

WIA Implementation in California: Findings and Recommendations

Final Report
UC Davis Evaluation of California's Workforce Development System

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Executive Summary

From May, 2004 to June, 2006, a team of researchers from the University of California, Davis conducted an in-depth evaluation of Workforce Investment Act (WIA) implementation in California. According to the approved evaluation design, the purpose of the evaluation is to describe and assess how the Workforce Investment Act (WIA) is being implemented at the state and local levels in California, in order to inform policy and programmatic decisions at the federal, state, and local levels. The evaluation was not a performance audit to identify specific program-level findings. The goal is to identify and better understand the most important system-wide opportunities and challenges based on the experience and reflections of public and private stakeholders throughout the California system.

We began by speaking with state-level stakeholders about general trends and the particular role of the California Workforce Investment Board (CWIB). We then conducted open-ended interviews with the executive directors in 49 of the 50 local Workforce Investment Areas in California. Guided by what we learned during these initial conversations, we then embarked on the major focus of our work, a detailed examination of WIA implementation in 15 of the state's 50 local workforce areas.¹ Ten of these case studies examined the full spectrum of local WIA operations: how WIA provisions are conceived and executed, who is served, how the WIA operation fits into the local workforce development network and broader community.² In five of these same ten areas, plus five additional areas, we studied the implementation of the WIA youth program.³ We describe our detailed findings from the various components of the evaluation in the four interim reports issued during the course of this evaluation:⁴

- Opportunity for Leadership: Stakeholder Assessments of State-Level WIA Implementation (Pence and Campbell, December 2004)
- Survey of Local Workforce Investment Board Executive Directors (Lemp and Campbell, April 2005)
- Implementing WIA at the Local Level: A Comparative Analysis of 10 Local Workforce Areas in California (Campbell et. al., August 2006)
- The Workforce Investment Act and California Youth: Implementing Local Youth Councils and Youth Programs (Lamming, Lemp, and Campbell, September 2006)

¹ The local area cases were selected to maximize variation in location, economic conditions, size, and administrative configuration (city, county, consortium of cities or counties).

² The 10 local areas in which comprehensive case studies were conducted include: Alameda County, Los Angeles City, NoRTEC, City of Oakland, Sacramento County, San Bernardino County, SELACO, Sonoma County, Tulare County, and Verdugo (see map in Appendix 1).

³ The 10 local areas in which youth case studies were conducted include: Los Angeles City, Merced County, NoRTEC, Orange County, San Joaquin County, City of Santa Ana, Solano County, Sonoma County, Tulare County, and Verdugo (see map in Appendix 2).

⁴ All four are available at www.ccp.ucdavis.edu

In all, we interviewed more than 460 people,⁵ visited local areas repeatedly, attended local and state Workforce Investment Board meetings, studied local area documents and web sites, and kept in touch with key contacts by phone. In this final report, we present the most important findings of our evaluation, organized as follows:

- this executive summary of our overall findings and recommendations;
- a summary description of local WIA activities and operations, organized by our main research topics (e.g., executive director and WIB roles, One-Stops, etc.);
- a summary of findings organized by our five major research questions, which deal with system mission, resources, services, partnerships, and leadership;
- three recommendations for improving the WIA system;
- a conclusion with take home messages for federal, state, and local decision makers.

Overall Findings and Recommendations

WIA has presented state and local officials with the challenge of expanding the workforce system mission during a period in which federal funding has been cut and community workforce development needs are growing. Despite many difficulties documented during our evaluation, including a lack of effective state leadership during early implementation (Pence and Campbell, 2005), the overall response of state and local officials in California to this challenge has been energetic, determined, and resourceful.

While our evaluation identifies many ways in which federal policy and California implementation can be improved, the single biggest challenge facing the workforce system is the erosion of public resources. Reductions in WIA funding have had a far-reaching impact on service delivery and pose two problems for local workforce leaders. First, serving more people with less money and fewer staff is an obvious difficulty. Second, being unable to anticipate how much money will be available each program year makes long-term planning almost impossible. Local area leaders face difficult tradeoffs between valued objectives and, increasingly, must rely upon their skill in securing discretionary funds and in leveraging WIA resources through negotiations with local partners. The inability to count on stable funding levels also hampers the local areas' ability to make programmatic commitments to partners on a consistent, coordinated basis.

Although local WIBs are not directly funded under WIA, they are severely impacted by funding reductions. Before they can act as community catalysts and conveners, they must be able to attract business and civic leaders to the board, which will only happen if they are perceived as able to make valuable contributions to the community. Their position is considerably weakened if they lack the resources to set their own priorities and carry

⁵ We conducted interviews with state and federal stakeholders; executive directors; members of their staff; Workforce Investment Board members; members of county boards of supervisors; One-Stop managers and staff; contract service providers and their staff; WIA-mandated partners such as the Employment Development Department, the Department of Rehabilitation, local community college and adult education staff, and a variety of nonprofit organizations; and One-Stop customers, both business service clients and job seekers, and others as locally indicated.

them out. At present, local area priorities are strongly influenced by the decisions and dollars of other local workforce stakeholders and by federal or state grant programs.

When comparing WIA with the Job Training Partnership Act (JTPA), stakeholders are grateful for the universal eligibility provision that allows them to serve any adult who walks in the door of a One-Stop, but lament that federal performance measures do not reflect their intense universal services efforts and the very high number of customers they serve. Stakeholders report that the extent of local collaboration is greater than was the case under JTPA, but add that many of the specific mechanisms by which WIA seeks to facilitate partnerships need rethinking, including the mandatory partner provisions, the ideal of co-location of services, and the Eligible Training Provider List (ETPL) requirements. Regarding youth programs, local stakeholders value the WIA emphasis on holistic, long-term developmental services, but regret that this emphasis, together with the elimination of the highly popular summer jobs program, means that WIA now reaches far fewer at-risk youth than during JTPA.

Although they are sometimes treated as contradictory in policy debates, we find that “rapid workforce attachment” and “training” are better viewed as integrated facets of local workforce policy and programs. By focusing the system on putting people to work, WIA implementation has had the expected effect of decreasing the number of individuals enrolled in formal training. But training (broadly defined) is still being accomplished throughout the WIA system, albeit with increasingly varied content and forms. Complex local partnership arrangements hide the fact that WIA dollars are supporting more occupational training than administrative data are currently designed to capture.

At the same time, the bulk of the day-to-day training in the One-Stop system is now occurring in the context of universal services and is geared toward job search and other basic work-readiness skills.⁶ Although this work has value, we question whether the current concentration of system resources on job search and work readiness training represents the best long-term strategy for workforce development. At a minimum, we recommend that policy makers should follow the lead of some of the local areas we studied by putting more resources and emphasis on occupational skill development and pathways to good jobs. In doing so, they should be guided in large part by the *long-term* interests of job seekers, business customers, and local communities.

In the most successful local areas we studied, WIA implementation is adaptive, dynamic, and fluid. These areas take full advantage of the opportunity WIA offers to apply creative, entrepreneurial decision making to the unique history, assets, and relationships that mark their communities. Outcomes we have seen from this approach include productive partnerships, better use of staff time, local visibility and respect for One-Stops, and customer satisfaction as demonstrated by repeat business.

⁶ Another layer of training provision in local communities—focused on remedial tasks such as sobriety or prison re-entry—typically takes place outside of the WIA system among a loosely defined network of community and faith-based organizations (see Campbell and Lemp, forthcoming).

Throughout this evaluation, local areas have expressed their frustration with the time consumed by compliance and reporting activities in an era of diminishing resources, comparing WIA unfavorably with JTPA. While they wholeheartedly agree with the need for public accountability, they told us that they spend an average of 40% of staff time—two days of every week—just on these activities, time that might otherwise be directed into services. One characteristic of the most successful local areas we studied is their determination to minimize the amount of staff time devoted to meeting federal and state compliance and reporting demands by simplifying paperwork and lifting the burden of reporting from frontline staff so that they can concentrate on delivering services.

A major system challenge is to find a better balance between the equally important needs for public accountability and implementation flexibility. Achieving this balance will require:

- concerted efforts by federal and state officials to relax the compliance demands placed on local areas,
- more assertive efforts by local areas to request needed waivers and to develop strategic policies that are specific to their populations, economies, and organizational contexts, and
- an improved performance measurement system that speaks to the system's return on investment by addressing the relevant outcomes sought by job seekers, employers, community leaders, and major funders.

In each case, the changes required to current practices are substantial rather than trivial, and the process for developing the needed changes will require the full involvement of executive directors and other frontline personnel in close partnership with state and federal officials. We are pleased to note that, since the time of our first report on state implementation, a good deal has been done to improve the state-local partnership in California. Thus, the system changes we are recommending can build on positive momentum that already exists.

Summary of Local Area Activities and Operations

This section of the report presents a summary of local area activities and operations by selecting a few of the important topics we investigated, including:

- Local area administration,
- Workforce Investment Boards,
- One-Stops and their services,
- Youth programs,
- Accounting for performance,
- Exemplary programs.

Readers wishing a more detailed account and description can find them in our third and fourth interim reports (Campbell et al., 2006; Lamming, Lemp, and Campbell, 2006).

Local area administration

More than three quarters of California's 50 local areas are organized as government entities, with about half of these nested in a human/social services department and half in an employment/economic development department. The remaining local areas are organized as nonprofits, or in two cases, as hybrids that combine nonprofit and governmental features. Most local areas comprise single cities or counties, but there are nine consortia of cities or counties.

We found that the way WIA is implemented locally is powerfully influenced by historical issues—how workforce development has been administered in the past and the ties that have been formed with local government and nonprofit organizations. Geography, demographics, and economic factors also play key roles. Case study evidence suggests that it is usually the local area executive director who is most responsible for setting the tone and priorities for the local area.

Administrative staff

With rare exceptions, we found the executive directors of the local areas to be particularly competent individuals who enjoy the challenge of combining broad vision and imagination with a practical grasp of running a large, complex set of programs. About half of the executive directors have been involved with workforce development since before WIA, and 57% of them have other administrative duties beyond their WIA/WIB obligations. A key challenge for the state will be replacing the experienced executive directors who are expected to retire during the next 5-10 years.

The WIB administrative staff we interviewed also impressed us with their skill, experience, and concern for system customers. As WIA funding has been reduced, so has staffing, with those remaining accepting additional responsibilities to keep the programs running as smoothly as possible.

One-Stop contractors and their staff are equally impressive. Nearly all of the contractors we interviewed were fulfilling similar obligations for their local areas prior to WIA and have become trusted partners over time, although they are still required to demonstrate their ability through periodic competitive bidding processes.

Workforce Investment Boards (WIBs)

The effort to include all 17 mandatory partners, plus a majority of private sector participants, has resulted in large WIBs—rather too large and unwieldy according to many of our respondents. Of the 49 WIBs surveyed, the average number of members is 33 (three WIBs have fewer than 20 members; nine have 40 or more) with an average of 18 business members, such that the requisite business majority is typically in place. However, attracting and retaining WIB members from a representative section of local business has been an on-going problem. Given the absence of dedicated funds for WIB activities, it is difficult for WIBs to achieve the necessary community visibility to become a center for workforce development planning, and some private sector members quickly lose interest in meetings that are not considered productive.

Executive directors told us that they had trouble maintaining momentum unless their boards were actively involved in projects that captured their imagination or interests, rather than simply serving in a WIA performance oversight role. In some local areas, WIB members themselves have raised or donated the necessary funds to carry projects forward, but this is the exception rather than the rule. We found that WIB members desire the board to play a community-convenor role, and while most stakeholders suggest that their WIB is not there yet, they believe they are headed in the right direction.

As WIBs have evolved, inactive members, mandated or not, have been dropped and interested local partners have been added. In order to accomplish useful tasks, WIBs use subcommittees, some of which are very active. WIBs meet every month, every other month, or quarterly, and we found that frequency is not tied directly to effectiveness. WIBs are typically staffed by local area administrative personnel, and another factor limiting the WIBs' reach and effectiveness has been severe staffing cuts in the wake of diminishing funding.

One-Stops and their services

One-Stops present a wide variety of appearances, ranging from store fronts in aging strip malls to suites in corporate-style buildings to stand-alone facilities with separate entrances for job seekers and business customers. A number of local areas already had some One-Stop infrastructure in place and partners co-located when WIA went into effect. All local areas indicated that they accepted the concept of putting all providers under one roof and did their best to accommodate it. Few local areas are able to get their partners to contribute to the One-Stop overhead costs since there is no way to compel them to do so, regardless of WIA's intention. On-site partners typically do assist in serving "universal" customers, however—answering questions, overseeing the computer area, and holding workshops.

