the WIB provides \$75,000 for the program.

SCOPE, an anti-poverty CBO that helped design City Jobs considers it a model job-training program. Their analysis of the program cites five factors in City Jobs success:

- Livable wages and benefits;
- Soft skills and hard skills training;
- Job placement and career advancement opportunities;
- Support service system staffed by dedicated project coordinators;
- Continued collaboration and oversight by key stakeholders.

Sacramento has a system in place that enables it to track how various providers are doing in meeting wage targets. Staff report back to the Workforce Investment Board on which training programs fail to meet sustainable wage standards. This information is used to make decisions about which trainers to use in the future.

#### *Community colleges as a source of occupational training*

Although some community colleges have opted out of the ETPL system, examples of productive training relationships between WIA and community colleges abound. For example, Tulare counts the College of the Sequoias as an ideal partner, and refers many ITA clients in their direction. The college cooperated fully with ETPL requirements, and connections are strengthened by the presence of a former WIA staffer who presently works for the college, primarily in expanding capacity for the nursing program. The number of hopeful students presently exceeds the college's ability to find classrooms and teachers, but by doing some creative scheduling, the college expected to go from accepting a maximum of 50 students twice a year to 80 students twice a year. They are working closely with local hospitals, which are donating both funds (\$1.3 million during the same 5-year period as they're receiving \$1.2 million from the governor's Nurse Training Initiative) and state-of-the-art lab space.

In Sacramento County, the local community college system has opted out of the ETPL system. Nevertheless, the local WIB and the community colleges collaborate on state and federal grant proposals to fund training programs for the healthcare and construction industries. Eligible students are co-enrolled in WIA adult programs for case management and supportive services.

In another local area the WIB used the governor's 15% discretionary funds to develop and support a career ladder training program for skill upgrade of local electricians in the manufacturing industry. A local community college designed the curriculum. A second community college developed a more extensive mechanical trades support program. Local manufacturers helped in recruitment and curriculum design.

In one local area connection between the community college system and WIA occurs through the non-credit campus of the college. The non-credit campus operates on a

separate funding stream from the regular community college. This gives the campus more flexibility and responsiveness in terms of staffing and curriculum development. Contract training is provided for the WIB and TANF through this campus. A community college administrator:

It is easier to do WIB training through our non-credit adult education. On the non-credit campus you don't have all the rules like we do with the full-semester regular curriculum. Quite often the WIB clients have to get trained more quickly and on the credit side of the system, we just can't move that quickly.

The non-credit campus offers a short-term remedial college, rather than a business demand-driven vehicle to address employer training needs. The college administrator in charge of workforce training explains:

This campus is geared towards the students who, for various reasons, are not ready to be at the college credit level. They may not speak English or they may not have basic skills. This helps them get their feet on the ground.

### Job readiness training

The presence of job readiness training on the approved federal list creates a terminological difficulty, since much of what happens during core and intensive services can be characterized as job readiness training. When forced to defend the reality that relatively few enrollees are receiving formal training services, local stakeholders often correctly note that they really do a great deal of training, but mostly in ways that don't count toward the official figures. A One-Stop manager:

The other thing that has changed with WIA is the definition of training, which is much more precise than we believe it is. Training is with an eligible vendor, and you send them off to truck driver's school, or hairdresser's school, or whatever it is. But we do training that begins when someone comes in and they're looking for a job; we walk over to the job board with them, and we talk with them, that's training. They don't know how to look for a job, a lot of people, especially dislocated workers who have always had a job. So what we do with a lot of our one-on-one Intensive Services really is training. Even the self-paced, they go in, they get on the America's Job Bank, they've never been on that before, and they look at it, and they start to build a resume, and we may provide some help, but there's also templates and things to go by, and they basically train themselves, so that's training.

One-Stop services increasingly emphasize work readiness training, rather than occupational training. The trend away from occupational training is in part a response to the widespread concern of employers who are telling the system that they have difficulty finding workers with basic skills and good work attitudes. In some areas, One-Stops refer individuals to other community providers for these services. In other areas, the One-Stops receive contracts from CalWORKs to provide work readiness training, providing a much-needed source of revenue.

A WIB member reports that local employers want their WIB to provide training in basic work skills and culture:

It's now to the point that business people are saying 'If you'd just teach them ethics, language, basic math, responsibility, like you show up on time or you call. We will teach them the technical part.' It is costly for the employers to keep having to turn over employees because they don't have basic work skills.

A business representative to a WIB adds:

I've had my own business for a long time and I'm seeing a decrease in the caliber of worker I'm getting. They aren't passing our basic math tests. They can't fill out our job applications. This basic education is becoming an important workforce issue for me and the other employers around here.

### On-the-job training

Some local stakeholders strongly support moving more funds into on-the-job training (OJT), since it speeds the process of getting clients into a job, while others believe clients get more long-term benefit from classroom training. These decisions also hinge on attitudes toward the proper relationship with local businesses, since OJT payments in effect provide employers with a short-term subsidy. Some argue this creates a mutually beneficial win-win situation, while others argue that WIA dollars are simply paying business to do what they would be doing anyway. Some areas require an employer match, although certain small businesses may be considered exempt.

San Bernardino County staff estimate that they currently spend 5% of available training funds on OJT, but a system administrator thinks they should be upping that figure to around 50%, and a member of the Business Services field staff agrees:

We should be spending more training dollars on OJT where there is a built-in job after the training is over. I think we really miss the mark when we spend a lot of money to send someone to a school and expect someone to be employable just because they attended a six week class. Employers don't want to hire someone who just got out of a class. They want to hire someone who has real experience.

In Tulare County, contracts with the two nonprofits that handle intensive services and training specify that 50% of their training placements should be in OJTs. Businesses who receive an OJT placement typically get a \$1,500-2,000 value, if they sign a contract indicating that they would not have hired the individual otherwise. One local stakeholder argues that those funds would better be spent on ITA for training and on direct placements (without OJTs):

In a county like ours, you have a low-skilled workforce. A lot of those folks need training. You are going to spend more training dollars than a county that has a skilled workforce. They just need help with maybe job assistance, job placement. Our ITA budget should have been larger and I saw it dwindle to keep the service provider OJT program going.

Others argue that OJTs are a natural and appropriate response to WIA mandates and constraints. A NoRTEC staff member:

And we've really- there's been a lot of criticism of this system that there is no training, and we've been really sensitive to that, and we've made sure that we have a healthy training budget. The difference is that the majority of that budget really goes to OJT at this point; we revamped that and really made it a true business service. So folks may go right back into the labor force in an OJT.

### Customized training

Incumbent worker training projects or “customized training” is strongly emphasized and utilized in Alameda County. These types of trainings are targeted to high growth or stable areas such as health care and biotechnology. Often customized training is designed for displaced workers in one sector, such as the airlines or information technology, by developing their transferable skills to move them into other sectors such as biotechnology, bio-pharmacology, and health care. Customized and on-the-job training is also utilized for individual companies with specific needs in order to attract and retain them in Alameda County. This includes training in vocational ESL or management training, or as one business services representative noted, in whatever areas are going to make them more competitive in their organizations. Firms that either are using or negotiating for WIA customized training include Nummi Auto Suppliers, Bayer, Genentech, and a solar panel company wanting to locate in the city of Alameda.

### Training provided by proprietary schools

Proprietary schools have traditionally played important roles in workforce systems (Young, 1988), and continue to do so under WIA. If anything, their stock may be increasing, since many specialize in the type of short-term training being emphasized under WIA, and are known for being demand-driven and able to adjust quickly to local employer needs. While case managers caution that it is important to keep an eye out for shady providers, their general impression of the schools they work with are quite positive. Many offer small classes, individual attention, and clear pathways to good jobs.

Due to the limited funds for training, it appears that proprietary schools are receiving fewer total referrals from WIA than was the case during JTPA, even though case managers value them as a source of training in most local areas.

For example, in Sacramento proprietary schools make up the majority of schools on the ETPL list and a recent report lists a proprietary school as having the highest number of enrollments to (398 over 18 months) and an 85% placement rate. Examples of the types of occupations they train for include:

- Truck driving
- Medical transcription
- Pharmacy technician
- Microsoft systems engineer
- Medical coding

- Computer services and repair technician

Comparing proprietary schools to community colleges, a community college system administrator says:

Some colleges are better at providing contract training for business than others. Private schools often have a point person who will do whatever it takes to meet the employer's need. And they are private and proprietary so they have the flexibility to do it. They just tell folks, 'Hey we're doing this and we don't have to consult with anyone.' We can't do that.

One hospital administrator chose to partner with a local proprietary school rather than a community college in developing a nurses training program because the proprietary school was more interested, flexible, and responsive:

None of the local community colleges have training programs at the LVN level. That is a serious gap. I talked with the local colleges, but there was something missing. Maybe they have great reasons. They haven't been able to give me great reasons, but they don't train enough RNs and they won't train LVNs and I don't know why. There is a huge need here, but the community colleges don't seem to be interested. They don't seek out the hospitals. I mean, they talked with me, but they never came back and said, 'Let me show you our program.'

If you call the proprietary school we are now using and say, 'This person doesn't seem to be able to take blood pressure' they pull that kid back to school right away and they either come back being able to take blood pressure or they don't come back at all. So I felt like the [proprietary] school believed in the quality I was looking for. I've seen that they really care about the product they are turning out.

## **Service Delivery Partnerships**

WIA legislation envisions workforce service delivery as a partnership among a broad range of agencies and programs. Across all 10 areas we find a strong consensus supporting the ideal of a One-Stop service delivery system. One-Stop and partner staff credit the movement toward a One-Stop system with increasing what they know about related agencies and their programs and improving their ability to assess, refer, and better serve clients.

On the other hand, our analysis suggests that WIA has not successfully addressed the most persistent and fundamental impediments to service integration. The ideal of integration always competes with the mandates, customers, and performance requirements that drive the agendas of particular agencies. It can take many years to work out the details of partnership, particularly in the face of organizational constraints that require locals to devise acceptable workarounds to agency-specific rules and regulations that stand in the way of integration.

In addition, we find that many of the key mechanisms by which WIA intended to facilitate partnership have proven to be problematic or less than helpful when implemented on-the-ground. This includes the concepts of mandatory partners, co-location, and the separation of policy development from program operation (the so-called “firewall” provision).

In this section, we illustrate these overall findings, describing key aspects of partnership as observed in the 10 local areas including: 1) implementation of the One-Stop concept, including the mandatory partner and co-location provisions of WIA; 2) contracting relationships, focusing on WIA’s “firewall” provision; 3) local leadership structures that aid One-Stop planning and coordination; and 4) service delivery relationships with particular partners, including community and faith-based organizations, EDD, and adult education. A later section will examine broader patterns of system alignment with economic development, TANF, and education.

### **Implementing the One-Stop concept**

Long before the concept of the One-Stop took hold during the 1990s, local workforce areas developed many partnerships at the service delivery level. For example, a 1988 evaluation of JTPA implementation in California found that performance measures fueled diverse partnerships driven by the need to ensure that clients received services that were critical to getting jobs (Young, 1988). That report went on to note that the quality of partnerships with particular agencies varied dramatically from one local area to the next, that funding cuts threatened or undermined partnerships, and that partnerships faced difficult barriers since agencies typically have different customers and different goals.

Based on our case studies, it appears that the WIA era has affected but not fundamentally changed these local realities. Each of the 10 local areas has more or less unique patterns of partnership, often dependent on the unique local histories and relationships between

programs or particular staff. Funding cuts undermine the ability of partners to co-locate staff and services, since agencies with fewer staff overall have a harder time contributing FTEs to the joint mission of a One-Stop facility. Even though there is widespread local consensus about the need to do so, the struggle turn categorical programs into cohesive and seamless service delivery partners is in many respects no easier today than it was in decades past.

Though our sample is too limited to draw any strong conclusions, our case study evidence suggests that One-Stop partnerships and service integration tend to be stronger in local areas where one or more of the following factors are present:

- Leaders adopt an open and flexible style that embraces partnership;
- One-Stop planning preceded WIA legislation, such that inter-organizational relationships have had longer to mature;
- The local area is large enough, and the existing organizations sufficiently dense, that One-Stops can benefit from integration without being overwhelmed by the number of potential partners;
- The focus is on ensuring that the overall service delivery system is coherent from the standpoint of individual clients;
- The WIB has set up regular processes that support ongoing integration by willing partners who share common goals such as:
  - Ensuring that all partners are made aware of all funding opportunities;
  - Having partners sit on one another's hiring committees;
  - Engaging in joint strategic planning retreats;
  - A monthly meeting of partner managers;
  - A monthly meeting of staff from all partners;
  - Finding ways to help each partner organization meet their numbers.

Under WIA, the ideal of integrated services was given a specific form, shaped by the concepts of *mandatory partners* and *co-location* of those partners at a One-Stop facility. The next two sections describe local implementation of these concepts.

### Mandatory partners

WIA legislation specifies 17 mandated partners in the One-Stop system, including: WIA adult, dislocated worker, and youth programs; Job Corps; Native American programs; veterans' workforce programs; Wagner-Peyser Act Programs; Adult Education and Community Literacy; Vocational Rehabilitation; Welfare-to-Work programs; Senior Community Service Employment program; post-secondary vocational education; Trade Adjustment Assistance and NAFTA Transitional Adjustment; local veterans' employment representatives and disabled veterans' outreach; Community Services Block Grant Employment and Training programs; Housing and Urban Development Employment and Training Activities; and state unemployment compensation programs.

The legislation identified mandated partners by funding stream or main function, rather than by specific program name, since there is variation from state to state and locality to locality as to which entities administer which federal programs. The legislation cast a

wide net, hoping that by doing so it would encourage less duplication of services among the many different federally funded employment and training programs.

The mandatory partner idea is credited with spurring valuable discussion among local partners, at least some of whom would probably not have connected as meaningfully without the spur of legislation.

On the other hand, as implemented, the mandatory partner concept has evident weaknesses as a vehicle for spurring actual working partnerships. First, the legislation did not specify the specific obligations of mandated partners. In particular, it does not require them to contribute to the costs of One-Stop infrastructure. Second, the legislation did nothing to provide local managers with the discretion they need to operate in an integrated services environment, so that exceptions to policy and regulations have to be worked out on a case-by-case basis. Third, the work-first orientation of WIA has led many of the workforce system's education and training partners to find less shared purpose with the system than in the more heavily social services-oriented past. Finally, our findings suggest that local partnerships tend to work best when they evolve organically and pragmatically, and no mandate from on high can be expected to bear the same fruit across so many diverse settings.

Administrators, managers, and staff from both One-Stops and partner agencies identify common factors that complicate relationships with mandatory partners including: different performance measures (and difficulty making co-enrollment and co-credit work), funding silos, organizational identification and culture clashes (particularly with EDD), reduced budgets, and staff resistance. The latter factor is not insignificant—some staff work better in a collaborative environment than others, a fact which is often not apparent until problems develop, necessitating staff reassignment or removal.

#### *Lack of cost sharing provisions*

The single most frequently mentioned flaw in WIA's mandatory partner concept is the lack of cost sharing provisions. When asked about cost sharing, many locals simply laughed and said, "You're kidding." An administrator explains:

We're aware that WIA money should not cover 100% of the One-Stop operation for the partners. These agencies should be paying a portion of the costs, but they don't have the budget to do it. They say, 'We're willing, but where do we get the money?'

Few local areas have been able to avoid having WIA funds bear most or all of the One-Stop infrastructure costs. In only one of our 10 case study areas, Verdugo, did we learn that all mandatory partner agencies meet One-Stop cost sharing commitments by paying rent, with partners expected to pay \$2.30/sq. ft. per month for cubicle space. (The standard cubicle in the One-Stop is 92 sq. ft.). Tulare County has a similar arrangement in which One-Stop partners are expected to pay the cost for the overhead based on the space they occupy, but a staff member notes that there is no way to penalize those who do not pay:

The problem that you have with the WIA is that they mandate that they be there, but they don't mandate that they pay. They mandate that you collect...[With a few,] there is a difficulty in collecting. The problem with it is that you basically have to kick them out, but by law they have to be there so how do you kick them out if they're mandated to be there? It's the law that is wrong. It's not written correctly in that aspect, in my opinion.

A few One-Stops have individual resource sharing agreements with partner agencies, and EDD is usually the partner most likely to be paying significant amounts toward infrastructure.

In NoRTEC, the original vision called for all co-located partners that could afford it to contribute to the cost of operating the One-Stop, usually calculated according to the amount of space they occupied, and also to help staff the common areas for universal customers. Cost sharing still does occur in a few One-Stops in this area, including two where EDD staff are co-located, and one where the county social services department pays rent:

Social Services actually pays rent here, they actually pay for the physical space, because they've got somebody here full-time. The others that are here just on an intermittent basis, we don't charge them rent, but their contribution is more when they're here, they're working with clients, they're working in the career centers, helping job seekers check out and providing the broader base of services.

In Oakland, partners looked at the contributions that each made to the system in terms of staff, facilities, supplies, and how much they cost. "People basically brought in what they had, but there were no financial agreements," said a former WIB member who was heavily involved in coordinating the One-Stop system.

