



Opportunities for Oklahoma's Workforce System:

Strategies for Success with Recent and On-Going
Workforce Investment Act Funding Cuts

Oklahoma Department of Commerce
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1. INTRODUCTION

Continued reductions in federal workforce funds are forcing state and local workforce systems to consider every opportunity to save money, work more efficiently, and yet still provide core services. Successful state and local systems are reviewing how their resources are currently being spent and determining how they can strategically focus those finite resources toward the workforce and economic development priorities of their state and region.

In response to ongoing federal funding cuts [and specifically the recent federal Workforce Investment Act (WIA) funding rescissions announced by the US Department of Labor (USDOL) in early 2008], the Oklahoma Department of Commerce (ODOC) engaged **Public Works** to conduct a preliminary assessment of the state's workforce development system, including Oklahoma's twelve local workforce areas. **Public Works** was asked to make recommendations for the state's consideration on ways to build a workforce system that is more flexible and can respond both quickly and efficiently to economic fluctuations and changes in the workforce needs of the state. Of course, any recommended actions must be ones that are realistic and practical given limited and diminishing federal workforce funds.

Setting the Stage: 2008 WIA Funding Rescissions

The Consolidated Appropriations Act of 2008 directed funding rescissions for Workforce Investment Act (WIA) Adult, Dislocated Worker, and Youth programs for Fiscal Year (FY) 2007 and FY 2008. While annual rescissions are not new to the Department of Labor or WIA programs, the most recent round of funding cuts was particularly complex and onerous because it involved three separate rescissions which spanned several program years.

According to USDOL's Training and Employment Guidance Letter (TEGL) No. 24-07, the separate funding adjustments were to be applied to WIA funds as follows:

- For FY 2007 Advance fund year sources, a one percent across-the-board rescission to WIA Adult and Dislocated Worker programs;
- For FY 2008 Advance fund year sources, a 1.747 percent across-the-board rescission to WIA Adult and Dislocated Worker programs; and
- A rescission of \$250 million applicable to WIA Adult, Dislocated Worker, and Youth formula programs from any unexpended balances of formula funds appropriated for Program Years (PY) 2005 and 2006 (which includes PY 2005-2006 and FY 2006-2007)¹

This level of funding rescission has had a dramatic effect on state workforce systems around the country. Oklahoma's rescission of \$10,582,728 was almost half of its total 2008 WIA allotment, the highest state percentage loss in the country.²

USDOL's decision to rescind unexpended balances of formula funds was particularly difficult to manage because the funds were often already obligated or budgeted, simply not yet expended. Based on this decision by USDOL, the State has since chosen to implement an accrual accounting process.³

While USDOL officials stated in congressional testimony that the rescission of prior year (carryover) WIA funds would not impact current services, 44 of 50 states (88 percent) have reported that they have been forced to use current year funds to pay for at least part of the rescission.⁴

To gauge the impact of this year's WIA funding rescissions, the National Association of State Workforce Boards (NASWB) recently conducted a survey of state workforce authorities asking about the effects of the funding cuts on their state. Responses to the NASWB survey pointed to many cases where the rescission had caused states to cancel earlier obligations, alter their plans for improved or additional workforce programs, or otherwise cut staff and operations.

NASWB's survey found:

- Nearly 86 percent of states expect Performance Goals will not be met.
- Fewer dislocated workers, adults and youth will be served by programs.
- Cutbacks will occur in training, including On-the-Job-Training Programs, Training Services (Intensive Training), Individual Training Accounts, and Customized Training.
- Nearly 60 percent of states have or expect to have staff layoffs or hiring freezes.
- 40 percent of states will have fewer staff at One-Stop Career Centers.
- More than 64 percent will see a reduction in comprehensive assessments on skill levels, aptitudes and abilities.
- More than 41 percent of states will see a reduction in Core Services.
- Nearly 54 percent of states expect to experience a reduction in outreach to employers.⁵

In Oklahoma, local workforce areas have reported that the rescissions will cause the following:

- WIBs will no longer be able to serve the training needs of new customers.
- WIBs will cut business services, on-site WorkKeys assessment testing, and occupational skills training.
- WIBs will have to cut incumbent worker training funds.
- Staff assistance with client job searches and referrals will be limited.
- WIA offices will be closed and staff will be reduced.
- Sector initiative work will be reduced in all areas.