Successive funding cuts have severely impacted the original intention to co-locate all mandatory partners and services. Many partners, experiencing shortages of their own, have withdrawn to their own offices, but respondents at every level hail the One-Stop concept as successful in bringing workforce development practitioners together in ways never before experienced. Ties that were formed early in the program still enable partners to work together despite physical distances, making improved collaboration one of the most frequently noted successes of the One-Stop effort.

When we surveyed the 49 local areas in August 2004, they were operating a total of 243 One-Stops, with six local areas having only one and five having ten or more. In response to funding reductions, most local areas reported closing or combining One-Stops since 2001, and/or reducing the staff. The number of satellite/affiliated One-Stops 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.

No statewide data system exists to track the total number of One-Stop customers, an omission which executive directors have attempted to remedy locally by developing or purchasing their own tracking systems. We learned that, in 2003-04, five local areas served more than 100,000 job seekers, with the average among all local areas of about 31,000 customers per year. Using executive directors' estimates, we calculated that during the 2003-2004 program year, roughly 1.5 million customers used One-Stops statewide. Executive directors indicate that these figures have been rising annually.

Universal services

One of the most popular aspects of WIA legislation, according to respondents at every level, is the ability to serve anyone who walks in the door looking for work. Services offered include a brief assessment of the individual's needs, instruction in using the computer job bank and other job sources, assistance in creating résumés, and workshops on a variety of job-related issues from appropriate dress to interviewing techniques. Universal customers make up a very high percentage of every local area's numbers served and absorb considerable staff time, yet there is no standard way to capture and report this intense activity to the state and federal governments.

Business services

As with universal services, there is no formal means of reporting business services activity to the state and receiving credit for it, nor does it receive dedicated funding. The way in which business services are implemented varies across local areas, with some making it the center of their operations based on the belief that serving business customers creates opportunities for job seekers, and others treating it as more peripheral to the primary task of serving job seekers. The WIA emphasis on demand-driven services supports a business-service orientation, but most local areas concentrate more on serving job seekers for a variety of reasons (local custom and preference, performance

requirements that only measure job seeker services, the lack of formal business services requirements). Business services provided include customized recruiting; topical workshops on economic, personnel and legal issues; providing meeting rooms; and maintaining offices for use by incoming businesses.

Intensive services

Intensive services consist of one-on-one work with a case manager who typically assesses eligible job seekers to determine their needs, tests them to find out what skills and talents they have, designs and coaches them through an individual program to enable them to compete in the job market, helps them find employment, and follows up with them to offer any further assistance they may need in retaining that job or finding a new one. We learned that case managers are carrying heavier and heavier loads as traffic increases and staff positions are cut. Some case managers are handling as many as 90 customers at the same time. Most One-Stop contractors deliver intensive services via their own staff, while in some cases they are contracted out to other organizations.

Training

Job seekers eligible for training must research the careers they wish to pursue, the schools that offer courses they want to take, and any non-WIA funding sources available to them, and present written reports to their case managers before they are able to receive WIA support. Often, WIA funds pay for support services (e.g., books, uniforms, transportation and daycare) while the student must secure other funds or use their own resources to pay for the training itself. The Eligible Training Provider List (ETPL) list intended to benefit students by allowing them to compare opportunities has proven to be problematic, with many institutions—community colleges among them—declining to take part because of the time consuming tracking that must be performed under WIA.

Private vendors that offer short-term training are popular because the training they provide enables recipients to move directly into paying jobs. By contrast, one issue with community colleges is that they tend to offer longer-term training and are less able to develop courses that meet immediate local business or job seeker needs. Adult education programs are more flexible, but are unable to accommodate as many students. Even with the difficulties, local executive directors and One-Stop managers view community colleges and adult education as among their most important and strongest workforce partners.

Some local areas make use of on-the-job training (OJT) to serve both employers and job seekers. Arrangements differ from one local area to another and the practice receives mixed reviews. Job seekers tend to like it because it places them into a job while providing certain supports, but some employers balk at the paperwork and supervision required. A few local stakeholders noted that the money that goes to support a single OJT placement could provide basic education to a number of customers, an example of the type of implementation tradeoff that local officials must negotiate daily.

Youth programs

Our early conversations suggested that the portion of the WIA system which deals with youth has unique dynamics that warrant independent investigation. The research team was able to secure funding from the University of California Cooperative Extension to pursue a youth evaluation component, and CWIB matched the university funds in the spring, 2005. The additional funds supported the 10 local case studies that are reported on in our fourth interim report (Lamming, Lemp, and Campbell, 2006).

We learned that WIA's youth programs inspire a particularly high level of dedication and passion among local stakeholders. Despite sharp funding cuts that have limited local Youth Council activities and the numbers of youth that can be served by WIA programs, staff and WIB support for youth programs is generally strong. Youth programs are attractive because they offer the promise of an early intervention that can set youth on the right path and avoid more difficult problems later. Over and against this is the reality that youth programs cost more on a per client basis, and as a result can reach only a tiny fraction of the targeted youth in most communities.

Youth councils (YCs)

YCs are frequently described as the most active of the WIBs' standing subcommittees, and serve important networking roles in local areas. The number of YC members and frequency of meetings vary considerably across local areas. Youth services contractors usually serve on the YC, since they are usually among the most knowledgeable individuals about the needs of WIA youth and the strategies for serving them. Nearly every local area we contacted has at least one youth member, and we learned that these youth members are more integrally involved if they can serve on an active subcommittee with short-term goals to which they can contribute.

YCs undertake a variety of activities through standing and ad hoc subcommittees. They typically play some role in selecting contract service providers (conflict of interest rules are in place so that the contractors take no part in this activity), conduct youth events, and work on projects involving youth, such as community forums and youth-designed web sites. YCs receive no dedicated funding and must depend on local area administration for staff support and money for special events. In some areas they benefit from the generosity of their own members, who make funding available from their own organizations or businesses.

Youth programs

The general content and goals of youth programs are governed by WIA regulations and overseen by one or two administrative staff members of the WIB. These staff design RFPs and stay in daily contact with contract service providers to track performance and help resolve problems. Local areas may be divided geographically into zones served by single contractors or programs may be divided among contractors with different specialties. In some urban areas, youth benefit from sophisticated partnership

arrangements that facilitate the delivery of specialized services by multiple organizations. RFPs often require successful candidates to demonstrate that they can provide additional services to WIA-eligible youth through programs supported by non-WIA funding.

Specific youth program models vary, particularly with regard to whether they feature group work experiences in which a cohort of youth perform tasks such as brush removal (to reduce local fire danger), repair of community facilities, or running a local restaurant and catering business. Contractors are usually experienced community-based organizations (CBOs) which are well established in the community, although in rural setting the relative dearth of CBOs with sufficient management capacity leads to delivery by county offices of education or similar government entities.

All local areas serve both in-school and out-of-school youth, but they vary in deciding which population receives greater emphasis. We learned that contractors have been consistently successful in meeting their numbers, but that the numbers of youth served are minute by comparison with the number who could benefit from intervention. This is a function of both funding cuts and the holistic service emphasis of WIA legislation.

WIA legislation gets decidedly mixed reviews from youth-service professionals. While many staff and providers are grateful for the opportunity to provide long-term, in-depth service to at-risk youth, others lament being able to serve so few youth at the present level. Across the board, practitioners regret the loss of JTPA's summer youth program, which allowed them to give groups of eligible youth both paid job experience and supplemental education while benefiting the community at the same time. Staff and providers also miss JTPA's stipulation that youth eligible for school free lunch programs were automatically eligible for services, noting that present WIA eligibility criteria are so demanding that families sometimes refuse to take part. Youth program paperwork consumes so much time that staff often complete it on nights or weekends in order to preserve their face time with youth.

There is considerable concern in the youth arena over the upcoming Common Measures and the shift to serving more out-of-school youth. Testing and follow-up are difficult enough with in-school youth, we were told; finding out-of-school youth who are willing to submit to such a program will be even more resource-intensive. In terms of overall strategy, respondents felt strongly that the time to deal with at-risk youth was when they were still in school rather than waiting until they left the system.

Accounting for performance

Local stakeholders acknowledge the need to account for system results, but believe the existing performance measurement system is not meeting critical needs and is hampering the system's ability to tell the full story about its public value. Interfacing with the Job Training Automation (JTA) system is a major part of the problem, we were told. Respondents continually described JTA as out of date and frustrating to use and expressed a desire for a much more flexible reporting system which would be able to

produce real-time reports that local areas could use to improve their own performance.⁷ It does not appear that Common Measures will address the most important shortcomings of the current performance measurement system, such as:

- existing performance measures fail to capture all the relevant information (e.g., the provision of universal services and business services);
- data systems designed around the existing measures don't repay data collection efforts with timely, useful management information;
- the way performance measures are constructed promotes a conflict between being in compliance with performance standards and serving the hardest-to-employ populations, promoting the practice called "creaming";
- the earnings increase measure (wage replacement measure) is unrealistic and creates a disincentive to serve many dislocated workers; and
- performance incentives skew long-term workforce development by rewarding immediate employment over an approach that invests in advanced training to build a more skilled workforce.

We learned that an average of 40% of local areas' staff time is occupied by complying with WIA-required compliance paperwork—and estimates are even higher for the youth program. While all respondents we spoke with acknowledged the need to carefully account for public funds, they regret the need to spend time on paperwork that could be spent in serving customers. Several local areas have developed simplified internal forms for collecting performance data and at least one area has devised its own system-wide data-collection and processing software.

Quality improvement

The California Workforce Association (CWA), whose semi-annual conferences are well attended, plays a large role in stimulating new thinking and disseminating promising practices. Local areas appreciate any opportunity to tap the expertise of other local areas, particularly those with similar populations which have resolved common problems. Individual local areas tend to arrange their own in-service staff training, sometimes hosting workshops run by noted figures in the industry. Respondents report searching the internet for national models and innovative approaches and maintaining contacts with respected practitioners encountered at national conferences. At least one local area requires that all staff are credentialed in various aspects of serving the public. The absence of outcome indicators beyond the required federal performance measures, or of a real-time data management capability, is a hindrance to the overall quality improvement effort.

⁷ We address the major issues with performance measures and offer recommendations later in this report (see Recommendation #3).

Exemplary programs

We encountered many exemplary programs of various shapes, sizes, and purposes in our local area investigations. Without question, however, the single most successful state-wide training effort we encountered is the Nurse Workforce Initiative. Preceded by the California Caregivers Training Initiative and followed by Gov. Schwarzenegger's release of \$13 million in WIA discretionary and Wagner Peyser funds in March, 2005, this focused funding has created active collaborative networks that cemented relationships between local workforce investment areas and adult education, community colleges, and hospitals in nearly every one of our case study areas. Having witnessed what this type of well-conceived sectoral initiative can achieve when it is backed by state investments and implemented with local flexibility, local stakeholders express the hope that this approach can be duplicated in other vital sectors—in the electronic and biotechnology industries, for example. This is where California's well-established One-Stop system with its local connections most clearly justifies the public investment that has been made.

Summary of Findings Related to Primary Research Questions

This section of our report presents the answers we found to our five primary research questions. Keep in mind that our charge was to develop a systems analysis, rather than an examination on individual WIA programs and their outcomes. The research questions concerned the system mission, resources, services, partnerships, and leadership.

1. System mission

Research question: **What is the operative mission of the WIA-funded system?**

Major finding:

Local area implementation is consistent with WIA legislation and subsequent Department of Labor directives emphasizing demand-driven services and specifying that training should be offered only when other options are exhausted. This service design has led to an increased emphasis on serving employers and universal service customers, and a significant decrease in the number of individuals receiving formal occupational training as compared to the pre-WIA era. In sum, WIA implementation in California tends to emphasize the mission of “getting the workforce employed” more than “building a skilled workforce,” although elements of both approaches co-exist in the system.