In one local area, cost sharing is limited due to the perceived administrative costs that the WIB would incur if they would charge the other entities for services. The executive director believes that the minimal return would not outweigh the administrative effort. The One-Stop manager recalled that hammering out an MOU with EDD was challenging: ...the Employment Development Department MOU took 3 years because of their legal people, and our legal people. So, no, it has not been an easy process to do the paperwork.

Similar issues were encountered in one area where the local vocational rehabilitation administrator program would be happy to pay for space and actually has money budgeted for that purpose:

We have some monies in our department that can help pay for some space. The county and the state have not been able to get their MOUs and their lawyers on the same page. It's not a lot because usually the One-Stop doesn't get expensive space and my counselors aren't there full time. It would just be a little shot in the arm. That's part of the problem of bringing bureaucracies together. One of the things you have to get used to is that it takes time for bureaucracies to manage their paperwork to get it together.

### *Pragmatic approach to partnership*

In contrast to the mandatory partner approach, local officials identify partners much more organically and pragmatically. At both the service delivery and administrative levels, partnerships are frequently driven more by organizational histories and personal experiences (positive or negative) than by a detached analysis of program overlap, or a commonly held workforce strategy based on shared values.

The leadership styles of executive directors and One-Stop managers often set the tone for local partnership development. By looking for opportunities to partner, embracing partners with trust, and articulating shared ideals, leaders can promote a culture of partnership.

A Tulare County respondent notes the key role played by personal credibility and community connections:

That's the one thing that I always try to highlight when people come to talk to us, is this is a rural area...everybody knows each other. You better not make anybody too mad because you're probably married to their cousin...When we talk to people from L.A. they're like, 'Get corporate sponsorships,' and we laugh, 'Ha, ha, ha.' A corporate sponsorship is just not going to work. That's not a normal thing. You have to work together and if you come in—I tell people this all the time; like the DOL people are going to come over and I told them, 'If you go and you show up in North County, in Dinuba in a suit, nobody is going to talk to you. If you want to talk to the client they're not going to look you in the eye, they're going to be scared of you because in this environment you have to be—I don't know—trustworthy.'

The presence of trusting relationships is cited by local staff as one reason why Tulare County boasts of a high level of service integration among partners. The county's two CBO contractors, CSET and Proteus, have long-standing and for the most part mutually satisfying relationships with other system partners. They share with One-Stop partners an approach that tends to focus primarily on the needs of the low-income job seekers that are the primary clients in the area.

When locals identify their best partners they often name organizations that are not on the list of mandatory or suggested partners. For example, one local area surprised us by naming the Department of Aging and the Department of Forestry as outstanding partners. At the same time, many of the mandatory partners are deemed not all that essential, as this One-Stop director notes:

Some of the partners don't need to be here full-time. Our customers don't often need their services and when they do, we know where to reach them.

## Co-location

The concept of co-location envisions multiple partner organizations sharing a single facility in order to facilitate a central and convenient way for customers to access workforce services. In some cases, this vision is accompanied with a strong push to cross-train staff from different agencies, creating the impression for clients of being served by a single entity whose staff are not identified with their particular agency.

An alternative or variation on co-location is a “no-wrong door” system. In this concept, some but not all partners are co-located at the One-Stop center. Rather than the convenience of shopping for services under one roof, this alternative tries to maximize the number of physical points of entry into the One-Stop system. For example, an evaluation of the California Community and Faith-based Initiative found that by partnering with nonprofit groups with deep ties to particular communities, the One-Stop system expanded the reach of its services to hard-to-employ citizens (Campbell and Lemp, forthcoming).

We do not wish to overemphasize the distinction between the two approaches since they do have some points of common emphasis. For example, both approaches recognize the need for staff from partner agencies to be familiar with each other’s programs, since referral relationships and knowledge of different programs are important regardless of whether or not organizations are co-located.

### *Funding cuts force reconsideration of co-location*

Many local areas started WIA attempting to implement the co-location strategy, but were forced to abandon the attempt due to budget, space, and other operational realities. Local respondents also express a growing understanding that co-location is neither a necessary nor a sufficient condition for effective partnership relations and excellent customer service.

Many local stakeholders report that their One-Stop plans started strong but were quickly derailed. In some cases the cuts required moving to smaller facilities that did not have room to house all the partners. In other cases partner agency budgets were cut, leaving them no longer able to afford the costs of out-stationing their staff at the One-Stop. As one partner describes it:

For us it gets down to the cost of operating. To set up our computer system and support equipment in different One-Stops is just too costly.

From the perspective of the One-Stop operator, a key drawback of this trend is that it becomes difficult to work around part-time partners and still maintain program coherence. Simple things like making sure the resource room is staffed, or figuring out whose turn it is to clean up common areas can become difficult, let alone keeping track of which half day a given partner will be available. At some point, it becomes simpler if each partner operates from their own location, which is often nearby.

Partner organizations often note drawbacks associated with co-location. For example, deploying their staff to multiple One-Stops can spread them too thinly, particularly in urban areas that have several One-Stops requiring a staff presence. It doesn't help that each One-Stop operator is asked to negotiate a separate MOU with each partner organization, creating duplicate work for all concerned. Another respondent questioned whether it made sense to remove organizational identifiers from the name tags of One-Stop staff (as in done in a few One-Stops we visited, but not all), since clients often need to identify a particular organization from which they need services.

Finally, unless clear arrangements have been worked out for co-enrolling clients and sharing credit for outcomes, partner organizations fear losing credit toward their own performance measures. A One-Stop administrator used the following analogy:

Imagine the One-Stop as a car dealership. It is Toyota, Chevrolet, and Mercedes all in one. You really work for Mercedes, but there is always someone telling you that you need to make it work for Toyota and Chevrolet as well. How much are you really going to buy into it when you know that you are paid to sell Mercedes?

Most of the local areas we studied have given up on the idea of co-locating all partners for budgetary and other pragmatic reasons, but are working on other ways to approximate the benefits of co-location. For example, in one area partners developed an email newsletter designed to facilitate communication between partners housed in their own locations. In another area, staff make it a point to walk or drive referred clients to a partner whose facility is nearby.

### **Contracting arrangements**

Implicit in the WIA model is the idea of a competitive contracting system where the WIB can use RFP processes to choose the best contractors, hold contractors strictly accountable for meeting specified performance objectives, and when necessary pull contracts from providers which are ineffective. WIA legislation established the intent of separating policy development and program administration from service delivery functions. A simple way of understanding the intent would be to assume that the WIB handles policy development and program administration, while One-Stop contractors handle service delivery. If special circumstances exist, such as a dearth of qualified local contractors, local areas can submit waiver requests to enable the WIB to directly deliver services.

In 9 of our 10 local areas, there is formal separation between the WIB and its contractors, but in a number of cases informal working arrangements create less actual separation than may have been intended in the legislation. However, we find that these arrangements often have the advantage of building a cohesive local system in which there is a greater integration of WIB policies with One-Stop programs.

For example, in many areas WIB staff are housed in One-Stop facilities and they sometimes take a fairly active role in One-Stop management decisions. Two areas, Sonoma County and Tulare County, have taken advantage of WIA provisions that allow

One-Stops to be operated by a consortium of partner agencies. In Sonoma County this consortium is formally the One-Stop contractor, but key management decisions are made by the One-Stop manager, who is also employed as a manager in the same administrative agency that houses the WIB and is run by the WIB director (i.e., both the One-Stop manager and the WIB director wear two hats). In Tulare County, WIB staff play key roles on the committee that constitutes the formal One-Stop operator.

Our 10<sup>th</sup> study area, SELACO, qualified for a waiver allowing the WIB to run their own One-Stops. SELACO's executive director sees the benefits of the unified structure made possible by their waiver, one of which is that it allows them to move from decision to execution much faster than does a system that divides the WIB from contractors. There is also a very close working relationship between WIB and One-Stop. Having the two under one roof makes it possible for any One-Stop employee to walk down the hall to talk to the WIB director or deputy whose doors are always open. The WIB director has a very close ear to One-Stop operations and to employees.

Oakland has the most unusual system configuration, and it is one factor in a larger set of local conflicts. The WIB delegates system administration duties to the Oakland Private Industry Council (PIC), which carried over its organizational identity from the JTPA era. However, the PIC also operates one of the system's One-Stop centers. Controversy about this arrangement, and other issues, has led to sustained levels of conflict involving WIB members, PIC staff, city administration, and members of the city council. A formal RFP process became the occasion for disputes that have sapped the time and energy of WIB members, and pushed some to resign. Another WIB member noted, "It's been a horrible two years. The PIC's ability to be the administrator, and support contractors, has really diminished."

The key strength of the "firewall" provision is that it ensures accountability for meeting performance measures. However, since most contractors regularly meet performance quotas, it is important to consider the liabilities of this model as well. Areas that exhibited stricter adherence to the "firewall" provisions are characterized by more distant relationships between the WIBs and One-Stops, a disconnect that both parties find troubling. For example, at two of the WIB meetings we attended there was specific discussion between WIB members and One-Stop representatives who talked about what they could do to address this disconnect.

### Relational contracting

WIA implicitly endorses a competitive contracting model, which presumes that there is an ample supply of potential contractors from which to choose, and that these service providers possess resources that are more or less interchangeable. These conditions do not hold in most local areas, which approach contracting by building long-term relationships with the relatively small pool of local organizations with the requisite resources and experience.

Some research suggests that this *relational* model of contracting can be just as effective as a *competitive* model, if not more so (Provan and Milward, 2001). Our evidence suggests that greater stability among service providers is an asset from the standpoint of building coherent local partnerships and connections.

#### *A shortage of contractor partners*

WIA funding cuts and burdensome reporting requirements have caused many former workforce contractors to opt out, shrinking the pool of available partners. The dearth of partners is particularly acute in small or rural areas, but also affects urban areas. Although the latter may have a greater number of workforce development organizations overall, they also must serve a greater number and diversity of clients, many with cultural and language barriers. Relatively few organizations possess the right mix of organizational capacity and community connections necessary to effectively serve certain neighborhoods or sub-populations.

#### *Continuity from year-to-year in contracting relationships*

As a result, contracting relationships in most local areas tend to be more relational and cooperative than competitive. Contracts with well-established and locally respected service providers are renewed from year to year, as long as performance remains satisfactory. Often this occurs without a regularly repeated RFP process. Political and organizational relationships built up over time reinforce the desire to handle contracting in this fashion, but it also reflects the fact that most providers meet their performance objectives most of the time. Across the 10 case study areas we heard of only a handful of cases where a One-Stop contractor lost its WIA contract due to poor performance.

### **Local leadership structures to support service integration**

Most local areas have One-Stop site committees and/or councils composed primarily of representatives of partner organizations and One-Stop and WIB staff. These groups meet regularly—at least monthly but sometimes more frequently or for special retreats—to work out One-Stop policies, procedures, and operational details. From our observations, most local areas use these committees to handle the bulk of program planning, program oversight and continuous learning functions, and engage the full WIB in these matters only when formally required or when specific buy-in is being sought.

Areas that boast well-integrated One-Stop partnerships often give credit to these councils/committees. A committee chair in Tulare County notes the role that their council has played in making sure that all the One-Stop partners feel fairly represented and equally empowered:

I think that one of the things that made our partnership efforts pretty successful is that both the WIB and the [host administrative agency] have been willing to delegate to partners in the way that they have and I think that that has overcome any barriers that people have to working together. For example, when people make that commitment to assign staff to work in a shared location at a One-Stop

center, there has to be a lot of give and take. And I think that a lot of times people are fearful of what they are going to have to give up. And so I think that needs to be counterbalanced with what they are gaining and with a sense of—‘Well, I may have to give in terms of how we do this, that and the other thing, but I have a voice on this council that can help shape how we do things, shape policies and the procedures.’ So basically, the procedures for how the One-Stop works were developed by the partners, so there is that ownership there.

On the other hand, the mere existence of a coordinating committee cannot by itself induce coordination if the larger system is in turmoil. For example, Oakland’s One-Stop leadership committee drafted a blueprint for how the One-Stop affiliate system should operate. But progress in implementing the framework has been stymied by the larger conflict over system leadership and governance.

Tulare has both an Employment Connection Council (ECC), a subcommittee of the WIB which serves as the One-Stop operator and sets policies across their entire One-Stop system, and site committees that operate at each of the four One-Stop locations. According to a participant, the ECC is grounded in day-to-day, operational reality by the existence of the site committees:

One-Stop centers have site committees with representatives of each partner that meets on a monthly basis to evaluate how the center’s operating, what are the pros, what are the cons, and if something’s not working, come up with solutions.

In most cases, One-Stop committees or councils operate with support and direction from WIB staff and the manager of the lead One-Stop contractor. In Verdugo, the One-Stop manager facilitates monthly meetings to discuss issues of joint concern, and arranges periodic retreats to set common goals. In San Bernardino County, manager-level or deputy director-level representatives from all partner agencies get together for monthly area "summit meetings" intended as forums to share information. A WIA administrator:

We bring them all together along with a couple of our WIB members and we discuss issues that are going on. We share information about what is going on in each of the One-Stops, what’s going on with WIA and the system as a whole.

In Sonoma County, an EDD site manager became so enthusiastic about the One-Stop Steering Committee that she got the EDD Employer Advisory Council to give the committee a \$10,000 grant, with the possibility of more to come. A Steering Committee member describes what the excitement is all about:

...the Steering Committee, to me, is where the rubber hits the road, because these are the people that manage the staff that work in the One-Stops, and we, by communicating, by setting policy and procedure, we can really set the tone for customer service. The Steering Committee really is to communicate between the partners, and share information, and it’s amazing sometimes the things that we’ve done. We hear that somebody’s working on a project, and they don’t have staff for it, or whatever. The fact that I’m there, I have some staff, and I can allocate resources to projects if I need to, and so can some of the other partners. Sometimes we hear about things, and we start talking about it, and the next thing

you know, everybody says, ‘Well, hey, I’ll assign So-and-so to it, and you assign So-and-so.’ Project done.

In some of the larger urban areas, these types of committees seem to play a smaller role. One likely reason is that the system is organized to deploy a large number of One-Stops targeted to particular cultural groups and/or geographic areas. Many of these One-Stops are run by CBOs which put less emphasis on the One-Stop ideal of co-locating mandatory partners, and comparatively more emphasis on offering a wide range of services within their own organizational umbrella.

### **Partnerships with community-based organizations<sup>8</sup>**

Many of the most vital One-Stop Centers we encountered in urban areas are those managed by community based organizations with deep ties in particular geographic and cultural communities. Typically funded to operate multiple service and economic development programs, these CBOs can supplement programs supported by WIA funds with services funded by other grants. This enables them to provide a much more comprehensive range of services and to target those services at a narrower clientele, defined by a combination of ethnicity, language, culture, and geography.

Chinatown Service Center in Los Angeles is an example of a community based non-profit One-Stop operator that provides comprehensive community services. Chinatown Center services range from low cost housing to family health care, from senior in-home support to consumer education, and from individual counseling to workforce development services. Center clients are largely low-income Asian immigrants. Most Chinatown Center services, including the One-Stop, are housed in a retail office complex near downtown Los Angeles. All services are provided in Chinese. A Chinatown representative describes how they integrate One-Stop services with the other community services they provide:

We have intensive case management available to our One-Stop customers at no charge so we learn a lot about someone. If we have a One-Stop customer who needs counseling we refer them to our counseling service. If they need a pre-employment physical they can go downstairs to get that. If they need housing we’ll work on that.

A somewhat different model is Oakland’s Unity Council, a large community development corporation in the Fruitvale neighborhood which serves a large Latino population. In addition to its One-Stop role, the Unity Council is a leader in business development. Unity Council works with 300 businesses through its management of a local Main Street program, and establishes limited liability companies. Its newest project is a public market which will be the site of a farmers market, and start-up businesses that Unity Council will help incubate. This will create jobs in which WIA clients and others can be placed.

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<sup>8</sup> For a more extended analysis of the role of community and faith-based organizations in the WIA system, see our separate evaluation of the California Community and Faith-based Initiative (Campbell and Lemp, forthcoming).

A key strength of employing CBOs as contractors is that the WIA system benefits from their community connections and ability to leverage other resources. Rather than perpetuating the image of government as a vehicle for top-down service delivery, CBO partners enlist citizens in a partnership with government where problems are solved jointly (Boyte, 2004, p. 93). Related to this strength is a potential weakness: the public beneficiaries of CBO services may have little understanding of the role that taxpayer generated government resources play in the services they receive, making it harder to rally public support for government workforce programs.

### **Partnerships with EDD programs and personnel**

Relationships with EDD vary dramatically from area to area, and depending on which of its many subdivisions or particular personnel are at issue. In this section, we will limit ourselves to a few of the most consistently held views that appear to be of general importance as guideposts to understanding the impact of EDD on local WIA implementation. These include: 1) the clash of organizational culture; 2) cutbacks in the number of EDD field staff due to budget cuts; 3) issues related to use of CalJOBS; and 4) issues related to particular personnel.