- Youth employment services will be reduced.
- Developing sector strategies are subject to end.⁶

Recognizing the dramatic effects of this round of WIA rescissions, state and local workforce officials began to educate members of congress about the fallout of the funding cuts. As of the issuance of this report, an FY2009 budget resolution has passed in both the House and Senate. The congressionally-approved budget resolution provided \$24.5 billion more for domestic discretionary programs than requested earlier this year by the Administration.⁷ Senator Patty Murray (D-WA) specifically inserted \$390 million in additional WIA funding above current levels in the budget resolution.⁸

In a June 3, 2008 bipartisan letter to the chairs and ranking members of the Senate Appropriations Committee and Senate Appropriations Subcommittee on Labor, Health & Human Services, and Education, Senators Herb Kohl, Maria Cantwell, and Susan Collins requested that any subsequent economic stimulus bills this year restore the \$250 million in funding for adult, youth, and dislocated workers.⁹

Despite these hopes, it is not likely that Congress will reinstate prior-year or current WIA funding rescissions. In fact, proactive workforce leaders around the country have started to assess their current systems with the expectation that there will be further funding reductions in the future. Recognizing that a status quo system will not be able to survive with diminished funds moving forward, ODOC asked **Public Works** to identify some immediate opportunities to improve the state's workforce system, even in light of the recent federal funding cuts.

Process

From April 1, 2008 through June 30, 2008, **Public Works** conducted a preliminary assessment of Oklahoma's workforce development system, including the state's twelve local Workforce Investment Act boards.

In our assessment, we gathered information through interviews with key Oklahoma Department of Commerce (ODOC) and Oklahoma Employment Security Commission (OESC) managers and staff and reviewed available data, including state and local workforce system budget information, local Workforce Investment Board performance measures, and Board certification criteria and measurements. This data was augmented with information from other publicly-available documents, such as the priorities and goals established by the Governor's Council for Workforce and Economic Development (GCWED); state WIA policies and procedures as outlined in Oklahoma Employment and Training Issuances (OETIs) by OESC; Oklahoma's WIA State Plan; Oklahoma economic development and industry reports; and WIA plan waivers. Finally, we gathered information from other states as well as federal sources (including all waivers issued by the US Department of Labor) and researched best practices and examples of how states are responding to the rescissions.

Also as part of this project, **Public Works** conducted a series of forums around the state in conjunction with the Workforce Oklahoma Employment & Training Association (WOETA). The regional forums were held in the four quadrants of the state with meetings in Enid, Lawton, McAlester, Muskogee, and Oklahoma City, and included participation from well over 100 attendees. Key workforce stakeholders, including WIB board members and staff, local elected officials, community and business leaders, One-Stop Center staff, and other local service

providers participated in the forums to discuss opportunities and challenges in light of recent WIA funding rescissions. Follow-up interviews were conducted with several local workforce leaders on particular issues of concern.

This study reviewed several elements of the state's workforce system to determine what is currently working well and how best to build upon those successes. The **Public Works** team also met with the GCWED Governance, Benchmarking and Best Practices Committee at the outset of this project to gather data on Oklahoma best practices. Additionally, our team conducted in-depth research of best practices around the country to consider those strategies for Oklahoma.

To learn more about what other states are doing in response to the recent WIA funding rescissions, **Public Works** worked with the National Governors Association Center for Best Practices to survey states regarding the impact of the cuts. **Public Works** also consulted the National Association of Workforce Boards (NAWB) and the National Association of State Workforce Board Chairs (NASWBC) regarding states' reactions to the WIA rescissions.

Based on our research both in Oklahoma and around the country, **Public Works** identified key findings and makes 11 recommendations in this report for the state's consideration in building a stronger workforce system.

Overview of Recommendations

During our review, we identified opportunities to strengthen Oklahoma's workforce system by:

1. **Encouraging Innovation and Collaboration:** With diminishing workforce funds, state and local workforce systems will be forced to do things in a fundamentally different manner. System leaders must work together to create more opportunities for flexibility, innovation, and collaboration.
2. **Improving Planning and Communication:** There is a need for more and better lines of communication between state and local workforce leaders. For maximum benefit to the state, strategic planning from the Governor's Council must be relevant to the day-to-day operations of local workforce systems. In turn, local and regional strategic plans should support the state's strategy.
3. **Focusing Resources:** Oklahoma needs to conduct a thorough review of its current workforce systems to eliminate programmatic and operational duplication and focus state-wide on the same priorities, measurements, and results.

In this report, we will provide a brief summary of background, findings, and recommendations for each of these issue areas. Readers should note that the recommendations are organized thematically in each issue area, not in priority or chronological order.

As requested by ODOC, this preliminary assessment focused on identifying opportunities for more efficient and effective practices that local and state workforce partners could pursue immediately, or in the short-term. More in-depth research could certainly identify additional opportunities for savings and efficiencies and could produce more detailed recommendations for improving operations.