Other important findings:

- WIA has expanded the mission of the workforce system, adding major new system responsibilities and service demands at the same time that formula funding is being cut. Three potentially complementary elements of the WIA mission compete for scarce resources and attention:
 - the traditional mission of *implementing categorical job training programs* that develop occupational skills for citizens who qualify for enrollment;
 - the new WIA emphasis on *providing universal job-matching services and specialized business services* designed to link job seekers to good jobs and employers to skilled employees in an efficient and effective manner; and
 - the responsibility given to Workforce Investment Boards for *building local systems and developing locally adapted strategic policy* to help align the efforts of the many public, nonprofit, and private organizations and programs that contribute to workforce development.
- Responding to WIA policy signals, local implementers experience a tradeoff between their ability to offer training services and job-matching services. By comparing local area estimates of the number of universal service customers with the number of actual WIA enrollees, it becomes apparent that more than 90% of

all workforce system customers are never enrolled in formal intensive and training services. Our case studies indicate that the operative mission is tilting toward job-matching —focused on immediate placement—and away from job training. The opportunity cost associated with this mission shift is that fewer individuals are receiving formal training services. The training that is provided is typically of relatively short duration, and often focuses on job search or work readiness skills.

- A survey of local area executive directors and One-Stop managers finds that these system leaders place a comparatively low value on the job-matching aspects of WIA’s mission. Instead, executive directors are somewhat more likely to define the primary mission as providing specialized businesses services to foster economic development, while One-Stop managers are more likely to emphasize developing a skilled workforce through effective job training. Both groups support taking the needs of local businesses as the starting point for defining WIA programs and services.
- In a few local areas we found more emphasis on training services. This occurred when:
 - unions and/or community-based organizations (CBOs) lobby the WIB for policies that concentrate resources to support the training needs of low-income job seekers;
 - business-labor partnerships promote the use of WIA resources to provide training for high-wage jobs; and/or
 - local workforce leaders enroll job seekers in customized training after placement, so that the immediate needs of job seekers and employers are satisfied while retaining an emphasis on skill development and lifelong learning.
- Regardless of where they happen to be administratively housed, the mission of local areas incorporates aspects of both economic development and social services. The momentum under WIA has been to strengthen connections between workforce and economic development, with WIA systems supporting local business retention and recruitment activities.

2. System resources

Research question: In broad terms, how adequate are system resources and how are available WIA dollars allocated for various purposes?

Major finding:

Available funding under WIA is inadequate to accomplish the system’s complex and expanding mission and to serve the workforce needs of workers, businesses, and local communities.⁸ WIA funding cuts reduce badly needed public services as staff positions are eliminated and One-Stop facilities closed. Reductions in formula funds to local areas lead to greater reliance on discretionary grants and on leveraging the resources of other local workforce organizations. As a result, local area budgets have become increasingly unstable from one year to the next, hampering local areas’ ability to plan for the long-term and engage partners on a consistent, coordinated basis. Local WIBs are less able to set priorities independently, with the result that WIA priorities are often strongly influenced by the decisions and dollars of other local workforce stakeholders and by federal or state grant programs.

Other important findings:

- Estimates provided by local area executive directors and One-Stop managers indicate that nearly 40% of all staff time—almost two days of each week—is consumed by routine paperwork and compliance activities. Case study evidence indicates that a significant amount of system resources are devoted to meeting the accountability demands of government rather than to providing services, building local network relationships, or improving system capacity.
- The scramble to replace lost system resources takes an increasing amount of staff time, and takes many forms, including:
 - leveraging the resources of One-Stop contractors and other local partners;
 - tapping the funding streams of host administrative agencies (e.g., TANF, Community Development) to help support staff and program costs;
 - 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;
 - tapping into local funding sources (e.g., tax revenues, resources from WIB member organizations); and
 - developing fee-for-service programs.
- The WIA mandate to establish One-Stop centers resulted in a significant initial investment of WIA resources in One-Stop infrastructure. Subsequent cuts in WIA

⁸ We return to the issue of system funding in our conclusion, noting that WIA cuts are merely the latest in a long-term trend of declining public investment in workforce development.

funding have forced One-Stop operators 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). This has the effect of reducing the reach of services to both job seekers and local business, especially in remote rural areas or specific urban neighborhoods.
- EDD figures on local area allocations reveal some geographic disparity in the distribution of cuts within the state. Areas with high numbers of dislocated workers, such as many parts of the Bay Area, have generally experienced fewer cuts (and in some cases have received overall increases in allocations), while most other areas have witnessed a steady decline in WIA allocations.
- Increasingly, limited WIA training funds are extended through multi-organizational partnerships that draw on diverse funding streams. WIA funds in such partnerships often pay for social support services such as school supplies, transportation, uniforms, and referrals for clothing, housing, legal advice, food, or childcare. These services allow WIA enrollees to take advantage of training programs funded in large part by other entities.
- Among economic sectors identified as priorities, health care, manufacturing, high technology (particularly biotechnology), and transportation and logistics received the most mentions. We encountered several examples of training partnerships in which WIA funds played a significant role, the most robust and widespread of which were in the health care sector.
- WIA mandates that local areas develop business services without providing a dedicated funding stream for this purpose. To fulfill this requirement, 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. Some areas use non-WIA grants and contracts to cover at least a portion of the business services expenses. As part of their ongoing effort to achieve greater visibility and credibility with employers, local areas typically help any business that wants service, rather than restricting services to priority industries.

3. Service design and delivery

Research question: What WIA services and programs are offered and what types of job seekers and businesses are served?

Major finding:

Responding to federal policy signals, local areas have added universal services and expanded business services while adjusting intensive and training services to accommodate the new emphasis on rapid workforce attachment. As a result, local workforce systems are serving far more individuals, but with less depth of treatment. Comprehensive statewide data on universal and business services customers is not available, but case study evidence suggests that the majority of One-Stop customers are low-income individuals and small businesses. However, universal eligibility means that individuals from all income levels are served, and in some local areas, larger retailers or corporate employers avail themselves of the business services local One-Stops offer.

Findings related to specific types of services:

Business services:

- There is considerable variation in the nature of 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, including services that are not directly related to employment (e.g., financial planning, marketing assistance, web site development). 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, business-related functions such as job development, job posting, job-matching, and the hosting of job fairs—common activities even before the new WIA emphasis on demand-driven service—continue to comprise the bulk of business services. Local areas at this pole see direct, focused support for job seekers as the most pressing local need and the most appropriate organizational role for the local WIA system.
- Some local areas 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 have viewed WIA as an occasion to create integrated strategies that simultaneously meet business and job seeker needs. Among the many factors that contribute to the different approach taken by local areas are local economic climate, perspectives of WIB members (including short-term and long-term priorities), and the mindsets of local employers.

- In an attempt to gain business trust, many local areas seek to disassociate their programs from the welfare image associated with past workforce programs. For example, one primary tool for developing a relationship of trust with business is prescreening job applicants. This narrows the applicant pool, helps counteract the previous system image of sending unqualified applicants to employers, and increases the credibility of the local area as a source for business support.
- We find a consensus among WIB members, executive directors, One-Stop managers, and business services staff that business services typically have a very low profile in the community. This is somewhat less true in rural areas, where businesses have fewer places to turn for supportive resources such as those available through WIA business services. 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 concern expressed by many local stakeholders is that when they succeed in marketing themselves as the place for businesses to get their human resource needs met, they may not have sufficient staff, resources, or qualified candidates to meet the demand they have created.

Universal services:

- Universal services include direct placement, job-matching, short-term workshops, and drop-in assistance. 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. Given the increase in non English-speaking clients, most One-Stops offer translation services, either via bilingual staff or a contracted telephone-based service.
- Throughout our study, local stakeholders at all levels have enthusiastically embraced the WIA concept of universal eligibility for core services.
- Based on our earlier survey of local area executive directors, an estimated 1.5 million Californians are now using the state's One-Stop centers each year (Lemp and Campbell, 2005), and the number is said to be rising steadily. While universal services have some self-help features, it would be a mistake to characterize this as a self-help system since many customers require extensive staff assistance. One-Stop and WIB staff continually expressed their unhappiness with a WIA performance system which does not provide a way for them to receive credit for this resource-intensive service.
- Either by custom or by explicit policy, One-Stops generally serve anyone who walks in the door, regardless of whether they live in the local area or not. While most local areas have devised methods of keeping track of the numbers of people

they serve, no uniform statewide data exists to provide a demographic profile of universal service customers.

- Some local One-Stops post job openings where any client can view them, while others prefer to screen candidates before directing them to opportunities they deem appropriate. Individuals who are not considered job-ready are referred to other local agencies, including community and faith-related organizations.
- At the statewide level, California has taken a proactive stance toward WIA provisions (section 188) designed to ensure access to One-Stop services for all citizens. The commitment and capacity to serve the disabled population varies considerably across local areas. Some areas concentrate on fulfilling the minimum legal requirements, while others are engaged in special efforts through resource leveraging, developing targeted programs, and intensive staff training.

Intensive and training services:

- Nearly all areas report a shortage of funds to support training services; many run out of training funds well before the end of the fiscal year. We frequently heard—especially from frontline staff—how difficult it is to turn down deserving customers who desperately need help improving their skills so that they can support themselves and their families.
- Local implementation of the ETPL features has been uneven. Some areas have been able to implement the provisions by virtue of cooperation among motivated local providers, but other areas report encountering difficulties with the system. Many potential training providers, including a number of community colleges, have been unwilling to place themselves on the ETPL list. Some providers are alienated by paperwork and tracking requirements that are deemed excessive, while others say that the trickle of referrals to their training programs doesn't warrant the upfront cost of curriculum development.
- Most case managers and participants we interviewed describe the Individual Training Account (ITA) process 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.
- As reported in previous evaluations of federal workforce programs, enrollment decisions are driven by performance requirements. Local areas give preference to enrollees considered most likely to help meet performance measures, and engage in 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 them as the best way to ensure that public funds achieve the intended results.

- A key factor in determining job seekers' eligibility for training is their willingness and ability to fulfill a set of qualifying activities required by case managers, such as conducting research on potential local employers, interviewing people who work in the types of jobs they are seeking, and other concrete steps that vary slightly by location.
- Survey evidence indicates that typical case managers are working with between 50 and 90 job seekers at any one time.

4. Alignment with workforce system partners

Research question: What patterns characterize the relationship of the WIA-funded system to other workforce development-related organizations and systems?

Major findings:

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 with WIA-mandated partners and instead are working with partners with whom they have shared interests. Partnerships are frequently driven more by organizational histories, and personal experiences (positive or negative) than by a detached analysis of program overlap or by a commonly-held community workforce strategy based on shared values and measurable objectives. 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.

Other important findings:

Impact of WIA provisions:

- WIA’s mandatory partner provisions are 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 three evident weaknesses as a vehicle for developing working partnerships:
 - First, the legislation did not specify the specific obligations of mandated partners; relatively few mandatory partners contribute funds to support One-Stop infrastructure costs, although many do contribute staff time on a negotiated basis.
 - Second, barriers to integration due to agency administrative policies and regulations 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 when workforce programs were aligned with social services.
- The concept of physical co-location of partners, initially seen as integral to the success of the One-Stop concept, has succumbed to fiscal realities as WIA implementation has progressed, with many One-Stops forced to abandon co-location of partners due to budget, space, and other operational realities. Similarly, partners’ funding cuts have undermined 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.

- Local areas report widely differing experiences with the same state agency, based primarily on how flexibly the agency's local agents interpret program regulations in light of local needs and circumstances. Local agents we interviewed expressed a sense of being caught between their local and state loyalties and commitments, which often pull them in competing directions.
- One-Stop partnerships and service integration tend to be stronger in local areas where One-Stop planning preceded WIA legislation, giving inter-organizational relationships more time to mature.

Contracting relationships:

- 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, particularly in the area of serving youth. 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.
- Many One-Stop centers 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 ethnicity, language, culture, and/or geography.
- **Proprietary schools** play a large role; survey evidence indicates that 57% of local ITAs are used to support training at private, profit-seeking organizations. If anything, the value of these schools as partners may be rising, since many are known for being able to adjust quickly to local employer needs.

Relationships with particular partners and related systems:

- Partnerships with **community colleges** are strongest where college leaders have made economic development and the needs of local businesses a high priority, or where the Economic and Workforce Development programs funded by the statewide chancellor's office are strong. Barriers to partnership include the ETPL requirements, the rules and regulations surrounding the regular parts of the community college curriculum, and mutual institutional wariness rooted in fears about the overall allocation of workforce development resources.
- We found differences from area to area in alignment with **Adult Education**, with some areas citing mutually beneficial partnerships and others indicating distant

relationships. 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 important partners in providing certain coursework for WIA-supported students.