#### *Clash of organizational cultures*

At the root of many tensions is a basic culture clash. EDD has responsibility for ensuring local compliance with federal and state rules and regulations. Local areas have responsibility for designing programs that are adapted to local circumstances and needs. It is not surprising that these two imperatives sometimes run at cross purposes. EDD is perceived by many local stakeholders as a rule-bound bureaucracy intent on telling people what they can't do. A local administrator describes it this way:

EDD if you follow it is a very structured outfit. They've had so many rules and negotiations over time, so that they're so specific on what it is they do that they're not very useful. They don't just roll up their sleeves and say, 'Let's go get 'em, Tiger, 'because this needs to be done and we'll explain it later.' They do not have this attitude...Now, we've had some real good luck locally, with local EDD people just really wanting to help out and get involved, but they pretty much have to disguise what they're doing to the supervisory chain up the ladder because they're not supposed to be doing that.

The latter half of this comment echoes a large number of comments we heard that reflect the great esteem in which many local EDD staff are held by their local WIA partners. One of the contractors expressed her sympathy for EDD employees who are doing their best to help but are hampered by their own organization:

We're partners. They've tried really hard here locally to provide support to us, and vice versa. We have good local folks, but they're not allowed to do anything. You know, every single decision about the simplest thing has to come out of Sacramento, and I feel for them. They want to be partners, and they live in this town, these are the neighbors, and they aren't allowed to do anything.

Many use terms like “flexible,” or “responsive” to describe what they like about their local EDD representative. By contrast, some of the state EDD personnel with whom they interact are seen as difficult partners:

They're so departmentalized, that when you're negotiating a lease, you're dealing with probably 8-10 different people. And they come as a task force. They've got their MIS person, their furniture-moving person, the supply person, the building person that inspects the building for required measurements, an ADA person; you have all these different people that are just so specialized in one thing, and then they want to drive it, they want to tell you what the lease should be, they want to tell you how much they're going to pay you.

### *Cutbacks in field staff*

A second main EDD-related influence on local WIA implementation has to do with dramatic cutbacks in the number of EDD field staff. The impact of these cuts on local WIA systems has been uneven, with many One-Stops seeing EDD pull out while others were able to keep their staff. When EDD leaves, there are many consequences. Buildings leased with the expectation of EDD as a partner suddenly must be reconfigured, or new tenants must be found. Incipient partnerships that relied on EDD staff are undercut. In addition, One-Stop partners end up picking up the slack for some EDD functions, particularly in helping clients deal with the unemployment insurance system.

### *CalJOBS*

As was the case in our local executive director survey, we heard mixed reaction to the mandate to have all One-Stop clients register with EDD's CalJOBS systems. In some local areas, case managers have no objection to CalJOBS, and find it useful in their work with clients. Many locals, however, resent the requirement because they believe that other systems, such as America's Job Bank, work better. Some locals make the point that employers want prescreened clients, not lists that include everyone. They fear that CalJOBS undermines the employer trust they are working so hard to build.

### *Issues with particular personnel*

Sometimes the difficulties in the EDD relationship are attributed simply to an EDD representative who is particularly difficult to work with, regardless of the larger system-wide issues [or vice versa]. From our interviews, it does not appear that these cases are widespread, since we heard more sympathy for local EDD personnel than criticism.

In most of the 10 local areas we were able to talk with EDD representatives to get their view of the situation. Commenting on one hopeful aspect of the recent turnover in EDD staff due to retirements, an EDD administrator notes that older EDD leaders are being replaced with new managers schooled in the commitment to partnership:

These days you must buy into partnership and integration or you don't become an EDD manager. That is the way we now do business. You don't have a choice.

How well you buy into these ideals will determine how high you go in our management. A lot of the old guard who couldn't fathom how organizational blending could work are retiring. We've now had 8 years of working towards partnership. The managers raised on these ideas are moving up the structure.

We learned that EDD staff are not always pleased with the way they are treated by local areas. For example, in one area an EDD representative complains that a local administrative department calls all the shots in One-Stop management, such that EDD does not have an equal voice in One-Stop decision making.

### **Partnerships with adult education**

We found striking differences from area to area in alignment with adult education, with some areas citing mutually beneficial partnerships and others indicating distant or distrustful relationships. The local variations often appear to be rooted in the proclivities and personalities of particular leaders, or organizational rivalries rooted in local history.

One broader factor that introduces uncertainty into the relationship of adult education to WIA is the evolution of the WIA mission away from training and toward direct placement services. Because of this, some of the workforce system's adult education partners no longer view the WIA system as having shared goals with their programs. An administrator for an education agency says:

The One-Stop center is primarily job seeking, job placement, and job development services. Our core mission is education. There is some overlap in terms of training, but it is not major. To the extent we overlap we are partners, but don't expect more than that.

From the One-Stop perspective, statewide adult school funding cuts have made it more difficult to meet local needs. As adult education programs shrink they become less desirable as WIA partners due to the declining number of clients they can serve.

On the other hand, local areas deeply involved in nurses training programs find adult schools to be excellent partners in providing certain coursework for WIA-supported students. In Sacramento, an adult school has become a valued One-Stop site. Sonoma County's second One-Stop was located in the Petaluma adult school facility to the satisfaction of all partners, until budget cuts forced it to close. More typically, local adult schools operate independently from the One-Stop, but co-locate staff at the One-Stop, at least on a part time basis. In a few One-Stops, adult schools run classes at the One-Stop facility. Butte County, a member of the NoRTEC consortium, actually contains the adult school within its Oroville One-Stop, which facilitates referrals in both directions.

The One-Stop clients most frequently referred to adult schools are those who need classes in ESL or basic computer skills. This alignment appears to reflect a reasonable division of labor in which One-Stops take advantage of an existing program rather than duplicating it.

## System Leadership

The hope that WIA will result in coordinated and effective responses to local workforce needs rests in no small part on the quality of local leadership. Under WIA, leadership responsibility is formally lodged in local Workforce Investment Boards and their executive directors and staff.

WIB executive directors are central, pivotal leaders in local workforce systems, and bear formal responsibility for local WIA programs. Their vision and imagination are among the most important factors shaping the character of local WIA systems. By contrast, most local WIBs are still in their formative stages as local institutions. Individual WIB members struggle to envision their roles and WIBs have yet to realize their potential as instruments of local systems change.

The findings suggest that simply mandating business majorities is not sufficient to empower employers create significant employer buy-in or empowerment. On the other hand, WIB meetings we observed were well-attended, generally well-run, and the occasion for a good deal of substantive discussion and dialogue.

We will first describe some critical variables that impact executive director leadership, and then discuss the evolution of WIBs during the first five years of WIA implementation.

### WIB Executive Directors

Our second interim report, “A Survey of Local Area Executive Directors,” described the views of executive directors on key WIA implementation issues. In this report, we draw on our case study observations to describe factors that constrain or promote executive director leadership. The executive directors in our sample areas illustrate the truism that leadership can come in many different forms, styles, and packages.

#### Constraints on executive director leadership

The degree of power and influence wielded by executive directors varies significantly across our 10 areas in no small part because their administrative appointments are not always alike. Our survey of local executive directors found that 57% of executive directors are less than full-time WIB directors, with the remainder of their time devoted to wearing other administrative hats in local agencies. Even full-time directors often find their time swamped with routine program oversight commitments, and it has become clear that the WIA rhetoric suggesting local flexibility does not imply that there is less red tape associated with the system, which most locals describe as *more* extensive than under JTPA.

Not infrequently, executive director time is spent putting out routine or more severe managerial fires. We heard from executive directors who had entered local areas with

management problems left behind by their predecessors and said it took them as much as two years to get things sorted out, and only then could they effectively turn their attention to larger concerns.

Similar difficulties in staying focused on the big picture faced all executive directors during the early years of WIA implementation. Areas that did not anticipate the transition to the One-Stop system had to hurry to dismantle ingrained systems in order to move beyond the well-worn paths of JTPA. Areas that had been working on implementing the One-Stop concept still had to complete the transition to the new system.

### Conditions or attributes that enhance executive director leadership

Over and against these basic constraints of time, focus, and inertia, our interviews suggest that executive director leadership can be enhanced when one or more of the following conditions or attributes are present:

- The executive director has greater autonomy and authority, either because the WIB is organized as a consortium across political jurisdictions (rather than being nested within an existing city or county department), or because of strong backing from top leaders in their administrative departments;
- The executive director deliberately nurtures a local culture and mindset that emphasizes using WIA resources to accomplish strategic local goals, rather than simply complying with federal and state directions and regulations;
- The executive director has a vision that engages others in system-building leadership, rather than focusing energy primarily on WIA program oversight.

The next three sections illustrate these points, using examples from our cases.

#### *The impact of administrative nesting on executive director leadership*

Some directors are located within a local chain of command and report to superiors in their own departments. Others are department heads who report to local CEOs and elected officials. Still other executive directors, particularly in consortia, have more latitude and authority to act independently, although even they are ultimately responsible to a governing board. The differences in structure, along with differences in the stature and respect commanded by the executive director, appear to have some characteristic influences on the nature of WIB processes and programs.

WIBs that are organized as consortium generally appear to have a greater ability to move quickly and seize opportunities, try out new ideas, discard what isn't working and move on. They also tend to view WIA within a broader perspective of community and economic development, rather than from the more parochial perspective which nested WIBs must consider when making decisions. Associated challenges of this model are fewer checks and balances to prevent autocratic control, less obvious channels for the public to gain a voice in programs, a greater reliance on the skills and personality of the executive director, increased pressure to find the right person for the job, and the difficulty of replacing him or her when necessary.

WIBs nested in government agencies sometimes have access to more funding sources, greater credibility or political clout in seeking grants, built-in mechanisms for recruiting and promoting leaders and training staff across programs, and the stability and continuity that can come from a bureaucratic organization. Associated challenges include more vulnerability to political pressure, a longer ramp up to bring innovations online, the potential to rely on long-standing processes rather than seeking new opportunities, and complex accounting arrangements.

Los Angeles City and NoRTEC provide examples of these variations. In Los Angeles, WIB staff are city employees employed through the Mayor's office and housed in the large Community Development Department, which has responsibility for the administration of WIA programs. WIB and Community Development Department staff compete for program leadership. In this environment, the WIB has struggled to develop an independent identity, and only recently has the WIB director been able to begin to help WIB members look at bigger picture issues.

Los Angeles's highly bureaucratic nesting could not be more different from NoRTEC, whose administrative home is a ranch style house in Paradise. Rather than fighting for influence within an already established bureaucratic field, NoRTEC's executive director and staff have considerably more freedom to exert independent influence over the direction of WIA programs.

Tulare County and Alameda County present something of a hybrid of these two types. In Alameda County, a strong, supportive relationship between the executive director and the social services department director creates space for creative change, and a substantial measure of WIB autonomy. In Tulare, the difference is the stature and credibility of their long-standing executive director, who has run workforce programs in the county since 1984. At the onset of WIA, the executive director was able to capitalize on his personal credibility—augmented by a proven ability to land federal and state grants—to establish WIB autonomy vis-à-vis the Board of Supervisors.

### *Moving beyond a compliance mentality*

Compliance with federal and state directives remains a strong force within local workforce systems, but effective executive director leadership often presupposes a need to move beyond a compliance mentality. Executive directors, WIB members, and other local stakeholders cite the ability of WIB directors to take chances and learn what works and what doesn't as a key feature of effective leadership. Citing a fellow executive director as his role model and inspiration, one local director says:

What I really learned from her, though, was not any of the how-to details; what I learned was how to think 'big picture.' The woman, she's just amazing that way. I just was so in awe of her, and she just seemed to have no fear, she'd try anything, and, just to see. And if it didn't work, then we'd change it. And she relied on her staff to keep her out of trouble. But she also was just very good at not necessarily

buying the first time staff said, ‘Well, you can't do that.’ She was good at saying, ‘Well, tell me why I can't do this. Show me where it's written. Where is this set?’

To a certain degree, a more experimental mindset is forced on directors by the demands of network management.<sup>9</sup> WIB directors and their One-Stop partners now build ever-shifting alliances and relationships with multiple organizational partners, managing collaborative programs that encompass job matching, job training, and business services functions, and at the same time patching together diverse funding streams that tend to be less stable than traditional WIA formula funds. An executive director explains:

Under JTPA things were task-focused. You had a project. You focused on that project. You measured that project. It was clear. Now it's all over the place. It's like chaos theory. Making connections. Jumping in and out of various systems simultaneously. The county general plan impacts economic development which interacts with education which is tied to emerging occupations which connects to building permits which connects to...It is so much different now. It's more about understanding relationships and developing a common language. I don't even know how to describe it and you definitely can't always plan for it.

WIB staff now see themselves not only as accountable to state and federal program requirements, but to local needs and demands as well. Noting how quickly WIB staff responded to WIB member's recent request for information, a WIB staff member explains:

And, 6 or 7 years ago, under JTPA, our staff response would have been, ‘We don't collect that because we're not required to.’ And now, no one on our staff would ever dream of saying that to one of our board members.

The growing complexity of inter-organizational relationships in local workforce networks makes it more difficult to determine who is responsible for what, and the juggling act associated with boundary-spanning coordination often collides with rules and regulations governing WIA or the programs of partner organizations. According to the theory of the new governance, local managers are supposed to get greater discretion in exchange for stricter accountability for achieving results of public value. The reality is that the compliance burdens placed on local managers by federal regulations and/or EDD central bureaucracies often impede their authority and ability to act as opportunistic entrepreneurs, and accountability systems are not yet agile enough to keep up with the shifting and rapidly evolving nature of local partnerships (Page, 2005).

An Alameda County WIB member notes: “We're measured for everything except innovation.” He sees the formulas for distributing funds to local areas as part of the problem, since they fluctuate primarily according to unemployment levels, rather than in response to a clear sense that certain programs are working and ready to be brought to a larger scale.

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<sup>9</sup> A leading text defines network management as “coordination of strategies of actors with different goals with regard to a certain problem or policy measure within an existing framework of organizations relations” (Kickert, Klijn, and Koppenjan, 1999).

### *Spaces for creative reflection that nurtures vision*

A number of the executive directors we talked with mentioned the CWA Future Thinkers group as a key factor which had nurtured their leadership and vision. A group of new and experienced WIB directors met to explore the challenges facing the California workforce system and the characteristics of communities that are prepared to face these challenges. The Future Thinkers group gave WIB directors the opportunity to explore issues of workforce development in the larger context of regional and community development. A WIB director credits this group with refining his vision of the workforce system and the role of the WIB in that system:

The Future Thinkers group was hugely important. It gave you opportunity to get exposed to people who are wrestling with the same problems you are and it gave you a place to explore a larger framework. It was a safe place to get away from the day-to-day turmoil of your office and talk about what you might do rather than what you need to do.

The Future Thinkers group led to a larger CWA project that explored the roles of local WIBs in the broader context of regional and community economic competitiveness. Among the characteristics or principles of competitive communities that emerged from this project were forward thinking community leaders, effective, articulated education systems, integrated infrastructures, business investment in human capital, and clearly defined career pathways (California Workforce Association, 2004). Each principle or characteristic is supported with suggestions for possible WIB roles and actions.

At issue is the pragmatic implementation of this vision. The leadership of one local executive director is noteworthy. Though politically conservative and sympathetic to the needs of local business, his response to workforce needs is not solely business-driven. He recruits local industry leaders to sit on the WIB at the same time he recruits the head of a local CBO that works with clients with developmental disabilities because “it’s an area where we should be providing more service. We have community responsibilities.” He supports WIB initiatives to survey local business needs at the same time he supports a WIB survey of local faith-based disability services. He seeks grant funding that will subsidize nurses training for major local health care corporations at the same time that he seeks a grant that provides rent subsidies for low-income workers. He supports increased business services through the One-Stop at the same time he gives CalWORKs staff a desk in the One-Stop to provide food stamp assistance.

### **Workforce Investment Boards**

The key leadership and governance strategy within WIA is the idea of creating business-led boards that can lead a system transformation toward becoming demand-driven. The following sections summarize what we have learned about the local profile of WIBs, member recruitment, and board development, paying particular attention to the views and experiences of business representatives on the WIBs.

## Local profile of WIBs

We find that most WIBs have low profiles in their local communities, and few have matured as local policy institutions. Some WIB leaders argue that the low profile is appropriate, since it is the One-Stop system that should be the focus of public attention. One local respondent adds that a low profile has certain advantages: “No one is trying to attack the WIB, to blow it up and rethink it like with welfare programs.”

Many WIBs operate in local networks where other organizations or alliances already play the system leadership roles envisioned for the WIB. In particular, a few local areas already have broad-based workforce alliances linking business to education. Others have existing economic development alliances with broad participation. In these cases it makes little sense for the WIB to duplicate the existing effort, since other local stakeholders would not be ready to accept their leadership even if they were ready to offer it. These WIBs instead must seek out ways to play constructive support roles.

Some WIB members we interviewed had difficulty articulating their role, while others have strong visions, but also had a sense of frustration with the inability of the WIB to rise above mundane program concerns long enough to look at the big picture. Changing either reality takes time, patience, and skilled leadership. One executive director sees educating the WIB as an important part of his mandate. He believes he was hired, in part, to motivate and guide the board towards a more expansive vision of the local workforce system and a more active leadership role in that system. He explains:

My job isn't to care whether a One-Stop got 110 enrollments. It is about changing the roles that people play within this system. I want our board to think about that all the time and I think they are. My strategy has been to plant issues on their agenda and let their own awareness of an issue lead them to the conclusion that we need to look at this from a larger perspective. I generally don't go to board meetings and preach this stuff. Instead I try to set up scenarios where people will observe and recognize the need for new relationships.

Another director uses a number of strategies to encourage the WIB to adopt a more expansive vision of local workforce issues and a more active vision of WIB leadership in the local community. These strategies include selective recruitment of WIB members, avoiding individuals whose agenda or style might dominate the board, and active use of the California Workforce Association principles for community in WIB member education, which were resisted at first but are gradually coming to be accepted.

## WIB member recruitment

WIA requires that local WIBs have business majorities and be chaired by a business representative. Because there is also a long list of mandatory, non-business WIB members, a large number of employers must be recruited to achieve the majority. As a result, most WIBs are large, averaging 33 members overall and with 18 business members (Lemp and Campbell, 2005). The large size of WIBs gets mixed reviews, with some praising the dialogue made possible by getting so many diverse interests seated at a

single table, and others noting that the boards are too big to get much work done, necessitating a separate sub-committee structure.

In recruiting business and civic leaders, WIBs face something of a Catch-22. Until they can demonstrate a certain level of clout and power, it can be difficult to induce local movers and shakers to become involved. Yet without their presence, it is more difficult for the boards to develop clout and power.

#### *Difficulty recruiting business representatives*

Local areas express a chronic difficulty in attracting and maintaining business representatives on the WIB; in many areas this is an ongoing task. The process of recruiting WIB members varies considerably across areas. Usually executive directors play a central role, and some serve as strong gatekeepers, such as one who routinely interviews perspective members before recommending them to the full board. In other cases, executive directors delegate most of the recruitment work to staff or rely primarily on the nominations of existing WIB members.

Generally, WIB member appointments must be approved by the local elected governing body with formal WIA responsibility, usually the city council, county board of supervisors, or representatives to the Joint Powers Authority under which the WIB operates. Typically this part of the process simply rubber stamps the recommendations put forward by the WIB and executive director, but occasionally elected officials take a more active role in recruiting members, particularly in consortia where there is concern for balancing representation among the participating jurisdictions.

#### *Characteristics of WIB members*

Across our case study areas, employers from small businesses were more likely to participate actively than were representatives of larger businesses. This trend is more pronounced in rural areas where a large majority of businesses have few employees, and less pronounced in more urban areas where larger employers are somewhat more likely to be active participants. One executive director deliberately courts and nurtures business representatives and other WIB members with a variety of incentives, such as the use of laptop computers, \$100 per diems for attending meetings, lodging as needed, and catered lunches.

Typically, WIB business representatives are participants in numerous community networks which helps facilitate alignment across workforce, economic development, education, or other local systems. In recognition of this fact, some executive directors place a high priority in WIB member recruitment on looking for individuals who have connections to areas or programs deemed important. One executive director notes:

The cross pollination is invaluable. I like it that our WIB members are also members of other local boards and committees. I want them to see part of their role as a member of the Workforce Investment Board as cross-pollinating

messages with other boards and communities. All of it interacts. All of it helps connect and leverage.

### *WIB member motivations*

WIB members we interviewed expressed a variety of motivations for their involvement on the WIB. A majority of those we interviewed expressed a strong sense of civic obligation, the familiar refrain being “to give something back to the community.” Others credited their interest in serving, at least in part, to some type of enlightened self-interest, often linked to the needs of their own business. A less subtle business representative explained his involvement bluntly:

Over 50% of our county residents have never had one course of college; 50% of black and brown students never graduate from high school. We can't let those people fail because it is too expensive for society. I am a greedy capitalist. I don't want to be taxed to death because these people are failing. We've got to do something to make them successful. I'm a public servant in my own way, but it is easier for people to understand when I say I'm a greedy capitalist. I want those guys to succeed. I don't want to pay taxes to carry them.

In local areas where there is some targeting of sectors, board members representing business from those sectors are typically involved, and help to cultivate WIB relationships with the relevant businesses.

### Board development and the learning curve for WIB members

Local areas varied in how quickly they were able to establish WIBs in response to WIA. Some simply rolled over their PIC boards established under JTPA, while adding enough new business representatives to constitute a majority. Others started over. In either case, developing WIBs as effective policy bodies with efficient procedures is no small task, and most of our respondents agree that their WIBs are still struggling to find their stride. Where board turnover is high, the process can be even more difficult and prolonged.

### *Orienting new board members*

The need to bring business members up-to-speed so that they can interact on a more equal footing with seasoned bureaucrats and provider representatives is a major task facing boards and board staff. Or, seen from the perspective of the business representatives, it can take them a long time to get government program representatives to see things from an employer's point of view. Orienting WIB members, particularly those representing business, to the work of the local WIA system is difficult. We heard many business representatives relate that for a long time after their appointment they were “swimming in acronyms,” or “lost in the fog.”

Local areas vary in how intentional they are at providing orientation for WIB members, and even the most organized orientation process cannot do the job overnight. One executive director notes that it takes his new members at least 3 meetings over 9 months

to become oriented. We had business representatives tell us it took them as long as two years to become acclimated. Cultural differences between how things are done in government and in business exacerbate the difficulties. It appears that WIB members who represent local service providers often have an easier time acclimating to board tasks and discussions than do business representatives.

Business representatives get particularly impatient when WIB staff indicate the need to run things past local, state, or federal authorities before moving forward or when an idea that makes sense in a local context is met with a comment like “the state tends to frown on that.” On the other hand, we heard both business and government representatives state that over time they began to gain a greater appreciation of how and why each sector goes about their business in the way they do.

### Board reliance on staff

Voluntary community boards are typically quite reliant on paid staff for information and direction. Interviews with WIB business representatives and WIB staff suggest that this is true in all our case study areas. In general, we found staff-board relationships to be respectful and positive, with most board members full of praise for their executive directors and staff.

### *Limited roles for WIB members in both policy development and program oversight*

Across our 10 cases, instances where WIB members directly impact local policy were widely scattered—more the exception rather than the rule. While board members express opinions about the direction the WIB should go, they rarely have the time or inclination to propose significant policy initiatives. Neither are they well-equipped to resist the reasonable explanations staff give them for why particular directions they suggest aren’t feasible. This tended to be less true where WIBs and local economic development organizations had stronger ties, such as in Alameda County and Sacramento County.

The same dynamic holds true for the potential role of the board in WIA program oversight. We find most local WIBs to have a relatively distant relationship with their One-Stop operations. In many local areas, WIBs and executive directors have reached an explicit understanding that staff should handle as much of the administrative burden as possible. At the other extreme, some WIBs have become so bogged down in operational matters, such as crafting RFPs and selecting contractors, that they have time for little else.

### *The role of information sharing*

Executive directors and their staff play a critical role in nurturing or impeding effective WIB leadership. Some executive directors are described by colleagues as experts who “hold their information close to the vest.” Others are praised for their ability to share information in ways that empower the board. Executive directors are valued not so much for the quantity of information they share, as for its quality, the efficiency of its delivery,

and its ability to frame options and engage board member participation. Conveying budget and performance information is particularly critical, and a number of local areas described a trial and error process that has resulted in streamlined and more user-friendly board reports.

We heard WIB member testimony suggesting everything from “staff actually prefer us to be in the dark,” to “we have asked staff to handle all the administrative stuff and not bother us,” to “the executive director has made a major effort to make the relevant information transparent and available so that everyone is well-informed.” Whatever approach is taken, WIB directors and staff face difficult discernments about what WIB members need to know and how and when to communicate that information.

NoRTEC and Sacramento illustrate some aspects of effective staff-board interaction. NoRTEC’s executive director drew on his background in computer programming to develop an effective Internet and email-based system for distributing information. The need to remain in close contact with such a far-flung group of service providers made good lines of communication an absolute necessity.

The NoRTEC constellation of board members and service providers has easy access to this information and can also rely on the WIB staff to be accessible via phone and email to answer questions, provide support and guidance, and run the massive information exchange that makes the whole NoRTEC operation possible. WIB staff members play essential functions in the background, interfacing with the state, interpreting the legislation, providing training and current information on a myriad of subjects, arranging all the details involved in setting up meetings and retreats, identifying funding sources, putting together grant packages, leveraging resources, helping contractors accomplish large and small events and activities, and spreading genuine appreciation around with a lavish hand.

Sacramento boasts a particularly active and policy-focused board, which flourishes in part because of the support they get from WIB staff. A WIB member noted that the staff is “so competent,” particularly in its ability “to understand the mind numbing aspects of bureaucracy” and to translate this for the WIB board in a clear, efficient, and effective manner. This member viewed the executive leadership as a buffer to translate “bureaucratise” so the board could move forward with its operations.

Another Sacramento WIB member gave an example which typifies a well functioning, iterative process between the board and staff:

The WIB said, ‘We want to train people for jobs they can actually get and that pay a lot.’ Staff then solicited research that identified the most promising occupations. Then one of our WIB members said, ‘OK, but do these jobs pay health benefits?’ Staff then went back to try to figure out a way to track that aspect of employment.

This kind of back and forth responsiveness, based on good listening and mutual respect, was typical where boards appeared to be functioning at higher levels.

## Relationship building and trust

Regardless of the policy area under question, local implementation always depends on connections built around interpersonal relationships. The point is not new, but that does not make it any less valid. Like other partnerships, volunteer boards like the WIB flourish best when formal and informal leaders can work together with intelligence, humor, energy, and self-confidence. Where there is a critical mass of local leaders with these attributes, the chances of realizing opportunities is heightened; where key relationships are strained, even the best opportunities are squandered.

Trust—it's presence or absence—was a key theme in many interviews. Some organizational cultures incubate trust by setting in place processes that foster it, such as wide sharing of information, transparent decision making, and regular occasions for face-to-face interaction. Pointing to the successes of Sacramento's WIB, an EDD official notes: "It's all about relationships."

One story we heard from a labor representative about WIB formation and development provides a good example. This labor leader was approached by the CEO of the local chamber of commerce, who suggested that the two might disagree on many issues but shared a strong mutual interest in workforce development. Grounded in that shared interest, the two leaders struck up a long-standing relationship that transcends the tensions in the WIA mission and their own outlooks. The labor representative describes how this played out on the WIB:

When we formulated the Workforce Investment Board, he included me in the discussions, and even proposed that I be vice-chair. And he got some kickback from some of the business members of the committee, they said, 'Well, you can't do that, he's a labor guy, and if something happened to you, you couldn't have a labor person be the chair of the Workforce Investment Board, it has to be somebody from the private sector.' So he said, 'Well, that's fine, we'll just create two vice-presidents, we'll create one for purposes of succession, and we'll create one to include the Labor Council.'

## The WIB role in local system-building

WIA asserted a strong system-building role for WIBs, envisioning them as bodies that could coordinate and integrate the wide range of federal employment and training programs that are delivered in local communities. This marked a sharp departure from the more limited role PICs had played during the JTPA era, and built on the ideas about the benefits of service integration that had gained currency during the 1990s experiments with One-Stop centers.

We find some momentum toward broader system leadership, but at present, most WIBs fall far short of the envisioned role and also of the deepest leadership aspirations of their own members. Many WIBs describe themselves in the midst of a transition from a narrow understanding of their role to a more expansive view. They struggle, however, in

defining that role, and asserting it within the broader workforce development network in their communities.

Earlier sections of this report have documented the many ways in which the leadership aspirations of WIBs are constrained by factors beyond their control. These factors include the steady decline in federal funding for workforce programs, the lingering perception that WIA is “just another welfare program,” the relatively small role that WIA programs play in the overall context of job training and economic development (much of which are handled privately by business or by individuals acting on their own), and the fact that WIA dollars come with tight restrictions that limit the ability and authority of local managers or elected officials to exercise discretion over how funds will be used. In addition, WIBs are saddled with regulations and reporting requirements that demand a preoccupation with routine program oversight functions, with competition from other local centers of leadership, and with a mission that has not traditionally aroused the type of civic passion that might attract wider attention and interest.

Without denying the seriousness of these constraints, it is also true that local leaders retain an ability to develop local workforce policy that is more strategic and less reactive. According to Gardner (2005, p. 49), elements of strategic policy at the local level include:

- Developing a short list of priorities—things that matter more than others;
- Forging more deliberate program connections rather than allowing fragmentation and isolated programs to be the norm;
- Targeting resources and shaping budgets based on the identified priorities and the opportunities created by program connections;
- Setting in place outcomes that can be measured, and gathering good data to inform decisions about what works and what needs to be changed.

Our inquiry into local systems change concentrated primarily on the first three of these tasks. We sought to learn if and how local areas had set specific mission priorities that were reflected in how resources were targeted and in the nature of their alignment with related local systems, including economic development, TANF, and education. Along the way, we also picked up some information about how they attempt to promote system learning and quality improvement. The sections that follow describe what we found.

### **Local area mission and priorities**

All 10 areas have formal mission statements, but these tend to present goals in broad terms that offend no one rather than illuminating key strategic choices or local priorities (Gardner, 2005). In general, local area decision making can be characterized as “adaptation on the fly”—responding to immediate opportunities or threats rather than working out a long-term strategic policy.

A wide range of intra- and extra-local forces make continuous adaptation a necessity in all 10 local areas. At the same time, a few local workforce areas have moved toward a strategic policy approach—such as a business-first orientation or training for high-wage

jobs—and have been implementing these priorities with coordinated action. In some of these cases, WIB and One-Stop leaders take the initiative in forging local strategic policy; in others, WIA resources support strategic initiatives organized by other local entities.

Our inquiry sought to get a deeper feel for the process of mission discernment, the types of political influences that influence strategic choices, and the substance of the resulting policies.<sup>10</sup> In particular, we wanted to learn 1) whether or not local areas are making clear and proactive strategic choices, as opposed to simply making do as best they can with the cards they are dealt; 2) how they are defining the WIA mission—as social services for job seekers or as economic development and support for business customers; and 3) the degree to which local elected officials or political coalitions influence WIB policies and priorities.

The evidence we collected supports the following generalizations:

- Local areas are typically more reactive than strategic, in part due to forces beyond their control, but also due to a reluctance to make the kind of hard choices that are evident in a few local areas;
- WIB priorities are often influenced by the decisions and dollars of other stakeholders in local workforce networks, or by the priorities and incentives set in place by federal or state grant programs;
- There is clear momentum at the local level for increasing the mission emphasis on serving employer needs, tempered in a few cases where unions and/or CBOs have lobbied for policies to support the needs of low-income job seekers;
- There is relatively little active engagement of elected officials in collaborating with WIBs to shape strategic workforce policy.

### Momentum toward strategic policy

WIA legislation provides a broad and somewhat vague mandate, and the California WIB provides little policy guidance, leaving local areas to make hard choices about mission and priorities. It is almost always politically easier to maintain the appearance of serving all possible groups and objectives even-handedly rather than being seen to elevate some as a higher priority. Inadequate funding and limited discretion over what dollars they do have, combined with heavy compliance demands and the relative invisibility of workforce policy certainly affect the ability of local leaders to fashion strategic policy. Yet without priority setting it is hard to protect against the possibility that the meager store of WIA resources will be spread too thinly across too many potential customers and goals, leaving the system unable to fashion clear demonstrations of its public value.

The exemplary efforts of a few local areas suggest that there is some leeway for local discretion. Table 6 summarizes tools and approaches local areas use to move in the direction of strategic workforce policy. All come from existing efforts in one or more of the 10 local areas we have studied, demonstrating that they are feasible in at least some settings.

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<sup>10</sup> Our focus throughout this discussion is at the WIB or system-wide level, since our fieldwork was not designed to assess priority setting within particular One-Stops.

**Table 6. Tools/Approaches for Strategic Workforce Policy**

<b>Tool</b>	<b>Purpose</b>
Sectoral targeting	Align WIA training priorities with the sectoral targets of local economic development organizations
Business services matrix	Determine levels of business service provided to various employers
Staff training	Support business-first approach
Locating One-Stops	Target areas of high unemployment
Select culturally competent providers	Target particular cultural/linguistic communities
Set % of WIA funds for training	Insure training remains a priority
Prioritize training for hi-wage jobs	Achieve anti-poverty results
Convene network stakeholders	Foster awareness, service partnerships, and the discovery of shared civic purposes
Maintain relationships with elected officials and key federal departments	Build support for local priorities and identify related funding opportunities
One-Stop certification process	Foster an in-depth discussion of what is working and what is not
Program consolidation	Break down silos so resources can be used more flexibly
Recruit WIB members with cross-cutting local board memberships	Foster WIA alignment with related systems
User-friendly budget reports	Help WIB members frame investment choices
Union-business alliances	Build consensus for a high wage strategy
Participation of CBOs in setting WIB policy	To create citizen and citizen advocate involvement in policy development
Eliminate/reduce bureaucratic jargon	Create a common language that facilitates cross-program partnership and full participation of business
CWA framework for Building Communities with a Competitive Workforce Advantage	Embed WIA systems in a larger civic vision of community and economic development
Involve local elected officials	Increase their active support for WIA programs, locally and beyond

NoRTEC provides an interesting model of WIA implementation, but not simply for their focus on Human Resources support for small businesses. Their business-first approach may or may not be applicable elsewhere, but what can and should be emulated in any area is NoRTEC's willingness to assess its local situation, decide on a particular strategy, develop consensus supporting that strategy (including gaining the buy-in of local elected officials), and create training and incentives that ensure the chosen focus is implemented at all levels of the local system. We don't want to overstate their achievement, and NoRTEC leaders would be the first to admit that they are still feeling their way along their chosen course. The point is that they have a clear direction, and are beginning to put in place accountability mechanisms that enable them to chart their progress.