- The state **Employment Development Department** (EDD) has responsibility for ensuring local compliance with federal and state rules and regulations, while 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. Some local stakeholders we interviewed perceived EDD as a rule-bound bureaucracy intent on telling people what they can't do, and EDD staff sometimes described local areas as uncooperative. However, we found that relationships with EDD vary dramatically from area to area, depending on which of the many subdivisions or particular personnel are at issue, and some executive directors expressed warm appreciation for their EDD partners.
- Connections between the WIA and **TANF** systems at the service-delivery level are frequent and generally viewed as beneficial. They also provide significant revenue, either through contractual relationships or by sharing staff and program resources. However, co-location of WIA and TANF services is the exception rather than the rule, and some local areas are actively distancing themselves from TANF in hopes of increasing business trust.
- Most local areas report improved alignment between workforce and **economic development** programs, as compared to the JTPA era. Alignment is stronger in local areas organized at the county level 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. WIA systems relate to local economic development 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, or as a small business support program that provides a wide range of human resources and other supports.

5. System leadership

Research question: What institutional mechanisms exist to promote coordinated planning and service integration in local workforce development networks, and how effective are they?

Major findings:

WIB executive directors are the central, pivotal leaders in local workforce systems. The serious constraints facing local areas—including limited discretion with WIA funds and comparatively meager resources compared to other systems—are among the reasons why local WIBs often struggle to perform broad community planning roles as WIA intended. 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.

Other Important Findings:

Local area executive directors:

According to our survey, both executive directors and One-Stop managers desire to devote significantly more time than at present to system-building and less to oversight of WIA programs. Executive director leadership is enhanced when:

- the position 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 the city or county administrative departments;
- the executive director has a vision that engages others in system-building leadership to accomplish strategic local goals, rather than simply complying with federal and state directions and regulations;
- the executive director is supported by a skilled staff able to take on the “red tape” associated with the WIA system, which most locals describe as *more* extensive than under JTPA; and
- the executive director is full-time (only 43% of the local areas are able to support full-time WIB executive directors; in the remaining areas executive directors carry other administrative responsibilities in addition to their WIA-related duties).

Workforce Investment Boards:

- 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 currently have low profiles in their local communities.

- Many communities have 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 in more cases the convening body is a community-wide business-education alliance or the community college's workforce program.
- Where local areas are organized as a consortium, WIBs generally appear to have greater ability to move quickly and seize opportunities than those nested in a single local government. They also tend to view WIA within a broader perspective of community and economic development as opposed to the nested WIBs' more parochial perspective. Associated weaknesses of this model include fewer checks and balances, less obvious channels for the public to gain a voice in programs, and a greater reliance on the skills and personality of the executive director.
- Where local areas are nested in government agencies, WIBs 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 for training staff across programs, and the stability and continuity that bureaucratic organizations often confer. 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 allocate staff FTE and various service functions to WIA or departmental budgets.

Analysis and Recommendations

The policy implementation literature indicates that successful implementation is most likely when there is a single mission, adequate resources, and clear administrative responsibility for achieving results. Our research indicates that none of these three conditions are present in the case of WIA implementation. The current mission is diffuse and open to conflicting interpretation, resources are inadequate and shrinking, and the intended results require the coordination of organizations which represent different sectors (public, nonprofit, and private) and pursue divergent goals. These and related factors present imposing challenges to state and local implementation of WIA provisions.

State and local implementers in California are making impressive efforts to overcome these structural constraints and address individual, business, and community workforce needs. Their many successes create significant public value, but often go uncelebrated. In part this is because success occurs one person or one business at a time, but also because the federal performance measurement system does not facilitate the state and local system's ability to assess progress on strategic workforce priorities or to tell the full story of its public value.

In concluding our evaluation, we wish to offer three recommendations for the consideration of workforce system leaders at the federal, state, and local levels:

1. Increase the mission emphasis on worker skill development and pathways to good jobs, treating “rapid workforce attachment” and “training” as integrated facets of workforce programs.
2. Adopt up-to-date management strategies that deemphasize top-down controls and instead empower personnel at all levels of the system.
3. Institute major changes in the performance measurement and data management systems, especially to reflect universal and business services outcomes and to provide timely data linked to specific strategic policy initiatives.

The recommended actions are designed to address the most pressing system-wide issues that surfaced during our research. However, they should not be taken to imply that the present system and its leaders are failing to address these issues in their current practice. On the contrary, the recommendations build on positive developments we have observed. Our point is that the most promising direction for system improvement is to devote focused and sustained attention to these concerns, building on what is already working while overcoming existing limitations.

While these three recommendations are not necessarily designed as an integrated package, they may be mutually reinforcing. They link the ability to attract new system resources to greater clarity about mission, a more entrepreneurial organizational culture, and the ability to document results in more meaningful terms.

Recommendation #1:

Increase the mission emphasis on worker skill development and pathways to good jobs, treating “rapid workforce attachment” and “training” as integrated facets of workforce programs.

The shift to universal services and the continuing reliance on job placement as the primary outcome measure has led implementation to emphasize the mission of “getting the workforce employed” more than “building a skilled workforce.” We recommend that steps be taken to reverse this system momentum, such that skill development and pathways to good jobs in key economic sectors have a much higher priority than at present. The point is not to revert to a system that divorces training from employer needs, as occurred in some cases during JTPA, but to build on promising state and local practices in order to:

- secure additional funding sources to develop sectoral initiatives;
- work with community colleges and Adult Education programs to expand the availability of accessible, short-term training programs;
- support the use of customized and incumbent worker training;
- develop local policies and approaches to emphasize skill development and training;
- design business services so that beneficial relationships linking employers, job seekers, and the broader public interest are created; and/or
- enhance the relationship between workforce development and economic development by emphasizing “human capital-driven community economic development.”

Rationale:

Whatever their class background or previous employment experience, the individuals who seek out WIA services are people who need jobs, immediately and sometimes desperately. This is their overriding, immediate concern, rooted in economic necessity, a fact which most of them are quick to impress upon the WIA staff they encounter. These same individuals also need skill enhancement—either skills related to finding a job, skills needed to qualify for a job, or the kind of skills that would enhance their job performance or long-term earnings prospects. They need these skills for their own short- and long-term benefit, and they need them if they are to be the kind of workers that WIA staff can refer to employers with confidence.

The day-to-day work of local WIA staff involves a delicate balancing act between the interests of clients in immediate employment, the interest of employers in a reliable source of qualified job applicants, and the interests of the community in promoting

family-supporting jobs and healthy local businesses. Because these interests sometimes conflict, and because as a public program WIA providers must work with citizens and businesses with an incredibly wide range of talents and needs, there are no easy, cookbook-style strategies that can be relied on to produce valued outcomes. Instead, our research found that local providers deploy customized approaches that meet individual job seekers and business customers “where they are,” requiring skill, determination, and a resourceful imagination.

Consistent with WIA legislation, and driven by resource scarcity, the current system momentum is toward providing job-matching services aimed at the short-term needs of employers and job seekers (e.g., resume preparation, interview techniques, job fairs), with comparatively less emphasis on job training aimed at enhancing long-term worker earnings and business and community economic competitiveness. The observed trends fly in the face of the strong historic evidence that occupational skills training of longer duration provides workers with the best long-term wage outcomes (Magnum, 2000), and of the evidence that a job/skills mismatch in critical state industries is one of California’s major workforce challenges (Center for the Continuing Study of the California Economy, 2000). We recommend that steps be taken to reverse this system momentum, such that occupational training for jobs with good pay and benefits has a higher priority than at present.

A mission emphasis on creating a better trained, more competitive workforce is in keeping with the historic mission of job-training programs (Magnum, 2000), with the expressed needs of business for skilled workers (Center for the Continuing Study of the California Economy, 2000), and with existing state emphasis on promoting community economic development by supporting critical regional industries (California Regional Economies Project, <http://labor.ca.gov/panel/espcprepindex.htm>). A focus on skill development and occupational training also reflects the needs of working poor and other low-income families, needs which can create costly social problems if not addressed proactively.

We see four main strategies for securing the resources needed to support an increased emphasis on skills development:

- reducing the current levels of WIA investment in bricks and mortar One-Stop facilities and redirecting those funds into defined sectoral programs;
- obtaining increased buy-in from the private sector and foundations;
- freeing up WIA resources by relieving federal compliance burdens placed on state programs and local areas (see Recommendation #2); and/or
- marketing system achievements and capacity more effectively (see Recommendation #3).

A skill-development mission does not preclude the provision of universal services, but it would alter the ways those services are conceived and reduce the amount of WIA resources allocated to them so that more funds for pre- or post-placement training are available. Similarly, we believe the mission emphasis on skill development that we are

recommending can be implemented in ways that are consistent with the idea of a demand-driven workforce system, as long as care is taken to specify that not all employer demands are to be treated equally and that long-term public interests are protected. The following sections identify promising state and local practices our research identified that model the direction we are advocating.

Secure additional funding to develop sectoral initiatives

Without question, the single most successful state-wide training effort we encountered during the course of this evaluation was the Nurse Workforce Initiative. Preceded by the California Caregivers Training Initiative and supported by Gov. Schwarzenegger's release of \$13 million in WIA discretionary and Wagner Peyser funds in March, 2005, this focused funding has created active collaborative networks that have cemented relationships between local workforce investment areas and adult education, community colleges, and hospitals in nearly every one of our case study areas. Given this demonstration of what a sectoral initiative can accomplish, the state should consider similar focused investment in other vital economic sectors.

As available state and federal workforce dollars become more scarce, it makes sense to pursue other possible funding sources. Major foundations such as Ford, Charles Stewart Mott, Annie E. Casey, and William and Flora Hewlett have recently made significant investments in workforce programs that include combinations of training, work supports, industry targeting, and human service supports that work for both workers and employers (Aspen Institute, 2002; Giloth, 2004; National Network of Sector Partners, <http://www.nedlc.org/nnspp/moving.htm>). Our research found scattered evidence that these types of initiatives are taking root in California, but much more could be done if state and local leaders made a coordinated effort to develop strategic partnerships with foundations.

Promising models exist in California and elsewhere. For example, Michigan workforce officials combined WIA and foundation funds to create the Regional Skills Alliance, a set of regionally and industry-based partnerships among employers, educational institutions, training providers, economic development agencies, and public workforce system agencies. Alameda County workforce officials have worked with local economic development officials to support integrated workforce and economic development initiatives around biotechnology and high-end manufacturing. The presence of thriving nurse training initiatives throughout California illustrates that sectoral approaches need not be confined solely to urban areas, although special care is needed to adapt their principles to rural situations.

Work with community colleges and Adult Education programs to expand the availability of accessible, short-term training programs

Access to training is a real issue affecting more and more workers in a churning economy. Low unemployment figures can mask the level of turnover, since the unemployment level can stay at 6% while thousands of people may have changed jobs in

that time. There is a clear need for a more integrated education and workforce training system rather than two separate systems, however, many institutional barriers stand in the way. State workforce officials at the Labor Agency, CWIB, and EDD, together with their partners in the community college system and Adult Education programs, should continue to make it an ongoing priority to engage in joint planning. Our research indicates that key leverage points for system change include:

- enlisting more community college presidents as champions for integrated workforce and economic development initiatives to enhance human capital;
- countering the disincentives that currently make it difficult for community colleges to offer certain more expensive or high-tech training programs; and
- creating more flexible class/training opportunities geared to the needs of adult learners (those in transition between jobs or working at one job while trying to upgrade their skills) so that substantive training leading to better paying work is available on a more timely basis.

Support the use of customized and incumbent working training

One approach to managing the tradeoff between the short- and long-term interests of businesses and workers is to enroll more individuals in customized training after placement. NoRTEC reports that this strategy helps them meet the immediate needs of job seekers while retaining an emphasis on skill development and lifelong learning. However, our survey of One-Stop managers indicates that among those surveyed, less than 5% of all training funds are used for customized training. Greater attention might be devoted to how to increase these percentages by learning from effective programs currently in place.

Develop local policies and approaches to emphasize skill development and training

We have found that local areas which place a strong emphasis on skill development and training typically do one or more of the following, depending on local conditions:

- set policies requiring that a fixed minimum percentage of WIA funds be allocated to training programs;
- reserve their WIA training funds for providers whose training programs lead to higher wages (variously defined and termed as “living wage,” “family self-sufficiency wage,” etc.);
- accept the placement-first orientation of WIA, but put emphasis on post-placement training and skill development.