The strong emphasis on training for high wage jobs found in local areas like Los Angeles City and Sacramento County is another possible starting point for strategic workforce policy. This strategy makes particular sense in areas with a combination of high poverty and labor shortages in key local industries. While local areas are making some strides with this approach, they do not as yet evidence the same level of strategic focus throughout the local system as we found in NoRTEC. One reason may be that they operate in much denser workforce networks and have less ability to command the full attention of important local stakeholders. However, we suspect the more fundamental reason is that the emphasis on training for high wage jobs runs against the main current of WIA policy, which relegates training to a last resort and diverts a significant share of resources to less intensive job placement services.

One mark of strategy is that it creates conflict, and requires real change, as the following reflections on the NoRTEC case suggest. For NoRTEC, making the policy decision to concentrate on business services at the WIB level and administrative level was one thing—that occurred early in WIA implementation after years of simmering in JTPA while waiting for the opportunity to focus on private sector needs—but figuring out how to make the switch at the service provision level was another thing entirely. As NoRTEC's business services presentation declares frankly, "Change begins and pain is felt throughout the entire consortium." A WIB staff member agrees:

Oh, at least for 2 years, at least—at LEAST—[it was], 'Let's focus on business... business community as our primary customer, the employer as our primary customer, and the rest will fall into place.' And part of that struggle—if you will, was not only convincing the business community [but] also, with the staff, internally. Because change is very difficult. And these are individuals, many of whom worked for years in the JTPA program, and it's kind of like—'Well, now, if we focus on business, then, again, are we turning our back on the job seeker?' And so there was that struggle, too, but I think we've gotten over that.

For some staff, the alternative to "getting over it" was leaving the organization. As one contractor said:

I think when we really shifted to this business services, there's a number of people who were faced with that dilemma [of wanting to focus on job seekers], and they're doing something else now. We had people on our staff that said 'This is not going to work for me.' And they've hopped to town.

Although service providers and their staff are the most visible of the individuals who need to grasp and accept the new direction, it's easy to forget that the contractors are all nonprofits with boards of their own to convince. This is not an easy task to undertake when there seems little hard evidence in favor of so radical a change. NoRTEC administration has worked hard to provide support and direction: the nuts and bolts of serving business was—and still is—the subject of meetings, retreats, addresses from professionals and consultants and representatives from other locations who already have similar programs in place. One contractor recalled the executive director's position at the outset:

I think that he put a lot of correction into this big ship to get it to turn. It doesn't turn easy, you got to put a lot of correction in, and I think that he's even backed a little bit of that out now, but to make that type of a cultural change over 9 counties, people who don't work for you, [the person who] contracts with them, requires to really go and make statements such as, 'Business services are our first focus.' And I remember that meeting, and I said, 'Could you say that again?' He says, 'Business services are going to be our first focus.' 'And where's the money for this? Is there any money in the contract for this?' 'No, there's no money in the contract for it, but it's our first focus.' So, that was a kind of eye-opening meeting. ... [T]hat was program directors meeting.

Gradually, and in a process that is still underway, the potential for business services has become clearer to more people throughout NoRTEC's system, and in the broader community. A major step forward occurred when business services became a contractual requirement. One of the contractors said:

I think before it was new, and we were kind of all feeling our way, and last year I think—it was probably a statement from NoRTEC that it's real and we want everybody to be doing it.

### Momentum for defining the mission as economic development and serving employers

We find clear momentum at the local level for increasing the mission emphasis on serving employer needs. At the same time, we find widely differing interpretations of what this new commitment means, different degrees to which the new commitment has been implemented, and differing and sometimes conflicting opinions about whether and how this new commitment can peacefully coexist with the traditional mission of serving job seekers.

The tension we found in our state level interviews (Pence and Campbell, 2005) between those emphasizing the social service aspects of the WIA mission and others that emphasize economic development is also quite evident at the local level. As a crude generalization, One-Stop partners and individual case managers are more likely to embrace the mission of serving job seekers, while WIB members and staff at higher levels of the organization are more likely to articulate the system's role in serving business and economic development, but there are many exceptions to this pattern.

For example, San Bernardino County's WIB is in the midst of a major transition that reflects the priority of economic development in local politics. The WIB has deliberately pushed away from their previous mission/role in the county Human Services Group and the momentum from that push is moving them towards a new mission at the intersection of workforce and economic development. Tangible expressions of the new priorities are significant WIB financial commitments to business services, and to the work of the local Alliance for Education, a partnership committed to the workforce and educational needs of business. The vision of WIA as economic development is shared by many county, WIB, and Workforce Development Department leaders. In conversations with system leaders, this vision is frequently contrasted with a social service mindset or model of employment support. A system administrator explains:

We used to operate from the social service or welfare mentality. That mentality was saying to business 'You have to hire our poor because their welfare is being cut off.' Well, that is not a compelling business reason to hire someone. That is different from saying, 'Let us help your profitability. If you need skilled workers, we have them.' Very different approach.

Another local respondent noted:

There need to be faith-based organizations and community based organizations, counseling centers, mental health centers, public health systems, welfare systems, all of that. There need to be safety nets, but those are separate from a business-driven system of workforce development. Don't confuse the two.

Typically, local respondents across our cases indicate that they believe both job seekers and employers are system customers, but then express a clear priority to one side or the other. A case manager:

The goal of our organization is quite simply to help workers back into the workplace and to assist them in maintaining their employment. A side value is the ability to work with local businesses to fill their employment needs.

A WIB member:

The big decision we had to make was did you want to focus more on the poverty program side of this thing or the business side of this thing. And, being a business-dominated board, we picked the business side.

#### Little overt conflict related to mission

Competing visions of the WIA mission appear, at least on the surface, to coexist rather peacefully. This pattern is consistent with the local tendency to avoid setting specific priorities in which the tradeoffs between competing understandings would have to be confronted head on. Explaining the relative lack of conflict, one executive director credited an implicit division of labor within the local system, such that the One-Stop handles the job seeker and social services side and the WIB focuses on the business and economic development side. The undercurrent of our local interviews suggest a deeper explanation: most stakeholders possess a mature understanding that the WIA mission requires linking job seekers *and* employers, and realize that the effort to achieve WIA goals requires giving each side of the equation appropriate attention.

Even the most job seeker oriented of our respondents realize the need to become more aware of local employers and the jobs they have available. Operationally, performance measures drive One-Stop program focus back toward job seekers, since there are as yet no mandated performance measures for business services. However, since employer relationships are crucial to placement and retention, even the most job seeker oriented programs must maintain something of a dual focus. The question becomes one of balance and of how limited resources are targeted.

An Alameda County official sees this type of balancing act as a legitimate WIB function: Various constituencies argue for resources, which is a valid conversation to have. They're policy boards and people should be arguing over policy, constituencies, etc. The fact that people are struggling is democracy in action.

### **Political Influences on local mission and priorities**

Historically, local politicians and political coalitions have played roles in shaping how workforce development funds are deployed (Giloith, 2004). Our inquiry focused on the roles played by elected officials, unions, and community-based organizations as they interact with business-led WIBs to shape local workforce policies. We find that local WIB priorities tend to reflect the operative power relationships within the community. This tendency is consistent with the principle of local discretion and control, but not always in ways that help contribute to the goal of more strategic local workforce policy.

#### Local governments and elected officials

Across our 10 areas we found relatively little active engagement of elected officials in shaping workforce policy. WIB budgets are usually approved without discussion or comment by elected bodies. One respondent listed reasons why elected officials are typically uninterested in workforce issues:

There is no easy way into WIA. A large part of the money is already allocated. I think the system has been set up that way. Folks who use the workforce system are usually not the people who are banging on the doors of city hall for change. Even if they were there is not much the city council could do. There is not that big of a pool to play in.

Elected official engagement is most likely to occur when funding allocations to contractors are at stake, particularly in large urban areas where One-Stops are configured according to existing city council or county supervisor districts. In these cases elected officials often seek to maintain the flow of WIA resources to service delivery organizations with which they have long-standing relationships.

In local areas organized as a consortium across multiple local governments, relationships with elected officials tend to be described as more beneficial, or at least benign. For example, local politics do not appear to play a major role in Verdugo WIB or One-Stop operations. The Joint Powers Authority between three cities spreads ownership and

dilutes political pressure on the WIB. There is little or no political pressure around WIB appointments, WIB policies, or One-Stop programs. A workforce system administrator believes this benefits the area:

We try not to be political here. This WIB really doesn't play the politics role like some WIBs I am familiar with. The WIB members here really don't operate on their own personal agendas. I'm impressed with that. The emphasis is really more on the needs of the community and how we can meet those needs. That is a good thing.

A city administrator comments on the lack of political pressure on the WIB: "We are lucky here. Everyone is on the same page."

In NoRTEC, the relationship with elected officials is described in positive terms by all concerned. NoRTEC's Governing Board is made up of one member of the board of supervisor from each of the nine participating counties. The Governing Board is integral to the functioning of the local area in that its continual presence at the table makes it a responsible and responsive partner to every move that NoRTEC makes. This prevents misunderstandings due to lack of information and fosters buy-in for the NoRTEC agenda. Every one of the Governing Board members has visited his or her local One-Stop and can speak of them with experience and a sense of familiarity and ownership.

By contrast, we heard of more tension and difficulties in local areas where WIBs are nested in large city or county departments. For example, in San Bernardino County, some WIB members express confusion and frustration about the relationship among the WIB, the Board of Supervisors, and the Workforce Development Department, in which the WIB is nested. Basically, the confusion is centered around who leads. There is no formal agreement that defines the relationship between the Board of Supervisors and the WIB. One local respondent comments: "The powers that be still see WIA as a possible funding source for pet projects." Another WIB member adds: "If this was a multiple agency or multiple county WIB we'd have more autonomy."

In Los Angeles, conflict within local government is fairly routine. For example, the WIB annual plan became a site of struggle as the WIB attempted to redefine its relationship with the city's Community Development Department (CDD) and to assert a more active leadership role in the local workforce system. CDD opposed the WIB's intentions, making it more difficult to develop and complete the annual plan.

Many Los Angeles politicians have established political relationships with particular One-Stop contractors. These CBOs have histories of community activism and community service that go back to the late 1960s and early 1970s. They provided local workforce development services for the city during JTPA, and, in some cases, during Manpower and CETA as well. It is no coincidence that there are One-Stops located in each of the 15 city council districts. These political relationships complicate WIB and CDD attempts to eliminate funding for One-Stops that do not meet performance or certification standards. As WIA resources decrease and as the WIB reconsiders allocation priorities, some WIB

members and local workforce managers expect city council members will try to protect the One-Stops in their districts. A system administrator explains:

We spend a lot of money on infrastructure in Los Angeles, but if we decreased the number of One-Stop centers there would be political hell from the city council members. They are going to see the centers as bricks and mortar being removed from their districts.

Despite political complications, the WIB and CDD have removed funding for a handful of One-Stops. During initial WIA implementation there were 25 One-Stops in the Los Angeles area. There are now 18. Some WIB members and CDD representatives point to the removal of funding for some One-Stop centers as an indication that the entrenched political relationships within the local workforce system are losing some strength. A business representative on the WIB comments:

When we removed One-Stop funding for a major local organization, I got calls from everybody. Elected officials. They tell me how they would like to see the money spent. I returned their calls and explained to them why we made the decision we did. Politics is politics. You have to listen to them. The city department is usually a lot more willing to go along when it is a member of the private sector talking.

A business representative on the WIB says that city politics will play a role in any workforce development program in Los Angeles, but believes that politics does not necessarily mean a compromise in program effectiveness:

Just because the allocation may be made around some political demographics doesn't necessarily mean that you can't optimize a little bit more within those demographics. An example, maybe I have a WorkSource center in each one of the council districts. That doesn't mean that you can't provide guidance for the WorkSource centers in each of those districts to stress education and training over placement. Political considerations and program effectiveness are not necessarily mutually exclusive.

## Unions

Labor unions have formal representation on local workforce boards, but our executive directory survey found that their level of engagement with WIBs typically is not high (Lemp and Campbell, 2005). Among our 10 case study areas, two show evidence of especially active attempts by unions to influence WIB policies, motivated by a desire to counteract what they perceive as the pro-business, work-first tilt of WIA. In other areas unions were either not particularly active, or were critical of the WIA system from a distance. Rural areas, like NoRTEC and Tulare County, often have little if any organized union activity in the first place.

Los Angeles presents the most active and influential case of union engagement in WIB policy. Union leaders in Los Angeles were especially concerned about the impacts of the welfare-to-work initiative on jobs and wages in the area. A union representative comments:

The whole transition from JTPA to WIA and the whole welfare-to-work scheme was a real threat. Workers were being forced into very low wage, high demand industries, like garments and fast food and low wage manufacturing. We had an interest to push public policy beyond that to make sure that people were getting living wages.

Political pressure organized by a coalition of local anti-poverty organizations and a local union helped shape WIB policy to support training for living wage, career ladder, and union jobs. In response to WIA and the welfare-to-work initiatives, community groups pressured the Los Angeles City WIB to take a strong stand against work-first job services. Political pressure took the form of organized community attendance at WIB meetings and city council meetings and CBO-encouraged calls from a city council member who is interested in local workforce issues.

The result of this political action was more formal CBO involvement with the WIB that continues to this day; development of the City Jobs training program that provides training and guaranteed unionized, living wage, city employment for hard-to-serve job seekers; implementation of the Health Care Initiative that earmarks \$1 million in WIA funding for living wage and career ladder training in the health care industry; and adoption of WIB policy for a 12% set aside for training in yearly One-Stop funding.

A city administrator notes: “Labor may be only 15% of the population, but if you are looking at political clout from this community, it is huge.” Currently three labor representatives sit on the Los Angeles city WIB, including the two mandated by WIA legislation and one additional. In general, labor has taken a policy stand to participate whenever possible with local WIBs. A labor representative notes:

We represent working people whether or not they are actually members of our union. We advocate for good economic policy that benefits working people. In general, we feel like we have a role to play as leaders in economic development, workforce development and other issues in our region. We have an interest in trying to make sure that any public investment decisions are really benefiting working people in a real way.

Currently, union representatives are developing a training initiative to upgrade skill levels of private security workers in the Los Angeles area. The security worker initiative will be based on training models developed through the WIB-funded City Jobs and Health Care programs (Aaron, 2002). A WIB labor representative explains:

Community organizations, unions, and the WIB will work together to upgrade the skills of private security officers. These people are actually the first responders to many emergencies yet the skill requirements for the job are not very high. That is why they get away with such low pay. These are predominately African-American workers. It is a way of supporting a marginalized community by bringing more workers up to a living wage level and it is also economic development. These workers live in the city and so obviously improving their earning capacity is good for the city’s economy.

In some of the local areas surrounding Los Angeles, WIB labor representatives express feeling marginalized or powerless in their participation on the WIB. A labor representative on the Los Angeles City WIB reports a more positive experience:

I think in other places the labor reps feel like it's more dysfunctional, more like they are window dressing to support a business dominance. Well, business is the majority on the Los Angeles WIB too, but there is a different political atmosphere here. You can stick a labor representative on a WIB, but it doesn't mean they will be effective. There has to be an orientation where labor is seen as an equal partner. We are not adversaries. We are all struggling for the same thing. I think in Los Angeles they wanted labor to be involved in the whole process of development and planning.

A similar sense of business-labor partnership on the WIB has developed in Sacramento and Alameda counties, and also has led to greater than average emphasis on using WIA resources to provide training for high wage jobs.

Sonoma County illustrates difficulties that WIBs and the larger community can face when union and business interests find themselves at odds. One WIB member is an officer of the North Bay Labor Council, the union collaborative. Another community organization is the North Coast Builders Exchange, a non-union organization. A “dynamic tension” tends to creep in as each group proudly sponsors county-wide career fair days:

Every year we have county-wide career fair days, in which the North Bay Labor Council, which is strictly union, they put on a real big career fair day at their location, and they are there handing out information relative to a living wage, they hand out information relative to apprenticeship programs, they hand out information relative to labor rights. Then, less than a month later, we have another Sonoma County-wide career day, again, with building trades, but these are non-union people. It's a different venue.