The strong pro-training policies we observed did not evolve in a vacuum. In some cases they were the products of business-labor alliances focused on industries that pay good wages and require a highly skilled workforce. In other cases they were the product of strong labor union roles on local WIBs, or of political coalitions led by community-based organizations that influenced WIB decisions. Given the work-first principles embedded

in WIA, a local emphasis on occupational training is not likely occur unless federal or state decision makers send a different message or a strong local coalition supports it.

Design business services so that beneficial relationships linking employers, job seekers, and the broader public interest are created

The notion that the workforce system has dual customers—job seekers and businesses—is an accurate reflection of how many local areas deploy their staff and resources, with separate business services units becoming commonplace. Many local workforce areas have taken on functions that move beyond traditional business services (e.g., job development, job posting, job-matching, the hosting of job fairs) and start to resemble those traditionally associated with small business development programs. In this mode they provide a wide range of specialized business services, including services that are not directly related to employment (e.g., financial planning, marketing assistance, web site development). 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.

There is much to recommend these specialized business services, provided that they are conceived and executed as part of a broader strategy to aid businesses, job seekers, and the broader community simultaneously by creating meaningful pathways to good jobs. The associated danger is that these activities will be seen as ends in themselves, such that the business agenda (whatever the specific form it might take in a particular setting) becomes the paramount or sole concern.

One of our key findings is that all business services are not alike, and care should be exercised when using this term to specify exactly what activities are being referred to, and how those fit into the broader mission of WIA programs. In addition, particular attention should be given to the types of businesses being served, since it may make more sense to use public funds to support small, locally-owned businesses than large, corporate enterprises. Our data suggests that small businesses are already the primary customers for most WIA programs, but in some areas larger firms like Wal-Mart and Home Depot have availed themselves of WIA services.

Enhance the relationship between workforce development and economic development by emphasizing “human capital-driven community economic development”

Local economic development policies typically center around financial capital (e.g., tax incentives, land costs) but a more appropriate understanding of community economic development also factors in human, social, and environmental capital (Flora and Flora, 2004; Kinsley, 1997). Our evidence suggests that WIA programs typically align themselves with economic development efforts as business recruitment tools, with comparatively less emphasis on being advocates and organizers of a community commitment to human capital development. The state board could play an important role in catalyzing thoughtful policy discussions that focus on “human capital-driven community economic development.”

Recommendation #2:

Adopt up-to-date management strategies that deemphasize top-down controls and instead empower personnel at all levels of the system.

This recommendation reflects research evidence from this study and others demonstrating that meaningful workforce innovations must be crafted to fit state and local circumstances. It might also have been drawn straight from the playbook of modern business management practices. Just as cutting-edge businesses have benefited from shifting their emphasis from centralized managerial control to motivating and engaging the judgment and ingenuity of employees at all levels, workforce officials need to rethink the strict compliance mindset that currently results in an estimated 40% of all staff time being spent on documentation and reporting requirements. State workforce leaders might:

- continue to include central roles for local area representatives in the state workforce planning process;
- provide meaningful space and support for local experimentation and continuous learning, free from excessive bureaucratic constraint;
- consider an accreditation model for ensuring local area compliance;
- fund and train a cadre of local workforce staff with exclusive responsibility for network development; and
- wherever possible, encourage state agencies, divisions, and departments to treat local workforce investment areas as customers to be served rather than as line agents to be directed and managed.

Rationale

Our final survey of executive directors and One-Stop managers finds that as much as 40% of all local area staff time is consumed by compliance activities (roughly two days of every five day work week!). Throughout our study, we heard that the level of red tape associated with WIA is greater than that under JTPA (Lamming, Lemp, and Campbell, 2006, Appendix 3). As essential as some level of system measurement obviously is, it appears from the evidence that compliance functions are consuming a disproportionate amount of resources and attention.

The days when an effective workforce system could be micro managed by federal or state workforce officials are long past, if they ever actually existed. The new economy requires flexible and rapid local responses to labor market changes. New modes of governance require complex coordination among public, private, and nonprofit

organizations that do not share administrative hierarchies and sometimes have conflicting goals and mandates. As a result, federally funded workforce programs are increasingly enmeshed with other local systems, including education, economic development, and social services. The outcomes expected of any one of these systems are increasingly tied to their ability to forge creative partnerships with the others.

Recognizing the key role of local creativity in solving complex policy problems, a common element in many innovative approaches to policy implementation is to relax or eliminate certain burdensome compliance requirements placed on local entities, granting them more discretion and authority as long as stakeholders can agree on specific strategic plans and can be held accountable for producing measurable outcomes of public value.

By contrast, our study has shown repeatedly that the strong emphasis in the current workforce system on compliance with the letter of federal or state regulations and directives consumes precious resources and frustrates the ability of local system leaders to forge effective partnerships across systems. If the One-Stop partnership ideal and the expressed mission of local WIBs are ever to be realized, more emphasis must be given to supporting the work of local network development, or what is sometimes referred to as system-building. This entails freeing local WIB and One-Stop leaders to see themselves as community catalysts rather than solely or primarily as implementers of pre-set federal programs. Our research identifies the following the key elements of the catalyst role, which local executive directors tout as the primary value they offer to their communities:

- providing community leadership that spans sectors and policy boundaries,
- meeting and integrating the needs of job seekers with the needs of business,
- connecting workforce development and economic development,
- leveraging partnerships and dollars, and
- helping to align education and the needs of employers.

Federal and state leaders need to expand upon their present efforts to secure a more supportive organizational environment within which this work can flourish by enhancing local funding, encouraging waivers, and minimizing reporting requirements to include only what is most essential. While accountability for public funds must be maintained, the case study evidence suggests that there is considerable room to reduce compliance burdens and expand support for a somewhat more experimental approach that allows room to fail, and a disciplined means to learn from failure.

Continue to include central roles for local area representatives in the state workforce planning process

State workforce officials have recently made a number of efforts to open the state workforce planning process to local representatives. Examples include:

- naming local area executive directors as co-chairs on state board committees,
- seeking waivers suggested by local areas, and

- making the California Workforce Association (CWA) a partner in identifying local area participants in CWIB workgroups.

These important steps can provide even more positive results if they are followed up with a broader effort to redefine the primary mission of CWIB and other state agencies as local area *support* rather than *enforcement* of federal directives. We recognize that state officials face a difficult challenge in balancing these distinct roles, both of which are necessary. Our point is that in order to facilitate the achievement of workforce objectives on the ground, the balance needs to tilt further in the direction of local support than has been the case during WIA implementation to date. Federal officials should consider ways in which they can encourage and facilitate state efforts in this direction.

Provide meaningful space and support for local experimentation and continuous learning, free from excessive bureaucratic constraint

A reward structure which punishes any failure runs counter to the need of local leaders to act as creative entrepreneurs and can stifle many potentially valuable innovations. As in business entrepreneurial activity, a certain number of mistakes can be expected and tolerated, as long as they lead to learning, adaptation, and eventual progress toward goals. WIA itself contains a strong message that programs should be adapted to local circumstances and practice continuous learning, and recent Department of Labor directives have encouraged greater use of waivers as a means to overcome troubling bureaucratic obstacles. Local areas would benefit from an active effort by federal and state workforce officials to create a safe space for local innovation and learning via regulatory relief and the creation of state-supported continuous learning processes.

Possible elements of a more intentional continuous learning process might include:

- sending federal and state staff regularly to local areas to find out what is really happening on the ground;
- ensuring that timely, accurate performance data is available to all relevant stakeholders;
- offering extra monitoring and assistance to improve the performance of low-performing areas;
- seeking insights from the practices of high-performing areas, while keeping in mind that many so-called “best practices” do not easily translate from one setting to another, since they usually are the product of careful efforts to adapt goals to the particular features of a given local context; and
- convening performance improvement roundtables/forums with extensive front-line input.

Without threatening the important function of maintaining accountability for public funds, a thorough and careful evaluation could be conducted of the audit and compliance functions in the current system with the goal of reducing nonessential paperwork and compliance demands so that state and local staff energy can be more productively focused. A key feature of this review should be the active engagement of local area

representatives and frontline staff in determining how accountability processes can be effectively streamlined. The resulting regulatory relief would enable executive directors and One-Stop managers to spend more time on system-building and partnership development tasks. State and local workforce officials should consider being proactive in seeking greater flexibility, rather than awaiting federal signals or letting the status quo continue.

Consider an accreditation model for ensuring local area compliance

The public accountability currently sought through bureaucratic compliance mechanisms might be better supported by moving toward an accreditation model, such as that used in some local areas to certify One-Stops. Inquiry by accreditation teams in local settings might replace many accountability functions now handled via formal audits or impersonal reporting. One advantage of the accreditation model is that it becomes an occasion for mutual learning, rather than functioning primarily as a “gotcha” exercise or simply as a show-and-tell performance. As part of an accreditation process, local areas might be asked to develop customized portfolios that explain their strategies, service motifs, and state support needs.

Fund and train a cadre of local workforce staff with exclusive responsibility for network development

Funding and training a cadre of local workforce staff with network development responsibilities would be a tangible expression of state support for local areas, based on the principle that the most meaningful workforce innovations must be crafted to fit local circumstances. A possible step would be to use a portion of the state’s 15% funds, or other funding, to finance local area staff positions whose sole function is to undertake network development tasks, rather than the current situation where staff typically must balance these tasks against program oversight responsibilities that are often more pressing. These staff would be expected to work closely with local executive directors on system-building activities, such as organizing workforce stakeholders, building employer connections, coordinating the relationship of One-Stops to community and faith-related organizations, pursuing discretionary funds, and marketing system achievements. For example, Sonoma County hired a staff person whose sole function was to work with employers to develop positions for WIA youth, and some local agencies have hired staff to work as liaisons with community and faith-based organizations.

Wherever possible, encourage state agencies, divisions, and departments to treat local workforce investment areas as customers to be served rather than as line agents to be directed and managed

A widely touted reform of public management in Minnesota began with asking each state agency to answer the question, “Who is my customer?” (Barzelay, 1992). In that effort, many state-level agencies, divisions, or departments benefited from rethinking their operations by treating their local agency partners as primary customers. As a result, many of the resources that formerly went into determining if locals were in compliance were

redirected to focus on how well the state was doing in its role of providing leadership and support to the local partners.

One challenge for state workforce leaders is to develop standard operating procedures that would hold state agencies accountable for meeting the needs of local area customers. Such a shift in thinking does not necessarily presuppose that the local customer is always right, but it would mark a significant shift in the current approach to state-local relationships and negotiation. An evaluation of the California Community and Faith-based Initiative (Campbell and Lemp, forthcoming) found that EDD's special projects division was highly praised for the effective and flexible support it provided to local grantees. The customer service orientation and practices that characterized that effort provide a potentially useful model.

One indicator of the shift in focus we have in mind is how much time CWIB, EDD, and other state agency staff spend in two-way conversation aimed at identifying local needs and concerns. During the past year or two, state officials have been more intentional about including local voices in CWIB and other state-level planning, increasing their credibility in the eyes of local stakeholders. If sustained and deepened, this approach and mindset has the potential for greatly improving system morale and performance.

Recommendation #3:

Institute major changes in the performance measurement and data management systems, especially to reflect universal and business services outcomes and to provide timely data linked to specific strategic policy initiatives.

To more effectively document successes and understand failures, workforce system leaders need to better align the performance measurement system with specific strategic priorities. Implementing these changes will require the collaboration of federal, state, and local officials who might cooperate to:

- link WIA implementation to broader civic purposes;
- engage state and local stakeholders in identifying outcome indicators for the three 15% funding priorities;
- capitalize on the widely shared commitment to youth by catalyzing a state initiative to reduce the number of youth who are out of school and out of work;
- reduce the reliance on job placement rates as the primary indicator of success in favor of measures that relate more directly to the meaningful performance concerns of businesses, job seekers, and communities;
- request and consider local area suggestions in developing broader menus of performance measures; and
- exercise caution in pursuing return-on-investment models.

Rationale

Throughout our study, one consistent refrain has been the need to substantially alter the current performance management system. Stakeholders acknowledge the need for performance accountability, but believe the current system of performance measures fails to tell the full story about system activities (especially regarding universal and business services) and the public value being created. In addition, the current JTA data management system is cumbersome and obsolete. Local areas have responded by adopting their own data management systems, but this has resulted in wasteful duplication of effort and does not address the need for coordinated statewide data collection related to system-wide priorities.

This is one area in which effective statewide leadership and support is critically needed and desired by local stakeholders. Efforts to create more effective performance measurement and data management systems also can help to focus discussions about the

WIA mission, since the selection of outcome measures requires clear thinking not only about the quality, cost, and availability of data, but also about just what it is that the system is trying to accomplish.

Our evaluation suggests that workforce system outcomes are enhanced when state and local leaders pursue strategic policy initiatives, rather than dissipating the system's limited resources on trying to be all things to all people. Whether enacted at the state or local level, strategic policy includes three essential elements (Gardner, 2005):

- setting conscious and limited system priorities, such that it is clear that some objectives matter more than others;
- coordinating programs across bureaucratic boundaries with these priorities in mind, so that inter-agency cooperation can be built around specific objectives as opposed to diffuse calls for cooperation; and
- creating measurable indicators to track progress toward goals so it is possible to practice continuous learning by adapting programs based on verified outcomes, and to demonstrate system accomplishments to potential funders and the public.

The current performance measurement system based on federal measures provides no consistent means to collect data linked to state and local strategic priorities.⁹ As a result, the system is not well prepared to support result-driven continuous learning, or to document progress with systematically-collected outcome data.

Link WIA implementation to broader civic purposes

Material incentives certainly play a key role in driving local implementation. Because WIA funding is linked to ongoing program performance, local areas organize themselves to achieve the requisite performance measures within the complex of guidelines and requirements that they are given. However, to focus solely on this aspect of implementation is to miss a separate and in some ways much richer set of activities and behaviors that are driven more by civic purposes than by immediate material or programmatic incentives. Like all human beings, people who work for WIA programs, as well as their potential partners, want to believe that their work is contributing to a worthy cause. Under the right conditions, they are eager to join with other local actors to articulate and pursue those causes. Among those we identified in conducting local case studies are:

- supporting the small businesses that are the backbone of our regional economy;
- pursuing educational reforms that improve the quality of the local workforce;
- finding pathways to good jobs for residents of impoverished neighborhoods;
- helping local youth become happy and productive citizens; and
- supporting local economic sectors that provide hi-wage jobs.

⁹ While it may represent some improvement, the new system of Common Measures does not address the need we are identifying.

WIA personnel in local areas have found various ways to support these civic purposes, sometimes in leadership roles, others in major support roles with significant investment of WIA resources, and in other cases as bit players.

One reason why there should be more emphasis on linking WIA to civic purposes and coalitions is that the declining base of WIA formula funding is not in most local areas sufficient, by itself, to attract the ongoing engagement of civic leaders. By contrast, broader civic coalitions can often attract a range of funding, including private foundation funds, and thus have a greater ability to be perceived as “the place where things are happening.”

Engage state and local stakeholders in identifying outcome indicators for the three 15% funding priorities

At the state level, the three priorities identified for allocations of the governor’s 15% funds—1) high-wage, high-growth jobs; 2) advancing workers with barriers to employment; and 3) industries with statewide shortages—move in the direction of strategic policy. However, the three priorities probably need to be more specific in order to focus efforts and document outcomes.

State leaders might set up a process to engage state and local stakeholders in a collaborative process to identify outcome indicators for the three existing 15% funding priorities. CWIB’s existing Targeting Resources Committee might be a good venue for spearheading this effort, although broader participation would ideally be solicited. A major goal of this process would be to encourage greater specificity about the goals being sought via the 15% funding. While discussion would inevitably surface some conflict about valued outcomes, we expect the process would lead to a deliberative consensus that would help leaders deploy workforce resources more strategically. The identified outcome indicators also could inform ongoing decision-making by making it easier to identify which approaches to implementation are working and which are not.

Similar processes could be developed at the local level to help focus community priorities.

Capitalize on the widely shared commitment to youth by launching a statewide initiative to establish California as a national leader in reducing the number of youth who are out of school and out of work

The continued failure of large numbers of youth to make a successful transition to employment will only increase the burdens on adult workforce programs and other social service systems in the future. Our study uncovered a shared and often highly animated commitment to serving youth which is present among all stakeholders in California’s workforce system. As one local respondent indicated, youth programs are “something that inspires us.” Nevertheless, the youth programs of the system are not as financially well supported under WIA as they were under JTPA.

State and local workforce leaders could partner with the education, social service, and criminal justice systems to focus and extend the many existing efforts that can contribute to this overall objective. The support of community-based organizations and the business community will also be critically important.

State workforce officials could take a leadership role by catalyzing this effort and ensuring that accurate, timely, and local area-specific data are available to guide decisions.¹⁰ The initiative could set statewide goals while encouraging local areas to devise their own approaches and strategies. The state might support the local effort in two ways. First, the state could draw on existing program funds (including, but not limited to, the governor's 15% discretionary funds) as well as seeking an additional appropriation from the state general fund of sufficient size to mount a credible initiative. Second, the state could put in place a continuous learning structure featuring a) timely dissemination of agreed-upon outcome indicator data broken down by local areas and b) meetings convened to promote discussion between state and local representatives of the various state programs involved in the initiative in order to identify state-level actions that would support the local efforts.

In funding new youth development initiatives, state and local leaders should consider the following key elements of successful programs identified in our local case studies:

- a holistic approach that combines employment preparation with social services and personal support;
- structures that group youth in cohorts where they work/learn together;
- a learning experience that combines work with the chance to build self-confidence and to learn what it takes to be a good employee; and
- caring adult supervision—of significant time duration—that combines discipline and support in appropriate measures.

Reduce the reliance on job placement rates as the primary indicator of success in favor of measures that relate more directly to the meaningful performance concerns of businesses, job seekers, and communities

Job placement rates are one reasonable indicator of the success of a job training program, but they fall far short of what is needed to assess overall workforce system performance. The current performance system does not collect and report data that speaks to the most meaningful performance concerns of businesses, job seekers, and communities. Our research suggests that businesses want a timely response to their job needs (measured in days, not weeks), they want to be satisfied with the job seekers who are referred to them, and they want to know that working with the WIA system saves them money. Job seekers want clear evidence that they have increased their skills, access to jobs that pay good wages, or, in the absence of those, they want any job they can find in a reasonably short time frame. Community leaders want to know that the workforce system is supporting

¹⁰ The Center for Labor Market Studies at Northeastern University is a leading source of indicator data in this area of research.

those local sectors that are most critical to local economic development, aiding the most distressed neighborhoods, and serving as part of the solution to local societal problems.

At present, few if any of these outcomes are supported by systematically-collected and reported outcome indicators. Development of this type of performance data should be a high priority, both as a basis for system improvement and as a way to better market the public value created by the system to political representatives and other potential funders.

Keep in mind that not all indicators are quantitative in nature, and that many of the best results-based accountability systems combine hard data with narrative accounts that help put numbers in a meaningful context (Smith and Jenne, 2006). Hallmarks of this approach are frequent meetings between elected officials, public managers with key service delivery responsibilities, and front-line personnel engaged in actual implementation. For example, the Citi-Stat process used to hold police accountable in cities like Baltimore and New York combines GIS data on crime patterns with weekly inquiry sessions where police managers make verbal reports and answer the questions of elected officials.

Request and consider local area suggestions in developing broader menus of performance measures

During all phases of our study, local executive directors provided numerous and highly specific suggestions for new or additional performance measurement criteria, particularly with regard to business services and use of core services (see p. 51 of our second interim report, *Survey of Local Workforce Investment Board Executive Directors*). Regular roundtable discussions might be convened with executive directors on a regional basis as part of any data-gathering exercise upon which system changes will be built.

Exercise caution in pursuing return-on-investment models

Our fieldwork suggests 1) that WIA appears to be generating a significant return on investment, and 2) that any effort to calculate the return-on-investment (ROI) from WIA dollars will encounter difficulties brought about by the routine and pervasive blending of funding streams in local workforce networks. Workforce development outcomes are seldom the direct result of the efforts of a single program. Most of the successful training programs identified by local stakeholders are conducted through partnerships in which WIA funds are dwarfed by those of other organizations and programs. We find that between one-fifth and one-quarter of local WIB budgets are drawn from non-WIA funds, and the extensive in-kind contributions cannot even begin to be measured.

These arrangements make it very difficult to draw general lessons from a small number of local cases, tend to undercut the validity of traditional cost-per-client measures, and suggest a measure of skepticism is in order before viewing existing ROI models as reliable guides. The One-Stop cost survey currently underway will need to be interpreted with these cautions in mind.

Conclusion

WIA has presented state and local officials with the challenge of expanding the workforce system mission during a period in which federal funding has been cut and community workforce development needs are growing. Despite many difficulties documented during our evaluation, including a lack of effective state leadership during early implementation (Pence and Campbell, 2005), the overall response of state and local officials in California to this challenge has been energetic, determined, and resourceful.

Like other educational endeavors, workforce development is labor- and resource-intensive. At its core, the work requires patient, time-consuming efforts to build trusting and mutually beneficial relationships between parties with different outlooks, perspectives, and needs. This includes case management relationships aimed at motivating and guiding job seekers, the efforts of business services representatives to ascertain the needs and gain the confidence of employers, and the shared responsibility of federal, state, and local officials in building effective inter-organizational partnerships and inter-governmental relationships.

While our evaluation identifies many ways in which federal policy and California implementation can be improved, the single biggest challenge facing the workforce system is the erosion of public resources. Without more adequate funding, it is impossible to attract, develop, and retain a sufficient cadre of skilled personnel who can build employment and training partnerships that create public value. That resources have steadily declined is already well understood. However, a few statistics may help put the current situation in context of long-term trends:

- Since 2001, 40 of the 50 local workforce areas in California have experienced declines in their WIA allocations that average 26% (Lemp and Campbell, 2005).
- Overall federal funding for worker training declined by 29% (adjusting for inflation) between 1985 and 2003 (Holzer and Waller, 2003, p. 6).
- Total public expenditures, primarily from the Department of Labor, for training and retraining low-skilled workers have diminished from a peak of \$24 billion in 1978 to \$7 billion in 1998 and a little over \$6 billion in 2000 (a 75% cut; Giloth, 2004, p. 2-3).
- CETA expenditures peaked at \$9.5 billion in 1978; currently federal WIA spending is about \$3 billion.

Taking inflation into account, the federal government was spending almost ten times more for workforce programs in 1978 than it is today. The dramatic decrease in public investment and commitment comes at the same time that the amount of training and support needed to move an individual with significant barriers into employment has increased, and the need to find employment quickly has grown more vital due to welfare reform and the subsequent limits on government cash assistance (Magnum, 2000). In

1995, 50% of Californians in poverty received welfare cash assistance—today that same number is 25% (California Budget Project, 2006, p. 48). The performance of the workforce development system is an essential lifeline for low-income job seekers, and plays meaningful roles for workers from all walks of life.

Looked at from a business perspective, workforce dilemmas also have grown more challenging during the past 30 years. Competitive pressures are greater, fewer workers have the required skills, and human resource needs shift more rapidly from year to year. Small businesses, in particular, face ongoing human resource challenges that threaten their profitability and their ability to provide a source of steady and lucrative employment.

Regrettably, there are few signs that the long trend of declining federal investment will soon be reversed. This makes it all the more imperative that workforce leaders and their private sector partners learn how to “work smarter” and to attract non-federal sources of funding. The greatest resources for meeting this challenge are the personnel who presently constitute California’s workforce development system. If the candid reflections of the state and local workforce stakeholders we have interviewed are an indication, California has an abundance of committed and able leaders in its workforce development system. The challenge is to harness their commitment and expertise more effectively, and it is toward that end that we hope our description, analysis, and recommendations have contributed.

Here, in summary form, are the key take home messages from our research.

For federal officials

- Overall, local areas view WIA as an improvement over JTPA, and in most respects local implementation of WIA provisions in California mirrors federal intent.
- WIA funding cuts since 2001 are having dramatic negative effects on local areas, leading to closures of One-Stops, staff layoffs, a diversion of resources into the search for discretionary funds, and a reduction in the variety of programs that can be offered and the number of clients who can be served. Funding reductions have also undercut the ability of local WIBs to perform a central role in leading local workforce development efforts. Important community decision makers are difficult to attract and retain when it is clear that the level of public investment is inadequate to permit the WIB to set and attain significant goals.
- In the face of steady funding cuts, local areas have acted with resourcefulness to attempt to maintain partnerships, programs, and services.
- Taking their cue from federal policy signals and budget cuts, most local implementers put more emphasis on placing individuals in jobs with the skills they already possess than on improving their long-term job prospects with

extended occupational skills training. This meets the immediate (and often desperate) need of clients for jobs, and provides pre-screening services that benefit local employers. By itself, however, the current emphasis does not address the critical community need for a skilled workforce on which to build a more competitive and healthy local economy.