A representative of the County Department of Education describes how this quandary affects schools:

...it's a little bit of a challenge for us in education, because we try to kind of remain a little bit neutral. We don't want to say to students, ‘Don't consider a training program, or an employer, if it's non-union.’ On the other hand, the unions will say to us, ‘You need to stand side-by-side to protect your students from employers that may be paying less than a living wage, and not respecting the workers' rights, work condition safety and health, and all those issues.’

The same respondent believes that this sort of complex situation is exactly what the WIB is for:

...how does that interface with the preparation of students in our county for jobs that would allow them, as adults, transitioning from school to work, to not only secure employment, maintain a living wage, and have affordable housing in our county? So, that's kind of the bigger issue....[T]hat's why the Workforce Investment Board is important. It's this umbrella organization that works in

collaboration with the board of supervisors, local government, to look at issues, infrastructure issues.

In SELACO, the WIB works closely with the nurse's union because of SELACO's nursing program. There are two union members on the board. One goes to all the ETP meetings "because historically ETP has been union driven and he is very instrumental in that." The other union member is the chair of the Youth Council and is very active. A WIB official notes: "We get along very well with them. We just don't work together much. They are very hard to connect with because of their job demands. It seems they are always in negotiations."

In Oakland, unions are well represented on the WIB and in its committees. There is a historic agreement (pre-dating WIA) with the Port of Oakland that requires a certain percentage of local hires. We were told that issues like sustainable wages are already considered by the WIB without unions having to push them.

Some labor representatives report a less positive experience. One told us that he views WIA as increasingly serving the needs of business at the expense of workers:

I think that people in the workplace should be apprised of their rights in the workplace under law. I was pushing to get that incorporated into any classroom training supported by the WIB. Turns out that is not an issue that employers want to get into. The WIB staff paid some lip service to it, but basically nothing came of it.

### Community-based organizations

As discussed in an earlier section of this report, CBOs are integral players in nearly every local workforce area, offering distinctive service delivery approaches and strategies. In a few areas, activist CBOs who are not WIA contractors are part of coalitions that attempt to influence WIB policies. This is more likely in large urban areas with a wider array of CBOs, some of whom wield significant political clout. We also encountered a few examples where CBO representatives on WIB boards played an identifiable role in influencing policy or programs.

An example of a community-based organization that has had substantial impact on WIB policy and program is a grassroots, anti-poverty organization, Strategic Concepts in Organizing and Policy Education (SCOPE). SCOPE plays the most active leadership role in a loose coalition of CBOs and unions that are engaged in local workforce development issues in Los Angeles. A representative from the organization explains initial SCOPE interest in the WIB:

We were watching a pattern evolve as the PIC was becoming the WIB. They were adopting this whole work-first policy that was about getting people to work without any kind of substantive training. We thought that was a road to disaster. You were just going to lock people deeper in poverty. There had to be real strategies for moving people out of poverty and into good, career-targeted industries. One of our goals was to engage the WIB and push them to develop an

industry cluster approach instead of funding training for how to shelve paper clips at Staples Office Supply....we decided to fight.

Living wage and career track training for impoverished members of the local community became an important organizing focus for SCOPE. Representatives began attending and testifying at WIB meetings:

They were just shifting from the PIC to the WIB and they were working on a lot of their preliminary policies and definitions so we did a lot of work testifying and mobilizing community members to attend public hearings. We were educating our community about these issues and getting feedback from them about what worked and didn't in the system. Our community members would show up at WIB meetings in the chamber of commerce office and actually put forth proposals and demands. We took the WIB out of their element when we began to show up at their 9 AM meetings. I think that was just a new experience for them so there was a struggle. I mean we had to fight to even get evening meetings when people could actually show up.

CBOs have benefited from their involvement with the WIB. The most obvious benefit is the adoption and implementation of program and policy that supports the CBO constituent community. A WIB member who represents one non-profit organization points to evolving WIB allocation priorities as an example success in influencing policy:

I think we helped build a consensus that training is an important part of our service. That we want to offer a balanced mix of services and that a given percentage of our resources need to be devoted to hard skills training. Whether that training is fully funded by WIA or not, I think we are now committed to making sure those training paths and linkages are working effectively.

Another CBO benefit from the political action around workforce issues and the WIB is advancement of the larger CBO agenda. A representative from SCOPE explains:

Our leaders and members benefit from the experience of analyzing economic development and workforce development strategies. The analysis of what's working and what's not. There is a lot of leadership development that goes on in our community campaigns. We also become experts in developing and shaping policy and it's not from a perspective of being a service agency or being within government, but it's from a community perspective. Folks who are most impacted by poverty at the forefront of thinking about what are the solutions and what do our communities need.

In one local area a CBO representative heads the WIB Program Committee. She uses that role to make sure that the other board members understand the challenges faced by nonprofits, and appreciate the work they do "on the ground." This is her way of saying to the board, "Don't forget that the reason we're here is for service delivery!" The rest, she feels, are "so business-oriented that they miss that."

## Systems alignment

One key task of WIB management and leadership is aligning the WIA system with related systems and programs. By systems alignment we refer to the relationship of the local WIA system to parallel, competing, and/or complementary systems and programs at the local level. Alignment can encompass many dimensions of coordination and collaboration, from simple mutual awareness, to small-scale connections at the administrative or service levels (e.g., referral relationships, sitting on one another's boards), to larger-scale, active partnerships grounded in shared purposes and strategic policy. Implicit in the idea of alignment is avoiding unnecessary duplication of effort and maximizing the use of common resources and assets.

As the relevant locus of control of WIA programs shifts from hierarchy to local networks, and as resources supporting all local systems shrink, the task of improving the alignment of local systems has grown more urgent. In the workforce literature, some voices argue for more aggressive efforts to integrate programs across systems in order to eliminate duplication (King, 1999). Others argue that a reasonable division of labor exists between programs that serve different constituencies or different purposes, and the task is to fund the programs at a level that supports the staff connections that make alignment a reality (California Budget Project, 2005). Research addressing systems alignment at the local level is growing, but most of the literature addresses social programs serving children, youth, and families rather than workforce and economic development (Gardner, 2005; Schorr, 1997).

We asked our respondents to discuss the alignment of the WIA system with three major local systems with which they share interests: economic development, welfare-to-work (i.e., TANF/CalWORKS), and education—specifically community colleges (adult education is addressed earlier in this report, and K-12 and ROP connections will be addressed in our forthcoming report on youth programs). Below we identify overall patterns, local variations, and exemplary examples of alignment with regard to each of the three systems.

No single pattern characterizes the status of systems alignment across all 10 areas, but three general points can be made to preface our discussion. First, it is important to keep in mind the stark differences in the size and density of the organizational networks in which local areas operate. Alignment tasks are difficult in all areas, but the dynamics of alignment vary. Urban areas with large and dense organizational networks can be complex to navigate, but their systems also have sufficient staff to handle the tasks of system alignment. In rural settings with less dense networks it can be easier to get all the relevant players to the same table, but a shortage of resources can make it more difficult to staff cross-system activities.

Second, all efforts to increase local system alignment run up against turf issues or personal antagonisms that can be difficult to overcome. Navigating these minefields is one of the essential skills of local public managers.

Finally, in many cases we find that alignment is impeded not so much by personality clashes as by bureaucratic regulations that reinforce organizational isolation and fragmentation. Local agents of state level bureaucracies can find themselves unwittingly torn between their organizational silo and local network loyalties, and many make clear choices to opt in one way or the other. This leads to a phenomenon we observed regularly throughout our study, where local areas had widely differing experiences with the same state agency, based primarily on how flexible the local agents of that agency were willing to be in the interests of promoting local system alignment. Since flexibility often means risking organizational censure, it is a welcome, even heroic, but unreliable basis for promoting greater alignment between systems and programs, and needs to be backed with efforts to identify, relax, or eliminate unnecessary federal and state restrictions.

Among our local areas, SELACO is notable for pursuing systems alignment by creating and coordinating the Collaborative Community Network. The network is comprised of about 120 local service organizations including school districts, government organizations, and CBOs. SELACO reports that 47 of these organizations are actively participating in the network by taking part in monthly meetings and through cross-referrals of clients. Four of the organizations are on-site mandated partners: Cerritos Community College, the Department of Rehabilitation, EDD, and National Council on Aging. Both mandatory and non-mandatory partners participate. The goal is keeping each other informed of legislation, funding opportunities, and available services.

#### WIA alignment with local economic development

During the JTPA era there was a strong move away from place-based workforce policies toward people-based policies; rather than provide public jobs controlled by local officials the system sought to train individuals who can presumably then move to wherever they find the best job opportunities (King, 1999). Because local economic development is an inherently place-based activity, evaluations have generally found that the connections between federal workforce programs and economic development have not been very strong.

The WIA emphasis on the use of consumer choice and ITAs continue the trend toward people-based workforce policies, but the new focus on producing demand-driven programs has had a counteractive effect. Most local areas report stronger alignment between workforce and economic development programs, compared to the JTPA era. A number of local respondents noted a shift from the previously “frosty,” “competitive,” or “distant” relationships in the past with a new collaborative spirit under WIA. Still, most agree that there is a long way to go if the goal is robust alignment with economic development organizations and programs.

#### *Alignment depends in part on how local economic development is defined*

Economic development definitions we encountered range from as narrow as tax incentives for redevelopment to as broad as improving the general quality of community life. In practice, local economic development agencies typically define economic

development as business attraction and retention. Within this framework, some see workforce development as peripheral to the effort while others see it as a central.

Among those who take a more expansive view of economic development, it appears to be a truism that workforce development is economic development, and economic development is workforce development. The question is how to implement this vision.

### *Three general modes of alignment*

All of our 10 local areas exhibit some form of conscious alignment with local economic development, usually in one of three primary modes:

1. As a support system for *business recruitment and retention*; typically by offering time limited, ad hoc assistance to employers who are considering moves to the local area.
2. As a targeted *essential occupations* program based on identifying key industries or occupations in sectors that are essential to local economic development, have currently unmet needs for skilled labor, and offer jobs with family supporting wages and benefits, and the promise of career advancement.
3. As a *small business support* program that provides a wide range of human resources and other supports, WIBs help local business survive and thrive, creating jobs and establishing relationships with employers that then benefit One-Stop job seekers.

### *Building WIA linkages with local economic development*

Alignment is enhanced by cross-cutting memberships on WIBs and economic development agency boards, modest to tight levels of agreement across systems on which industries, sectors, or occupations to target, and specific collaborations at both the administrative and service levels. Examples of the latter include:

- Approaching business together, with the economic development organization assisting in areas such as financing or regulatory issues, and the WIB providing customized or on-the-job training for the current or new workforce;
- Making joint visits where a One-Stop business representative and economic development field staff go out to visit a business together;
- Sending WIB or One-Stop staff to participate in local economic development task forces;
- Providing staff support for One-Stop job fairs with economic development staff;
- Submitting joint grant proposals for small or major collaborative projects;
- Partnering with the economic development council to promote and do the vouchering for their designated enterprise zone;
- Preparing and distributing newsletters developed by One-Stop staff to provide information on labor market trends, local training opportunities, human resources information and updates, current economic development news, and special events;
- Making One-Stop space available for local economic development groups to meet.

### *Patterns in the strength of WIA alignment with local economic development*

In our sample, alignment with economic development was stronger in local areas organized at the county level (including consortium of counties), and in areas where there was a strong commitment to employers as customers. Alignment tended to be less advanced in areas organized at the city level, and where the tilt is toward emphasizing job seekers as customers. Whether these patterns would hold across a broader sample of local areas is not clear.

These patterns might be explained by the fact that city economic development agencies tend to be focused on redevelopment, land use, retail, and commercial issues, while city WIBs are often preoccupied with issues of poverty, creating a greater gap in the mission and target populations of economic development and workforce programs. By contrast, in many counties we discovered active collaboration and alliances that sought to link workforce, education, and economic development efforts. Leadership for these efforts sometimes comes from business, sometimes from community colleges, and occasionally from the WIB itself. The fact that the three systems are organized on the same geographic scale appears to aid alignment.

### *Examples illustrating the continuum of alignment with economic development*

Two brief examples illustrate the varying strengths of WIA alignment with economic development, and the contrast between county settings and cities. A recent San Bernardino County administrative reorganization formally integrated the Workforce Development Department (WDD, the local WIA administrative agent) and the county Economic Development Department into the same administrative unit. Individuals from the WIB, WDD, and local economic development organizations also work together as members of the Alliance for Education. Some staff members in the WDD business services unit and their counterparts in local economic development agencies frequently share information on local businesses and make joint presentations for local business attraction and retention. A system administrator explains that the growing partnerships between WDD and local economic development agencies have helped develop a system approach to workforce issues:

The WDD partnerships with economic development have made an enormous difference for everyone. We are beginning to develop a common language. We are beginning to develop an understanding that we have to function as a comprehensive system. Not just isolated collaborative efforts here and there.

Some administrators and specialists in local economic development rely on information and business contacts generated by the WDD business unit staff. An economic development administrator explains:

Some of the WDD job developers are critical for us. They are out there on-the-ground meeting local business people on a daily basis. They give us intelligence about what is happening in the community. I'll get a call from one of them that they just talked with a business that was coming in or expanding or downsizing and that my staff needs to look into x, y, or z issue or talk to a city building

official or whatever is needed. I literally talk with the WDD people four out of five days a week. They are essential.

As a consortium of seven cities, SELACO realizes that it is faced with a contradictory situation. While its efforts are directed towards workforce and economic development, local politics are not always helpful in making this happen. Cities in the area are trying to attract big retailers and auto dealerships for sales taxes, but these industries don't produce many career jobs. The director thinks that this is not just a problem for his area, but a problem for California in general:

Economic development in California is really a misnomer. The problem ... is that cities don't want economic development, they want sales tax revenue because that is where their money comes from. So you get everybody fighting for Wal-Mart and Starbucks who pay minimum wage and the people who work at Wal-Mart can't afford to live anywhere near Wal-Mart... In California since Prop 13, the only big money that cities get is sales tax revenue... So the city of Cerritos is one of the richest cities in the world because they have the world's largest auto mall. They get \$28 million a year in sales tax from the auto mall. You think maybe they are going to do anything they can to make those people happy? You bet.

Many cities do not collaborate closely with SELACO because they don't see the WIB's interest being the same as their own. A WIB staff member:

Now they may come to us sometimes and say 'We are putting in a new pharmacy, can you help us hire?' But they usually do not involve the WIB in their economic development decision making process, and they will try to bring in revenues for the city regardless of job seekers' needs.

### WIA system alignment with TANF

In the post welfare reform, welfare-to-work era, local TANF/CalWORKs programs have missions that significantly overlap with the mission of the WIA system, making some form of system alignment seem logical. Since local TANF programs have much larger staff and budgets than WIA programs, one might imagine a strong incentive for WIA to partner with TANF. Instead, in most areas we find relatively limited administrative connections between the two systems, and co-location of WIA and TANF services is the exception rather than the rule.

The nature of the alignment varies substantially across our 10 cases. At the extremes, we have one case in which the TANF and WIA programs are almost completely integrated, and another where the local area is actively distancing itself from its former administrative home in social services in order to improve its ability to work with business. In between, we find a number of cases where limited but important connections exist at the service levels.

Compared to the energy and momentum we found toward establishing alignment with economic development, we found less evidence that One-Stop or WIB leaders make it a priority to work on system alignment with TANF programs or other organizations that

serve the hard-to-employ. Instead, specific connections between WIA and TANF systems tend to be driven at the service level, as in the following examples:

- staff members from TANF and One-Stops visit each others' staff meetings to share information;
- participants are asked to sign a release that allows non-confidential information to be shared among TANF and WIA staff who are co-located;
- One-Stops provide space for TANF career counselors who found it convenient to meet the client at the One-Stop location;
- social services contracts with the One-Stop to provide job assessments and work readiness classes for welfare clients.

In 2005, the San Bernardino County business services unit, provided 39,000 job referrals to CalWORKs clients. In SELACO, TANF participants have been regularly moved into the health care field, with some making it into WIA nurses training programs. In NoRTEC, many county service providers have contracts with their respective county human services departments to perform work-readiness and employment services for CalWORKs' clients. Contractors rely on these funds to permit them to extend certain services, such as workshops and job fairs, to non-TANF WIA clients.

The Sonoma County local WIA system demonstrates the strengths and limitations that come when WIA programs are integrated with a much larger social services system, including CalWORKs. The arrangement essentially subsumes WIA within the county CalWORKs program, whose lead administrator also serves as the WIA executive director. This is credited with allowing the county to successfully integrate services from the client and staff perspectives, coming closer to the ideal of seamless services than in most local areas. It also stretches funds and is credited with reducing redundancy. One challenge for the County is the necessary but difficult task of assigning staff time and program costs to different funding streams.

We heard many local respondents refer to an implicit division of labor between WIA and TANF programs, whereby WIA works with more job-ready segments of the population, while TANF handles the harder-to-employ. However, in practice the arrangements are seldom this clear cut. For one thing, WIA universal services are supposedly open to all, including those being served by TANF. For another, welfare departments are often as eager to shed their negative image in the eyes of business as are WIA programs. In most communities the hard-to-employ also are served by a variety of community and faith-based organizations, sometimes with funding from TANF and/or WIA (Campbell and Lemp, forthcoming).