- Administrative data on the number of WIA enrollees being trained underestimate the amount of training occurring in local areas. A good deal of job search and work readiness training occurs in the context of universal services for which there is no formal reporting mechanism. WIA dollars also help leverage inter-organizational and cross-sector training partnerships which support both WIA enrollees and other individuals who are not formally enrolled in WIA.
- The One-Stop concept has been successful in greatly improving the level of local collaboration. Integration of services across programs has increased since WIA was implemented. The mandatory partner provision initially spurred collaboration but has two important weaknesses: first, the lack of provisions to require that partners share in the cost of One-Stop infrastructure, and second, the fact that mandated partners may choose not to take part for a variety of reasons.
- The idea of co-location of services (as a strategy for service integration) is neither a necessary nor a sufficient condition of successful local implementation. Many local areas currently have substituted the idea of a “no wrong door” system with multiple points of entry.
- ETPL and ITA provisions have not had a major impact on creating informed customer choice; if anything, they have had the unintended impact of driving away some service providers who dislike the paperwork, such that customer choices are more restricted than they would be otherwise. With or without the ETPL and ITA provisions, local areas believe that the best mode of referring customers to training programs is a form of guided choice in which case managers use their experience and knowledge of local providers to shape customer options.
- Local area officials and community leaders highly valued JTPA’s summer jobs program for youth and would like to see a similar program funded under WIA.
- Establishing eligibility for youth programs is so cumbersome and invasive a process that many at-risk youth and their families reject services rather than submit to it. Under JTPA, youth could qualify for service if they were eligible for school free lunch programs, a provision which local areas would like to see restored.
- WIA documentation and reporting requirements consume an estimated 40% of all local staff time. We strongly recommend that the federal government collaborate with state and local area implementers to identify and eliminate unnecessary paperwork in order to preserve limited resources for services.

- State agencies, boards, and officials face the difficult task of balancing two policy implementation roles which, in practice, are often contradictory: 1) enforcing state and local area compliance with federal policy and directives, and 2) supporting local area workforce initiatives and articulating and promoting independent state level workforce goals. Our analysis of local area implementation suggests that a better balance will require that compliance enforcement efforts be relaxed, and efforts to support local area flexibility be strengthened. Federal officials should encourage and facilitate state efforts in this direction.

For state officials

- Since our first report on state-level implementation, progress has been made in revitalizing CWIB and developing a sense of partnership between state officials, CWA, and local areas.
- In the face of evidence that WIA reporting and documentation requirements consume an inordinate amount of local area staff time, we strongly recommend that EDD convene regional paperwork simplification *work groups* that bring together the people who are doing work on the ground and those who use the information in local reports.
- Although WIA requires local areas to provide universal and business services, there are no specific means by which the local areas can receive credit for the large and growing number of job seeker and business customers they are serving. A simple reporting method should be established to enable all local areas to provide similar input to the state so that the full range of services they are providing can be appropriately noted.
- The state and local WIA system has a limited ability to document the significant public value it is creating. The centerpiece of the federal accountability system, the job placement rate, is a problematic indicator if the goal is to speak to public constituencies about the return-on-investment the system is providing. We recommend the development of state performance measures that reflect state and local strategic priorities and the ongoing performance concerns of businesses, job seekers, and communities. Development of performance data linked to these concerns should be a high priority, both as a basis for system improvement and as a way to better market the public value created by the system to political representatives and other potential funders.

For local area leaders

- Local areas broaden their base of support by tangibly linking WIA programs to broader civic purposes. Examples from our case study areas include:

- supporting the small businesses that are the backbone of our regional economy,
 - pursuing educational reforms that improve the quality of the local workforce,
 - finding pathways to good jobs for residents of impoverished neighborhoods,
 - helping local youth become happy and productive citizens, and
 - supporting local economic sectors that provide high-wage jobs.
- Local areas benefit from the presence of a local forum that brings together leaders from different systems and programs in education, economic development, social services and workforce development. Rather than being identified with a particular program, these efforts forge initiatives based on widely shared community goals. WIBs and Youth Councils must decide if it is more appropriate to take the lead themselves or to join with existing efforts in the community, such as those sponsored by business-education alliances, or the workforce programs of a local community college.
- Our study underscored that fact that executive director leadership is critical to the success and direction of local implementation. Executive director leadership is enhanced when:
 - the position 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 the city or county administrative departments;
 - the executive director has a vision that engages others in system-building leadership to accomplish strategic local goals, rather than simply overseeing WIA programs to insure compliance with federal and state directions and regulations; and
 - the executive director is supported by a skilled staff able to handle operational details and required paperwork.
- We also found evidence that local areas benefit when they treat federal and state directives as the starting point for negotiation (in light of specific local circumstances, needs, and strategic initiatives), rather than as absolutes that must be implemented literally.

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Appendix 1. Map of local areas for comprehensive case studies



Appendix 2. 10 Local Areas for Youth Case Studies



Appendix 3. Results of May-June 2006 UC Davis Survey with Local Area Executive Directors and One-Stop Managers

This survey's purpose was to gather statewide data to support or counter trends and patterns we tentatively identified in our analysis of WIA implementation in 10 local workforce areas. In all, 42 of 50 local area executive directors responded, a response rate of 84%, and 27 One-Stop managers (out of approximately 157, based on our first survey), a response rate of approximately 15-20%. Thus, we have a very good sample from which to draw conclusions about executive directors, a workable sample for comparing the views of executive directors and One-Stop managers, and a less than ideal sample to draw conclusions about the views of all One-Stop managers.

This survey report is organized as follows:

1. Summary of the most important overall findings
2. Description of the survey methods
3. Compiled data summarizing answers to all survey questions, organized as follows:
 - a. questions asked of both executive directors and One-Stop managers
 - b. questions asked only of executive directors
 - c. questions asked only of One-Stop managers

1. Summary of Key Findings and Implications

Mission and system direction:

- Both executive directors and One-Stop managers support taking the needs of local businesses as the starting point for defining WIA programs and services.
- Within that consensus, executive directors are somewhat more likely to define the mission as providing specialized businesses services to foster economic development, while One-Stop managers are more likely to emphasize developing a skilled workforce through effective job training. Both groups are less likely to define WIA primarily as a job-matching program—"facilitating the flow of individuals into existing jobs with whatever occupational skills they already possess."

The relatively low value attached to job-matching services is notable given evidence that these services constitute a large portion of what local areas are actually doing in response to WIA policy signals, including the emphasis on universal services (see interim report #3 featuring local area case studies).

Partnerships:

Rating the importance of partners and strength of current partnerships

Respondents were given a list of local workforce development-related organizations and for each were asked to rate 1) “the level of local partner importance in meeting your local workforce development challenges,” and 2) “the strength of your current partnership.”

- Community colleges were rated high in both importance and strength of current partnership.
- Economic development organizations were rated high in importance, but somewhat lower in strength of current partnership.
- The media was the organization with the largest gap between its rated importance (fairly high) and current strength (significantly lower).
- Compared to other potential partners, unions are rated lower in both importance and strength of partnership.
- Executive directors and One-Stop managers disagreed somewhat about the importance of some partners, with EDs rating elected officials and the K-12 system higher, and managers rating adult education, vocational rehabilitation, and TANF higher. This may reflect the difference focus in their respective responsibilities, where executive directors are charting the overall development of workforce strategies and relationships while One-Stop managers are focusing primarily on serving job seekers and complying with the attendant performance measures.

The survey findings suggest that building on the existing strengths of community college partnerships should be a high system alignment priority. The local case study report (interim report #3) describes some of the areas where local stakeholders feel that improvements in community college partnerships are still needed.

Reliance on private and nonprofit contractors

- Nearly all local areas contract for services with at least one community-based organization.
- Of the ITAs provided to clients, the largest percentage (56%) is used to attend proprietary schools or other private, profit-seeking organizations.

Consistent with broader trends in government service delivery, the reliance of government WIA programs on private and nonprofit contractors is substantial. Future research might profit from a closer look at the opportunities and challenges posed by these relationships and the strengths and weaknesses of various modes of contracting. For example, interim reports #3 and #4 (the adult and youth case studies) indicate that many local areas prefer to work with a consistent set of contractors year after year, in some cases because there are few local alternatives and in others because ongoing relationships produce consistently satisfactory results.

Targeting resources by sector, demographic groups, or wage standards:

- Among economic sectors, health care, manufacturing, high technology, and transportation and logistics received the most mentions as priorities.
- Among demographic groups, youth are perceived as a high priority, but after that the responses are scattered among a wide range of potential target groups.
- A majority of WIBs have policies defining sectoral targets, but less than half target particular demographic groups (with the exception of the individuals with disabilities).
- WIB policies to set wage standards for training programs or business service recipients are still the exception rather than the rule.

In all our evaluation work, including this survey, youth have emerged as a shared concern of all stakeholders and a priority for WIA resources.

Budgets and resources:

- The percentage of local area budgets that comes from WIA funding has declined in two-thirds of the local areas.
- Both executive directors and One-Stop managers desire to spend significantly more time on local workforce system-building and less on administration and oversight of WIA programs.
- Respondents estimate that nearly 40% of the total staff time available is spent complying with federal or state reporting, documentation, or auditing requirements. This estimate translates to roughly two days of every five day work week devoted to paperwork.

2. Survey methods

We constructed two self-administered, web-based survey instruments with input from local area executive directors who are part of the evaluation technical advisory committee. Two versions of the survey were developed, one to be completed by local area executive directors and the other by the director/manager of any comprehensive or full-service One-Stop in each local area (see protocols at end of this report). The two surveys contained a number of common questions, in addition to questions geared to the positions and expertise of the two types of respondents. Each survey was designed to be relatively brief (taking 15-20 minutes to complete), and respondents were promised that their individual answers would not be revealed.

Links to each survey were emailed to all 50 executive directors on May 18, 2006, with the request that they forward the One-Stop survey link to all the designated full-service One-Stop managers in their local area. After one week, follow-up phone calls were made to executive directors we had not heard from. Subsequently, two email reminders were sent. The survey closed on June 7.

In all, 42 executive directors responded, a response rate of 84%. We received 27 replies from One-Stop directors/managers. The exact number of comprehensive or full-service One-Stops was unknown at the time of this survey, but an earlier survey by the research team put the number at approximately 157. This would correspond to a response rate of approximately 15-20% for the One-Stop managers/directors. No pattern was detected in the non-responding local areas or One-Stops that might affect interpretation of the findings.

3. Summary of Responses to Questions Asked of Both Executive Directors and One-Stop Managers¹¹

Mission

JQ1.¹² Select your level of agreement with each of the following statements:

1 = strongly disagree, 2 = disagree, 3 = neutral or not sure, 4 = agree, 5 = strongly agree

| | ED | One-Stop Manager |
|--|-----|------------------|
| The WIA mission should be defined broadly , as building the overall competitiveness of California communities and regions. | 4.4 | 3.8 |
| In devising local WIA services, the needs of local businesses should be the primary starting point. | 4.3 | 4.0 |
| WIA should primarily be a business services program; meeting the wide range of human resource needs of local employers. | 3.9 | 3.7 |
| In targeting WIA resources, priority should be given to businesses that provide high wages and benefits. | 3.8 | 3.7 |
| In targeting WIA resources, priority should be given to training programs that lead to high wages and benefits. | 3.8 | 3.6 |
| In devising local WIA services, the needs of local job seekers should be the primary starting point. | 3.2 | 3.0 |
| WIA should primarily be a job training program; developing job seeker skills in order to add value for the individual workers and local businesses. | 3.2 | 3.4 |
| The WIA mission should be defined narrowly as serving the immediate employment needs of job seekers and businesses. | 2.3 | 2.7 |
| WIA should primarily be a job-matching program; facilitating the flow of individuals into existing jobs with whatever occupational skills they already possess. | 2.1 | 2.5 |

Given 9 statements about the WIA mission, executive directors and One-Stop managers show high levels of agreement. Both favor a broad rather than narrow interpretation of the WIA mandate, and appear in agreement with the focus on business services or being “demand-driven.”

¹¹ Due to rounding errors, the percentages in some tables do not add up to exactly 100%.

¹² We will designate questions as follows: “JQ1” refers to joint question one, asked of both types of respondents; “EDQ1” will refer to questions asked just of executive directors, and “OSMQ1” will refer to questions asked just of One-Stop managers.