#### WIA system alignment with education

Alignment with education entities is even harder to generalize about than that with economic development or TANF. Because both the K-12 and community college systems are decentralized, with strong local control, patterns of alignment are especially impacted by local circumstances and personalities. Overall, alignment with education is not strong, but we also find surprisingly vibrant if limited exceptions that violate the general rule. In

at least one local workforce area (Sacramento), there is an exemplary degree of alignment between the WIA system and many different parts of the education system.

Most WIBs and Youth Councils include representation from school districts (city and/or county) and from community colleges, which facilitates the sharing of information and the building of administrative level linkages. Since the primary connections between K-12 education and ROP programs is with youth programs, we will defer assessing WIA alignment with those until our separate report on the WIA youth system. The remainder of this section will focus on connections between the WIA system and community colleges.

In most local areas, community colleges represent the single largest and most accessible source of vocational training. However, previous research suggests that the institution of market choice mechanisms by WIA, including ITAs and the ETPL, have had negative effects on the relationship of the workforce system to community colleges (Barnow and King, 2005; Shaw and Rab, 2003). Community colleges no longer compete for job training contracts as they did under JTPA. Instead, they compete for individual students. This dynamic, along with the paperwork and reporting requirements associated with ITAs and the ETPL, have led many community colleges to opt out of the WIA system. Shaw and Rab (2003, p. 190) argue that the mechanisms designed to enhance consumer choice have had the effect of reducing client training options:

WIA's accountability measures have negative effects on community colleges as well. Because all approved educational vendors must collect extensive outcome data, many community colleges have opted out of the WIA system either due to lack of resources needed to collect the data or because the outcome measures are viewed as unfair...The free choice that is the hallmark of a market-driven educational model is not present under WIA, at least for WIA clients.

Our research finds that local areas in California struggle with these same issues. Weaving through many of our WIB and community college interviews is a mutual institutional wariness. At its root the wariness stems from basic and understandable fears about resource allocation. A community college representative: "WIA gets low cost training from us; it's a better deal for them than us." A local WIA official: "The community colleges are trying to get control of the WIA money."

Where fears are overcome and a pragmatic spirit prevails, local areas have worked out effective and mutually beneficial partnerships. In Sacramento, the community college system has been acting as a key convener for dialogue and collaboration around workforce and economic development issues. Their leadership participates on the WIB, and WIB staff and leaders take part in partnerships brought together by the community colleges. For example, the two have collaborated on a nurses training program at American River College in which WIA dollars cover the case management costs for trainees. By comparison to the past, when competition for turf marked the local area, respondents from both systems now tout a highly collaborative atmosphere nurtured by a nexus of committed leaders who work across system boundaries. A community college leader says:

A couple of years ago the perception was that we were all in competition, a sense that there was only a limited market for workforce development. Now I can't imagine how we would do without working with SETA (the WIA system administrator), or with anyone else.

Even where administrative level alignment is less advanced, many One-Stops have developed firm partnerships with local community colleges. Examples we encountered in the 10 local areas include:

- referring One-Stop clients to community college training programs;
- community colleges offering workshops or classes that support small businesses;
- community colleges serving as One-Stop sites;
- WIA funds supporting specific community college training programs in target occupations/industries.

One key distinction in considering alignment with community colleges is between the regular class offerings and the administratively distinct Economic and Workforce Development programs that are funded out of a special division of the system-wide chancellor's office. For example, each community college campus in Los Angeles has a Workforce Development Dean, but most campus workforce development programs are focused on traditional vocational areas. More flexible, customized workforce training programs are developed and administered through a "shadow" system. A community college district administrator explains:

You have this other part of the college that is more agile, flexible, non-traditional. We face realities that if a workforce training program is funded through the general fund it becomes subject to the politics of resource allocation and the larger politics of the college. Who gets to attend? Who gets to teach? When and where classes are offered? In a sense this periphery shadow college allows us to bypass some of those institutional constraints, and to be more responsive.

Where workforce-community college system alignment is more advanced, there is usually leadership in the local community college (typically at the local chancellor level) that has made economic development a high priority, along with some local forum which softens system boundaries by connecting individual leaders through an overarching goal of community well being. In some cases, the WIB performs this convening role, but we found more instances where the convening body was a community-wide business-education alliance, or the workforce program within the community college.

For example, the Alliance for Education in San Bernardino County supports connections between WIB and community college leadership grounded in a shared commitment to regional economic development. The local community college system administrator is an active leader in both the WIB and the Alliance for Education. He chairs the Economic Advisory Committee for the State Board of Community College Governors and he is also clearly committed to developing a local college system more responsive to business demand. Under his leadership, the community college opened a Professional Development Center that develops, administers, and implements contract education programs for local employers.

WIA engagement with community colleges often pushes the colleges in the direction of offering more short-term training so that clients get quicker entry into the job market. A community college administrator says the system is working to respond to those needs, but warns that short-term work skill training may not lead to sustainable careers:

We have specifically realigned some of our programs so that we have shorter training. We get a student into the labor market faster than the traditional semester or one or two-year program. Yet we have worked very stridently with the WIB to carry the point that if you want to break the poverty barrier, you have to give these students degrees or certificate or licensure capabilities. What is happening with the shorter-term training is that after we get the student into the labor market we have to try to convince them to come back and complete the programs.

These comments suggest a key dilemma which is rooted, ultimately, in different understandings of the mission of the workforce development and education systems, and of different expectations held for the skills we want all citizens to have.

### **Mechanisms local areas use to enhance funding**

One major effect of resource scarcity is to render long-range planning much more difficult, as WIBs priorities and attention get re-set from grant to grant, or in response to short-term crises or opportunities. A key finding is that local WIA priorities are often driven by decisions and dollars of other stakeholders in local workforce networks, or by the priorities and incentives set in place by federal, state, or foundation grant programs. For example, the single biggest observable target for local WIA resources has been jobs in nursing, driven primarily by grants obtained from the governor's 15% funds (e.g. the Nurses Training Initiative) and the availability of private funding from hospitals.

Since the majority of WIA formula funds are tightly restricted in their allowable uses, there is relatively little local areas can do to target those funds to support particular local priorities. In an earlier section we already discussed the chief exception to this rule, which is the diversion of formula resources to support business services in areas that have made alignment with employers and local economic development a top priority.

On the other hand, local areas quite frequently find ways to leverage formula funds with other workforce-related funding to achieve local objectives. The following sections detail some of the strengths and limitations of local leveraging.

### **The scramble for resources undermines stability in mission and priorities**

While some year-to-year uncertainty is unavoidable, the current funding environment seems to violate the spirit that led to the creation of WIBs, which was arguably intended to develop strategic policy rooted in a long-term perspective that takes community-wide needs and assets into account.

A One-Stop manager feels that perhaps the worst aspect of the funding cuts is not knowing how much money to count on from year to year:

The volatility in the funding is so dramatic, it makes it extremely challenging to manage...What we sell is service, and the way you provide services is with people. So when you're required to be thinking about that kind of volatility in funding that we experience, you really have to look at what does this mean for our staff. So we have a lot of part-time staff, temporary intermittent staff. When I got here, everyone was full-time, everyone had full benefits; now about half of our staff are part-time.

Others point out that efforts to entice the business community with services go up in smoke when local areas are unable to make plans past the new program year due to funding uncertainties. As one business services representative told us,

It's like knowing that we have a contract negotiation this year, it builds up that anxiety, because I'm thinking, 'well, what's gonna happen? Do I want to commit to doing anything in July for these employers?' Because I don't know what's gonna happen. That makes it a little difficult, and stressful.

Smaller areas face particular challenges in the current environment. They often feel, perhaps with justification, that they are at a competitive disadvantage in seeking some discretionary state or federal grants. In these areas, cases of significant non-WIA funding are more likely to result from tapping the funding of a host administrative agency. This means that staff often wear multiple hats while being paid by different funding streams, potentially reducing their effectiveness with respect to the goals of any of the particular program, including WIA. The never-ending quest to supplement WIA resources with other funds leaves the system vulnerable to having its priorities set by others.

Funding cuts might provide an occasion for establishing priorities, but administrators often find that across-the-board cuts are more expedient. A business representative on a WIB Board notes:

I saw this huge inertia scaling back the entire system as resources were cut. That is something we wouldn't have the luxury of doing in the private sector. Nor would we find it effective. So the question is, do we have target segments or programs that regardless of what cuts are made, we will continue to invest in. I didn't see those hard choices being made.

At least one local official sees a bright side to the dismal fiscal realities, arguing cutback management forces new partnerships that sometimes catalyze improved services or service integration:

We tried to find solutions, and all of the partners, we tried to keep our mindset very positive and everybody really worked together to look at how we could still provide good top services with less money. Actually, it resulted in everybody actually becoming excited, because we were looking at things new.

In another area, a One-Stop manager notes that the cuts have driven some partners away, "but those partners who stay tend to be good ones."

### Attracting new funding to support WIA objectives

The need for supplementing WIA formula funding is obvious; less obvious is the fact that the ability to do so is linked to how effectively non-financial resources are used. Local areas which can afford to designate staff to work on grant applications reap more new grants than those which cannot. Programs or partnerships that can document their results convincingly are more likely to attract additional funds. Systems where communication fuels partnership have a greater chance of leveraging existing resources to greater advantage.

Our inquiry focused primarily on the mechanisms local areas are using to attract new funding to support WIA objectives. The following section describes the major mechanisms we discovered. The subsequent section describes some of the things local areas are doing to work on systems communication and quality improvement.

We observed four primary means by which local areas sought to expand their pool of funds to support WIA objectives:

- By aggressively seeking grant funds, either directly in partnership with other local entities, or via nonprofit affiliates set up to take advantage of funding sources that do not fund government programs.
- By tapping the funding streams of host administrative agencies (e.g., TANF, Community Development) to support staff and program costs.
- By leveraging the resources of One-Stop contractors or other local partners.
- By tapping into local funding sources (e.g., tax revenues, resources from WIB member organizations)

A fifth mechanism, fee-for-service, was discussed earlier in the business services section. The following sections provide illustrative detail about these practices, and observations about how various local stakeholders perceive their strengths and weaknesses.

#### *Grant writing*

Many local areas now deploy one or more staff exclusively for grant writing, an indication of their increased reliance on discretionary funding. Usually grants to advance WIA objectives are written by WIB staff, sometimes with help from One-Stop personnel. It is important to remember that CBO contractors are always looking for funding, some of which complements WIA objectives.

Losing skilled grantwriters who move on to other jobs can create a critical vacuum in a local area. In one area, talented grant proposal writers both left for other jobs, leaving a scramble to meet this need. Another area notes that they cannot afford funds for a dedicated grantwriter, and the task is given to “whoever has spare time to do it.”

In addition to the obvious benefits associated with expanding the locally available pool of funds, grants bring significant disadvantages as well. A One-Stop manager points out that

increased reliance on grant funding compromises system stability, something that both staff and customers expect from a government program:

Previously the majority of our funds were WIA formula and there was a certain amount of stability from year to year. We'd get a few grants just to top it off. Now it is almost reversed. Formula funds are still the bulk of our money, but special grant funds are almost 40% of income. This is really scary because you are scrambling from grant to grant from year to year just to get enough money to cover your bills. That puts instability into the system for my staff. Our customers look to us as the government. They start to get a sense that 'This is here and I can depend on it', but realistically they can't. One year it is up. One year it is down. If you are going to be a government agency providing social service, you have to offer some kind of stability.

In addition, grant funding does not always provide program flexibility. A system supervisor notes that special grant money often comes with its own program requirements:

WIA says to provide service for a wide range of people, but there isn't enough money; so you get a special grant, but that grant targets a special population. You need that grant to offset your staff costs and your operational costs, but it is sapping staff time to address the special groups targeted by the grant, like photo finishers or nurses. It is great, we need photo finishers and nurses, but what about the rest of the world? We are supposed to be universally serving people, but how can you?

A One-Stop business services manager explains how discretionary funds from a Community Development Block Grant contained requirements that the grant must result in employment for low-income job seekers. This, in turn, directed which businesses received One-Stop support:

We looked at the grant and saw that it was going to be kind of tough to get the low-income hires. A big business wasn't going to turn around and hire the 60% low-income to meet our grant requirement. So we decided to work with small businesses and hope they would hire someone locally who was low-income.

We heard many examples of local areas which had banded together with other local areas to submit and manage discretionary grants. Sometimes this collaboration is in direct response to grants that require a regional collaborative, in other cases it is simply a way to take advantage of their collective resources. As one WIB director put it: "We do get a bigger bang for the buck when we have some size."

#### *The use of nonprofit affiliates to seek grants*

Some WIBs have begun to spin off nonprofit affiliates who can access funding sources that are not open to government agencies. A case illustrating the pros and cons of this strategy is Verdugo, where the Glendale Youth Alliance (GYA) is incorporated as a 501c(3) non-profit. GYA works closely with the WIB Youth Council but is governed by a separate volunteer board. The executive director oversees the boards and the staff for

the WIB and GYA. GYA combines grant, fund raising and WIA monies to operate the Glendale youth program. A GYA manager comments:

The WIB funds many of our youth employment programs but those monies are never enough to do everything that needs to be done. Every year the WIA money gets smaller and smaller and the need for service gets greater and greater. So we are pretty innovative about using the non-profit to find other funds.

This alternative funding also adds flexibility in service provision. The use of non-WIA funds allows GYA to provide holistic support services to those youth who may not fit within WIA program criteria. A GYA manager explains:

The non-profit brings in money that is flexible. It isn't earmarked. WIA is very specific about how WIA money can be spent, but sometimes the needs don't fit in their categories. For example the low-income requirement is really, really low. Sometimes we have a particular youth that needs our services but for other reasons than income. We can't serve them with WIA money, so we fundraise. The WIA dollars can do what they are meant to do effectively because I am able to use this non-profit money to meet the other needs.

One drawback of the arrangement is the need to juggle multiple boards. The WIB director admits that keeping track of different executive boards can be complicated:

It is a time management issue. You constantly need to prepare for one board meeting or another. It gets more complicated because one of the boards is WIA. I have to be careful with conflict of interest about where the funding is going.

### *Tapping the funding of host administrative agencies*

In many local areas WIA programs do not stand alone but are instead nested within existing administrative departments. The fiscal interplay between WIA funds and agency funds is often complex. For example, personnel costs for individual employees—including some WIB executive directors—are sometimes split between different funding streams. Where WIA formula allocations are low and host agency funding is high, this blending of funding has the benefit of increasing the staff available to pursue WIA objectives. However, where WIA funding represents a high percentage of the host agency budget, braiding brings the possibility that WIA funds will be used to support the objectives of host programs without regard to WIA objectives.

Our methods do not permit a definitive economic analysis of these fiscal relationships. In this section we wish merely to note some of the strengths and drawbacks associated with the use of funding from host agencies to boost WIA programs.

For example, in Sonoma County in-kind contributions by partner agencies add up to about 49% of the total budget for the local area. The WIA program and services are functionally integrated with welfare-to-work services, and the staff pride themselves on having achieved effective service integration. One WIB/Human Services Department staff member sees Sonoma County's nesting arrangement as essential to continuing to provide services:

Integration of funding streams? Absolutely. We would not be here if we did not integrate our funding stream. Certainly the Welfare-to-Work money's been very available, and has helped to make the One-Stop what it is today.

One strength of braiding funds in this manner is that it allows the county to support staff positions with funds from either TANF or WIA, depending on which source is more flush at any given point in time. Another is the ability to mix and match funds creatively to take advantage of different carry-over regulations in different programs, as one manager explains:

SonomaWORKS money, you spend it or you lose it. It gets turned back into the state, and there's no such notion of carry-over like there is in WIA.

However, with WIA funds in steady decline, and welfare-to-work money now also in decline, the limits of the protection provided by this arrangement are becoming evident:

This is the downside when you leverage money like we're doing. It works great as long as you've got plenty of money. CalWORKS has been hammered systematically for the last 3 years, it's been cut, cut, cut, cut, cut. Then, there is a point in this where I have to look at the absolute core things that I'm required to do, within CalWORKS and WIA, for example; if I can't fund the core stuff, I can't afford to fund the other stuff.

Like Sonoma County, Alameda County is nested within a social services department that provides a significant level of resources. This has enabled the area to absorb WIA cuts with a less dramatic impact than would otherwise been the case. As a One-Stop representative notes: “This place really runs off of social services.”

One local area presented an interesting case where its budget declined dramatically, but in a way that represented a positive step forward. San Bernardino County's WIB had been nested with social services, but moved to the county economic development agency. A Workforce Development Department staff member recalls that the split from social services was difficult from a budget standpoint, but that it allowed more organizational focus on the implementation of WIA:

Overnight we went from a \$72 million dollar budget down to \$12 million. It was a shock, but it was a shock that allowed us to refocus on WIA. I mean, CalWORKS was a \$50 million program and WIA was a \$12 million program. Where do you think the focus went? CalWORKS dominated our thinking and our programming, but once we left, the focus was clearly on WIA. We saw how CalWORKS was limiting what we could do for our clients.

#### *Leveraging the resources of One-Stop contractors or other local partners*

WIA One-Stop contractors often deliver services using a combination of the WIA contract funds and other funds available to the organization. For example, in Oakland three One-Stop affiliate organizations have been getting about \$75,000 each in WIA funds but they “deliver way more services than that,” according to a WIB staff member. “They match the money the WIB gives them with tremendous resources from whatever

other ways they're funded. They do matching declarations every year, and it's to the tune of \$300,000 to \$800,000 a year.” A contractor explains:

I get \$75,000 in Workforce Investment Act dollars, and we leverage probably 10 times that in other resources. I serve CalWORKS clients, I have a county contract, and we work with Oakland Housing Authority on family assessments. We're a pretty large organization. Our annual budget for programs alone is over \$10 million.

Because of tight funding, compounded by the limits on how WIA funds can be used, nonprofits have to carefully piece together a number of different funding sources to actually operate a WIA-funded program. “We’ve practically been starved out,” said one CBO official. “If I wasn’t able to piece together additional funding we would not have the One-Stop. We leverage a tremendous amount of funding to provide the service.” In that program, one way dollars are stretched is by employing AmeriCorps volunteers.

In other cases leveraging occurs as the fruit of non-contract based partnerships with local workforce organizations. For example, the Sonoma County Department of Education has been generous to the local Youth Council, with the ROP director picking up the entire cost of developing a Work-Readiness Certification program. This included purchasing an email list and sending a survey to 6,000 addresses businesses, and other activities valued at about \$30,000 so far. In addition, the superintendent of schools has helped to underwrite the three annual Youth Symposia that have been held under Youth Council sponsorship.

In one NoRTEC county, the local school district has a grant called Tech Prep that assists LVN students to become RNs and then go into a specialty area. This program covers students in the last 2 years of high school and the first 2 years of community college, with Tech Prep and the One-Stop splitting the cost of training. Another One-Stop staff member describes an even more comprehensive collaboration:

Say, for example, that the client is on the TANF rolls, and we're co-enrolling in both programs; they [CalWORKs] come to us and they want us to help this individual, so we'll enroll them in our program, and then we look to what TANF can pay, and there are some things that they cannot pay for under their guidelines, so we look to see if maybe we can assist with that. We also work very closely with Vocational Rehabilitation. We have Voc Rehab actually co-located in our One-Stop in Modoc County, so the counselor is right there, but we'll refer people that come in to us, if they have a disability, to Vocational Rehabilitation, because we have to exhaust that avenue first, especially if somebody wants training assistance.

In San Bernardino County, a senior workforce system administrator sees leveraging as the main vehicle for WIB impact in the local system:

Leveraging is really fundamental to the role of the WIB. They don't have the money to do what needs to be done in the education system. They don't have the money to do what needs to be done in the economic development arena. They don't have the money to do what needs to be done in terms of outreach of

business. But, if they coordinate the system effectively they can get access to enough dollars to make a difference.

As an example of this type of leveraging, the San Bernardino County WIB put dollars, staff time, and labor market information into the Alliance for Education online career planning matrix. Resources from other members of the Alliance were also put into the mix to help create this user-friendly career planning tool. Through collaboration, limited resources were extended to create a regional workforce development tool that can be used by a myriad of education, economic development, and workforce organizations.

### **Quality improvement and communication systems**

For strategic workforce policy to stay on course, there must be mechanisms to provide outcome data and other feedback on what is working and what needs to be changed. Quality improvement and communication systems were not a primary focus of our inquiry, and the data we have should not be considered a systematic overview of all the ways local areas are pursuing quality improvement. Instead, we briefly summarize a few noteworthy strategies we encountered including:

- One-Stop certification using Continuous Quality Improvement measures
- One-Stop staff certification
- Quality assurance committee
- Client feedback
- Network learning
- Staff supervision
- Strategic communication
- Web sites
- Outreach and marketing
- Use of data for quality improvement
- Documenting results in terms that speak to public constituencies

#### One-Stop certification

Los Angeles City makes use of a One-Stop certification process, based on the model of Continuous Quality Improvement (CQI). CQI is considered a vehicle for program oversight and system learning. Each One-Stop must submit an application for certification that addresses issues such as leadership, strategic planning, process management, human resource management, information and analysis, and business results. The written application is followed by site visits conducted by a committee of WIB members. The WIB committee interviews One-Stop management and staff for more detailed information on One-Stop leadership, strategic planning, human resource development, process management, and other issues.

Written application and WIB site visit results are combined to determine certification status. The WIB sees this process as a mutual learning opportunity for the WIB and the One-Stop. WIB members get hands on learning about One-Stop management and operation. One-Stop directors are encouraged to focus on improving One-Stop operation

and communication. Staff members are encouraged to reflect on quality of service and ways to improve that service. Our interviews suggest that the commitment to the CQI process is uneven across local contractors and among different staff.

### One-Stop staff certification

The NoRTEC system has been encouraged since before the advent of WIA to provide professional training and certification for all staff members. The rationale is: if One-Stop staff members are to perform their jobs effectively, avoid legal liability, think of themselves as professionals, be able to market their services as professional, and compete with professionals who are serving job seekers and businesses, they need to be trained and certified by professional organizations. To this end, NoRTEC administration required that contract service providers include a staff development section in their budget submissions:

[W]e pushed that pretty hard. ...as people were starting to get educations, they're starting to get degrees, they're starting to get certifications—they start feeling more pride in what they're doing and they start realizing that this is a professional...that there's more to it than just being a good guy.

When WIA brought business services into the equation, certification became required in that area too. At present, at least 75 individuals working in NoRTEC One-Stops have some combination of college degree and professional certification that includes registered professional career counselor, registered career paraprofessional, global career development facilitator, California accredited consultant, senior professional in human resource management. All certified individuals must have continuing education. NoRTEC administration tracks and celebrates each added certificate.

Service providers find that it puts them in a very good marketing position, particularly with new businesses, when they can point to their level of qualification to perform the services they are giving and selling. Their confidence in their abilities is a visible asset and their pride in NoRTEC is contagious.

### Quality assurance committee

In Oakland, a quality assurance committee has worked to reconcile the conflicting performance and accountability expectations of CBO contractors and private sector and government members of the WIB. The committee developed systemwide measures to hold all contractors accountable, but at the same time worked to communicate to the WIB the wider range of work that CBOs are doing, and the ways in which they leverage other funds to support WIA goals. The process appears to have improved CBO contractor performance, while helping the board to better understand and appreciate what CBOs contribute.

### Client feedback

One-Stop client feedback mechanisms are also used for quality improvement. In one WIB area this is done through focus groups with both business customers and job seekers. One-Stops work together to provide focus group facilitators for each other.

Customer service surveys are another way to collect client feedback. This is done through pencil and paper surveys, computerized surveys, and specialized machines that resource room customers can use to punch in their current level of satisfaction with the service they are receiving. In one area customer satisfaction results are processed and posted in all area One-Stop resource rooms. Process improvement plans are listed next to the data, and staff teams meet to address issues raised by the customer feedback

A related service quality control strategy is the secret shopper. In one area, One-Stops provide secret shoppers for each other. They send staff members to each other's One-Stop pretending to be job seekers as a way to assess the quality of services. This information is then used to help staff improve the service.

### WIB network learning

Many WIBs have commented on the usefulness of learning from each other through their network connections. The most notable connections are through the periodic meetings of the California Workforce Association, including regular conferences and special topic workshops. Even though WIBs recognize regional dissimilarities and conditions, many members, especially the executive directors, look to other WIBs for model programs, strategies and systems. There is a strong expressed need to learn from each other for continuous improvement. At least one area sends WIB members, particularly chairs-to-be, to an annual national workforce meeting in Washington, D.C., and the past two chairs identified those trips as one of their most important and valuable learning experiences.

### Staff supervision

Because of their complex nature, workforce development organizations require a high level of management expertise. This includes frontline management, since case managers and others in the WIA system must operate with substantial amounts of discretion if they are to provide the kind of flexible one-on-one attention that is the heart of WIA case management service.

For example, SELACO deliberately delegates a high level of authority to program managers. While directors take ultimate responsibility for operational outcomes, managers decide for themselves how to achieve goals. In addition, managers are encouraged to approach their work creatively, meaning that they can seek out new and different ways of achieving goals. There is regular and continuous feedback, so that directors can learn about "experimental" approaches. Frontline staff performance is assessed through a Performance Balance Wheel, a tool that allows supervisors and staff to evaluate performance. However, this performance evaluation is very staff-directed.

The tool allows the individuals to assess their own strengths and weaknesses, monitor their own performance levels in their respective areas, and work on weaknesses. Supervisors assist staff in their self-assessment.

### Strategic communication

This includes meetings, emails, and phone calls that are designed to share information on a daily basis. For example, in two NoRTEC counties where One-Stops are widely dispersed geographically, staff participate every morning from 8-9 AM in a conference call to coordinate activities. This is when business services staff make other staff aware of the job order they have received, so they can be on the alert for qualified candidates. A One-Stop manager:

One thing we do that we kicked off right at the git-go was we started opening at 9:00 instead of 8:00. We have a morning meeting every single day, and we even have our other One-Stop staff on a speaker phone. Every single day we talk about new jobs, new businesses coming in, placements, what classes are happening. We need to be really honest. I can think of a business...the owner's a clean freak. Don't send somebody there that's easily intimidated, that's sloppy at all, that's personally, they should look sharp, they should be sort of strong-willed but not take things personal; let's paint this picture of what we really, really are looking for. This is a time for us to come in and communicate and communicate.

### Web sites

All WIBs and their One-Stop systems have web sites, yet the content of the websites varies considerably. Some are built to announce services, give contact information and direction to One-Stops and lists of services, while other Web sites are elaborate information sites with numerous links to other organizations and services. We could not ascertain the level of use of these Web sites in terms of who uses them and how frequently. Field researchers reported that many of these web sites may be a year or more out of date with regard to published lists of WIB, staff and committee members, meeting minutes and special events, and even locations of services. The reason usually given for this is that it is an extra job for a staff member who is already overburdened with work. An exception is NoRTEC, whose web site doubles as its means of tracking performance and whose executive director has made the web site a priority.

### Outreach and marketing

There is a stronger emphasis on marketing towards businesses than there is towards job seekers. Given that WIA programs can reach only a small fraction of those job seekers who might potentially benefit, and lack resources to fully serve those who show up unprompted, the lack of marketing to clients is understandable. It is consistent with the findings of an earlier evaluation of the California Community and Faith-based Initiative (CFBI), which found that One-Stops seldom engaged in the type of outreach to disadvantaged communities or individuals that marks many nonprofit organizations in the workforce field (Campbell and Lemp, forthcoming).

Most One-Stops who do market their services, typically to advertise job fairs or hiring events, use a combination of materials. These include flyers, brochures, newspaper ads, radio and local cable TV announcements, faxed ads, presentations, and web sites. The intensity of marketing depends on mainly two factors, 1) The degree of commitment towards using marketing strategies to attract clients (some WIBs feel strongly that marketing is a necessary strategy and they have committed resources to the sole purpose of marketing, while others are either not convinced of the usefulness of marketing or do not have or want to commit resources to the effort), and 2) The perception and fear of not being able to fulfill the demand such marketing could produce due to limited resources, to which the following quote testifies:

I'm not sure if we could handle it if we were well known by businesses. I hear other businesses service people talk about a marketing campaign to let businesses know we are out there. I already have more business customers than I can handle. We have such a small staff, I'm hesitant to promise more than we can deliver.

Nevertheless, some WIBs see marketing as part of their role and have established marketing committees. Some WIBs already have elaborate plans in place, while others are in the process of developing one. The Sacramento WIB spends about \$250,000 annually on marketing outreach towards businesses, hiring a public relations firm to advertise their services as well as utilizing private sector WIB members as boosters.

#### Using data for quality improvement

Some areas have developed data systems that make it easier to fill out required state reports while also supporting day-to-day management information needs. One such system at NoRTEC was built around the Internet. It required a lot of initial investment of time and money, but it now serves as a useful and easy tracking system of job seekers, ITAs, business clients, and contractors. The system is set up in a way that all data inputs are automatically translated into state required data, thus eliminating the step of gathering information from various sources for the sole purpose of reporting to the State. Case managers can use the tool for their own work and never perceive an additional burden of producing information for a state report.

Some areas continue to struggle with too much data but not enough streamlining to make efficient use of the data. A system administrator explains:

I asked one of our staff members to analyze all the different reports we were responsible for generating or capable of generating so we could start identifying the data that we actually needed. We have so much data and we actually use very little of it. The amount we have is disproportionate to the use we have for it.

#### Documenting results in terms that speak to public constituencies

Within California's workforce development system there is increasing interest in the possibility of using Return on Investment (ROI) models to demonstrate the public value of WIA funded programs and services. None of the case study areas has yet developed an

ROI system that allows for calculations of the return on their investments for taxpayers, for job seekers (measured for example as disposable income changes), or in relation to the broader economic benefits to the community. However, NoRTEC has developed a number of calculations that estimate the value-added in the form of monetary savings to businesses if they use NoRTEC's services for Human Resource Outsourcing, Workshops and Learning Opportunities, Employee Training, Labor Law workshops, Employee Retention, Customer Service, Website Development, and others. For example, the Human Resource Outsourcing is based on the cost of a full-time HR manager less the cost of NoRTEC services, figured at \$ 40,000 per employer. This is multiplied by 40, assuming that 40 businesses use this service in a year, for a total savings to businesses of \$ 1,600,000 per year. NoRTEC-wide, that comes to \$14,400,000 per year. By NoRTEC's own admission, this type of calculation is just a rough start, and the difficulties in coming up with an ROI model that might be useful across the different local area settings are substantial.

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## Appendix 1. Matrix of Local Case Study Research Questions

Research Question Topic	A. WIA System Description	B. Local Network Relationships	C. Observable Results
1. Mission	<p><b>What is the mission of the local WIA-funded system?</b></p> <p>including community planning and service delivery aspects as revealed by:</p> <ul style="list-style-type: none"> <li>• formal mission statements and planning documents,</li> <li>• the priorities of WIB and One-Stop directors and staff, and</li> <li>• the emergence of shared purposes with other network stakeholders.</li> </ul>	<p>Who are the organizations in the local workforce development network, and what patterns characterize their relationships? Who are the WIB/One-Stops most important partners? Are CFBOs among the partners?</p> <p>What mechanisms exist to promote coordinated planning within the local workforce development network? Which network stakeholders show up and share resources? Are local politicians informed and supportive?</p> <p>Has WIA fostered improved levels of communication and collaboration? What are the main points of conflict or consensus within the network? Are interaction costs of collaboration considered reasonable by network stakeholders?</p>	<p><b>Clear?</b> Has a clear mission with evident consensus emerged and been realized, either within the WIB, the One-Stop system, or across the local workforce network?</p> <p><b>Engaging?</b> Has the WIB/One-Stop interaction with other network stakeholders resulted in policies and activities that engage support and withstand criticism?</p> <p><b>Public regarding?</b> Is the process of determining the mission broadly inclusive and transparent? Does the operative mission create public value as opposed to simply private benefits?</p>
2. Investments	<p><b>How are available WIA dollars allocated for various purposes?</b></p> <ul style="list-style-type: none"> <li>• training</li> <li>• One-Stop infrastructure</li> <li>• personnel</li> <li>• adult, youth, dislocated worker programs</li> <li>• administrative costs</li> <li>• discretionary activities</li> <li>• business services</li> </ul>	<p>What amount of non-WIA funds or other resources are being leverage via partnerships?</p> <p>Is the WIB helping the local network to integrate and coordinate different funding streams to support seamless service delivery?</p> <p>What individuals or groups have significant influence over investment decisions? What matters to them? Is the system becoming more demand-driven and responsive to business?</p>	<p><b>Returns?</b> Do various network stakeholders feel better off for being engaged in or with the WIA system? How is return on investment conceived and reported, and to whom?</p> <p><b>Vision?</b> How oriented is the pattern of investment toward far-sighted goals and emerging trends?</p> <p><b>Equity?</b> Is there a clear pattern of winners and losers as a result of investment choices? Are any local stakeholders bearing undue burdens or costs, or reaping disproportionate benefits?</p>
3. Service Design and Delivery	<p><b>What services and programs are offered and what types of program participants are served?</b></p> <ul style="list-style-type: none"> <li>• job seekers/businesses</li> <li>• standard offerings/local flexibility and innovation</li> <li>• hard-to-employ/others</li> </ul>	<p>How does administrative nesting affect managerial relationships and service delivery choices?</p> <p>What service delivery niche do WIA-funded programs fill in the local workforce development network?</p> <p>What mechanisms are in place to get feedback from local network stakeholders about the performance of the WIA system?</p>	<p><b>Observable impacts?</b> What intended or unintended impacts do WIA services have on job seekers, employers, and communities? [e.g. training results, One-Stop usage, and the reach of services, including programs for veterans and disabled]</p> <p><b>Continuous learning?</b> What evidence is there that the WIA funded system is using data, information, and partners' feedback to improve?</p>