JQ2. If forced to choose a single mission for the WIA, which of the following would you choose?

| | ED | One-Stop Manager |
|--|-----|------------------|
| Providing specialized business services to foster economic development | 52% | 39% |
| Developing a skilled workforce through effective job training | 38% | 50% |
| Providing an efficient and effective system of job-matching services | 7% | 11% |
| Did not choose | 2% | 0% |

A number of respondents protested this question, arguing that the choices provided were not mutually exclusive. The question was deliberately designed to force a choice, as a way of revealing local priorities. Both business services and job training get broad support, with somewhat different patterns evident in the executive director and One-Stop manager responses. The provision of job-matching services received little support from either set of respondents.

JQ3. If your local area was going to target its resources to better serve a particular sector of the economy which sectors would you personally choose (name up to 3)?

Executive Directors

| | |
|--|----|
| Healthcare | 27 |
| Manufacturing | 15 |
| High-tech, science, and information technology | 15 |
| Transportation/logistics | 10 |
| Admin/customer. service, finance, management, etc. | 7 |
| Tourism/Hospitality | 6 |
| Small business development | 5 |
| Agriculture and wine | 4 |
| Real estate | 1 |
| Any that has growth opportunity | 1 |
| Multi-media | 1 |
| Retail | 2 |

One-Stop Managers

| | |
|--|----|
| Healthcare | 12 |
| Manufacturing | 8 |
| High-tech, science and information technology | 7 |
| Transportation/logistics | 7 |
| Admin/customer. service, finance, management, etc. | 3 |
| Tourism/Hospitality | 4 |
| | |
| Agriculture | 1 |
| | |
| Any that offers living wages | 1 |
| Trades | 1 |
| | |

Respondents to this open-ended question identified the health care sector more frequently than any other. Manufacturing, high-tech, and transportation/logistics also were frequently mentioned. The response categories we created may overstate the level on consensus, since respondents may have very different types of industry connections in mind when they list manufacturing or some of the other categories.

JQ4. If your local area were going to target its resources to better serve a particular demographic segment of the population what groups would you personally choose?

Executive Directors

| | |
|------------------------------------|----|
| Youth | 17 |
| Dislocated Workers | 13 |
| Low Income earners | 13 |
| Adults | 5 |
| Hispanics | 4 |
| Incumbent workers | 4 |
| People with limited English skills | 4 |
| The Disabled | 4 |
| The Underemployed | 4 |
| Veterans | 4 |
| School dropouts | 2 |
| TANF recipients | 2 |
| Agricultural workers | 1 |
| Businesses | 1 |
| CalWORKs customers | 1 |
| Homemakers | 1 |
| Immigrants | 1 |
| Parolees | 1 |
| People over 40 | 1 |
| The chronically unemployed | 1 |
| | |
| | |
| | |

One-Stop Managers

| | |
|---|---|
| Youth | 9 |
| All | 6 |
| Older workers | 3 |
| Adults | 2 |
| Dislocated Workers | 2 |
| Individuals with barriers | 2 |
| Individuals with limited English skills | 2 |
| The Underemployed | 2 |
| Disabled | 1 |
| The Homeless | 1 |
| First time offenders | 1 |
| Long-term unemployed | 1 |
| TANF recipients | 1 |
| Veterans | 1 |
| Low income employees | 1 |
| Incumbent workers | 1 |
| Entry-level management | 1 |
| Women | 1 |
| Homemakers | 1 |
| Businesses | 1 |
| | |
| Those with a high school diploma | 1 |
| Hispanics | 1 |
| The poor | 1 |

These responses to this open-ended question are not particularly helpful in identifying possible ways to target WIA resources to demographic groups. The most frequent responses mirror the existing WIA categories (adult, dislocated worker, youth).

Partnerships

JQ5. Rate the importance and current strength of you partnership with the following list of potential workforce partners.

Scale:
 1=very weak
 2=weak
 3=medium
 4=high
 5=very high

| | Executive Directors | One-stop Managers | Executive Directors | One-stop Managers |
|-------------------------------|--------------------------------|------------------------------|--------------------------------|------------------------------|
| Partner | Importance | | Strength | |
| Community College | 4.5 | 4.4 | 4.1 | 4.2 |
| Economic Development Orgs. | 4.2 | 4.4 | 3.9 | 3.7 |
| Elected Officials | 4.1 | 3.6 | 3.8 | 3.4 |
| Adult Education | 4.0 | 4.3 | 3.8 | 4.1 |
| K-12 system | 3.9 | 3.6 | 3.2 | 3.4 |
| Community-based Organizations | 3.8 | 3.7 | 3.8 | 3.8 |
| ROP | 3.8 | 3.6 | 3.4 | 3.8 |
| Media | 3.5 | 3.5 | 2.6 | 2.9 |
| Vocational Rehabilitation | 3.1 | 3.6 | 3.1 | 3.9 |
| Unions | 2.9 | 3.0 | 3.0 | 2.8 |
| TANF | 2.9 | 4.0 | 3.8 | 4.1 |
| Law enforcement | 2.4 | 2.3 | 2.4 | 2.4 |

This rating exercise was designed to capture basic trends in how current WIA system partner organizations are viewed. The most important patterns are summarized in the summary at the beginning of this report.

| | Executive Directors n=36 | One-Stop Managers n=24 |
|--|-------------------------------------|-----------------------------------|
| JQ6. Of the total hours available to local personnel, what is the estimated % spent complying with federal or state reporting, documentation, or auditing requirements? | 40% | 39% |
| JQ7. Of the total hours spent in complying (see previous question), what is the estimated % of time spent on normal case study management follow-up? | 19% | 41% |

The pattern of responses to question JQ6 was similar among the two sets of respondents, but the individual estimates provided covered a wide range. A few very high estimates may have skewed the overall averages slightly upward, as shown below:

| Estimated percentage ranges | # of Executive Directors | # of One-Stop managers | Total |
|------------------------------------|---------------------------------|-------------------------------|--------------|
| 0-19% | 5 | 4 | 9 |
| 20-39% | 14 | 11 | 25 |
| 40-59% | 11 | 4 | 15 |
| 60-79% | 4 | 2 | 6 |
| 80-100% | 4 | 3 | 7 |

Responses to question JQ7 were even more variable, and it appears that the wording of this question may have confused respondents. As such, we are not willing to vouch for the validity of those numbers.

JQ8. Compare (in an average month) your estimated actual and desired amounts of time spent on three categories of activity: administration and oversight, system-building, and all other activity.

| | Actual Time | Desired Time |
|------------------------------|--------------------|---------------------|
| Executive Directors | | |
| Administration and oversight | 49% | 29% |
| System-building | 39% | 60% |
| Other | 12% | 11% |
| One-Stop Managers | | |
| Administration and oversight | 54% | 39% |
| System-building | 33 % | 49 % |
| Other | 12 % | 12 % |

A clear pattern emerged in these responses, with both sets of respondents desiring to spend more time on local workforce system building and less on administration and oversight of WIA programs. The survey question defined system building as “developing or participating in community partnerships or alliances, engaging with community stakeholders, building relationships with funders or with elected officials, etc.”

Summary of Responses to Questions Asked Only of Local Area Executive Directors

EDQ1. Which best describes the administrative home for your WIB?

| | | |
|--|----|------|
| Government Social Service Department | 16 | 39 % |
| Government Economic Development Department | 9 | 22 % |
| Independent Government Agency | 6 | 15 % |
| Independent Nonprofit Agency | 6 | 15 % |
| other | 4 | 9 % |

Less than half of WIBs are housed in social service departments, although that remains the most likely administrative home for WIA programs. Many WIBs operate as independent agencies, either within government structures or as nonprofits. A few WIBs are organized as hybrids or quasi-organizations that have aspects of both government and nonprofit structures.

EDQ2. Does your WIB have a policy related to...?

| | | |
|---|----|------|
| Selecting targeted industry sectors | 28 | 68 % |
| Selecting targeted demographic groups | 20 | 49 % |
| Setting wage standards...training programs must meet | 18 | 44 % |
| Setting wage standards...business services recipients must meet | 10 | 24 % |

From this evidence, WIBs appear to be fairly active in setting policies, particularly related to sectoral targets. However, our case study report suggests that the identified targets do not always drive program investments. This might be an area where further research would be useful, particularly if it could identify factors that help WIBs set policies that then drive local investments.

EDQ3. Compared to 3 years ago is the percentage of your local area budget that comes from WIA funds (formula + discretionary)?

| | | |
|----------------|----|------|
| Smaller | 27 | 66 % |
| Larger | 6 | 15 % |
| About the same | 8 | 19 % |

Two-thirds of local areas survey report that WIA funds represent a smaller portion of their budget than they did 3 years ago.

EDQ4. Which of the following types of organizations receive youth services contracts in your area?

| | | |
|----------------------------------|----|-----|
| Non-profit organization | 31 | 76% |
| City school district | 20 | 49% |
| County office of education | 17 | 41% |
| Faith-based organization | 6 | 15% |
| Private, for profit organization | 9 | 22% |
| Other | 6 | 15% |

Since most local areas contract with more than one organization to deliver youth services, the percentages in this chart do not add up to 100%. Nonprofits and schools are the types of organizations most likely to receive youth contracts.

EDQ5. Compared to 3 years ago, is the percentage of the youth local area services budget that comes from WIA funds (formula + discretionary):

| | | |
|----------------|----|-----|
| Smaller | 27 | 66% |
| Larger | 4 | 10% |
| About the same | 10 | 24% |

These responses were similar to those given to question EDQ3.

EDQ6. If WIA no longer required local areas to have a youth council, would your local area continue to have one?

| | | |
|----------|----|-----|
| Yes | 21 | 53% |
| No | 6 | 15% |
| Not sure | 13 | 33% |

Slightly more than half of executive directors believe their youth council would continue if not required. Many respondents were uncertain.

Summary of Responses To Questions Asked Only of One-Stop Managers

OSMQ1. As a One-Stop contractor is your organization a...? (n=27)

| | | |
|----------------------------|----|-----|
| Public entity | 16 | 59% |
| Nonprofit organization | 5 | 19% |
| Private, for-profit agency | 2 | 7% |
| other | 4 | 15% |

Almost 60% of respondents indicated their One-Stop is a public entity, and only 2 of 27 are run by a private, for-profit agency.

OSMQ2. Compared to 3 years ago is the total FTE for your One-Stop staff: (n=27)

| | | |
|----------------|----|-----|
| Smaller | 22 | 81% |
| Larger | 2 | 7% |
| About the same | 3 | 11% |

Total One-Stop FTE is decreasing as WIA formula allocations decrease.

OSMQ3. Of the total dollars available to provide training services to enrollees, what is the estimated % of funds spent on: (N=25)

| | |
|------------------------------|-----|
| Classroom training | 59% |
| Non-tuition Training Support | 19% |
| OJT | 12% |
| Customized Training | 5% |
| Other | 5% |

One-Stop managers report that relatively little of their training dollars are spent on OJT or customized training. About one-fifth of all training spending is for non-tuition support (books, child care, transportation, etc.).

OSMQ4. Of the ITAs you provide to clients, what is the estimated % of clients who attend one of the following:

| | |
|--|-----|
| Proprietary schools or other private, profit-seeking organizations | 56% |
| Community Colleges | 21% |
| Adult Schools | 13% |
| Non-profits (all types of community and faith-based organizations) | 4% |
| Other | 5% |

A majority of job seekers who receive ITAs attend a proprietary school. About a third attend either a community college or an adult school.

OSMQ5. What is the approximate average client caseload for your One-Stop case managers? (n=25)

| | | |
|-----------------|----|-----|
| Less than 30 | 0 | 0% |
| 30 to 50 | 2 | 8% |
| 51 to 70 | 7 | 28% |
| 71 to 90 | 11 | 44% |
| greater than 90 | 5 | 20% |

Caseloads are very high for most One-Stop case managers, with almost two-thirds of respondents indicating that caseloads are 1 to 71 or higher.

OSMQ6 . What is the approximate average yearly pay for One-Stop case managers? (n=24)

| | | |
|----------------|----|-----|
| under \$30,000 | 1 | 4 % |
| \$30-39,000 | 10 | 42% |
| \$40-49,000 | 10 | 42% |
| over \$50,000 | 3 | 13% |

Respondents indicate that a majority of case managers make between \$30,000 and \$50,000 per year.