Figure 1: Overview of Recommendations

Recommendation	Goal Increased Flexibility Improved Communications Enhanced Performance
Reduce monitoring intensity in exchange for meaningful performance measures that allow the state to assess program effectiveness.	Increased Flexibility Enhanced Performance
Provide additional grants, incentives, and capacity-building activities to guide change, reward innovations, and connect state initiatives and regional plans.	Increased Flexibility Enhanced Performance
Encourage local workforce areas to continue and expand collaborations across regions and jurisdictional boundaries.	Increased Flexibility Improved Communications Enhanced Performance
Streamline the current waiver process and formalize processes to be used in OETI development, issuance, waivers, and appeals.	Increased Flexibility Improved Communications
Consider consolidation of local workforce investment areas.	Increased Flexibility Enhanced Performance
Create stronger planning relationships between State and local workforce officials to ensure that state strategies are relevant to the day-to-day operations of local workforce systems.	Improved Communications Enhanced Performance
Sponsor pilot projects as a means for testing state strategies and engaging local WIBs in the development of those strategies before they are implemented.	Improved Communications Enhanced Performance
Re-examine the GCWED Outreach and Engagement Team communications plan and create more opportunities for enhanced communications with local workforce systems.	Improved Communications
Evaluate workforce staffing and program overlap at ODOC and OESC to determine efficiencies.	Improved Communications Enhanced Performance
Drive local workforce areas toward higher performance and better alignment with the state's workforce development vision.	Increased Flexibility Improved Communications Enhanced Performance
Augment Oklahoma's One-Stop centers by further integrating programs and expanding resources available to support One-Stop infrastructure.	Enhanced Performance

2. ENCOURAGING INNOVATION AND COLLABORATION

Team-Building and Collaboration

Background

With diminishing workforce funds, state and local workforce systems will be forced to do things in a fundamentally different manner. System leaders must work together to create more opportunities for flexibility, innovation, and collaboration.

The US Department of Labor (USDOL) frequently grants waivers to the rules and regulations of the Workforce Investment Act to provide increased flexibility to states and local areas in implementing reforms to the area workforce development system. USDOL grants the waivers in exchange for state and local accountability for results and improved programmatic outcomes. In reviewing requests, USDOL considers whether the waiver follows the key principals established in the original Workforce Investment Act. These principals are:

- Streamlining services;
- Empowering individuals;
- Universal access;
- Increased accountability;
- Strong roles for local workforce investment boards and the private sector;
- State and local flexibility; and
- Improved youth programs.¹⁰

WIA rules and regulations describe a clear expectation for a “strong role for local workforce investment boards and the private sector, with local, business-led boards acting as ‘boards of directors,’ focusing on strategic planning, policy development and oversight of the local workforce investment system.”¹¹

Section 192 of the Workforce Investment Act permits states to apply for workforce flexibility (WorkFlex) waiver authority to promote reforms in their workforce investment systems in exchange for program improvements. Under WorkFlex, governors are granted the authority to approve requests submitted by their local areas to waive certain statutory and regulatory provisions of WIA to provide areas the operational flexibility they need to improve employment and training productivity. Oklahoma’s State WIA Plan notes that Oklahoma has received designation as a WorkFlex state and has granted several WorkFlex waivers to local areas. The Plan states that WorkFlex has “given the local areas more flexibility and speeds up the waiver process thus resulting in faster and better service delivery for job seekers and business.”¹²

Governors across the country have considered ways to instill more innovation and collaboration in their workforce systems. In its Issue Brief entitled *Aligning State Workforce Development and Economic Development Initiatives*, the National Governors Association Center for Best Practices outlined several options for governors’ consideration. The Center noted that whether states chose a full consolidation of all workforce-related agencies or just established common missions, goals, and performance measures across related agencies, successful innovation and collaboration efforts all seemed to point to the same basic lessons.¹³

Specifically, the Center noted that innovative states should:

- Organize economic and workforce development activities around regions and groupings of firms to improve labor-market performance; and
- Use discretionary funds, reporting guidance, and other administrative measures to promote the creation of aligned economic and workforce development jurisdictions and joint planning within them.¹⁴

In Oklahoma, state and federal guidance is disseminated to local WIBs and service providers through Oklahoma Employment & Training Issuances (OETIs), written and issued by OESC. According to Oklahoma's State WIA Plan, OETIs are "considered official state policy and local areas are held accountable for carrying out the stated policy."¹⁵ In addition to OETIs, additional guidance is disseminated by OESC through training sessions, compliance monitoring site visits, and other face-to-face meetings.

Findings

Innovation and Collaboration

- The Core Principals of the *Grow Oklahoma* Strategic Plan state, "Our actions must encourage and support development of agile and appropriate regional partnerships and solutions."¹⁶ Local workforce systems need flexibility to create such partnerships.
- Oklahoma has launched many innovative workforce initiatives such as Oklahoma WIRED grants, industry sector strategies, Career Readiness Certificates, and certified Work-Ready communities. Local workforce partners have also reported success in partnering with the State on external grant applications when the State has offered support letters and matching funds.
- In regional forums, local area representatives noted that some current collaborative efforts such as Economic Development Sector Summits are going to end because of rescinded WIA funds.
- Many local workforce leaders further admitted that they often collaborate only when there are incentive funds available for doing so.
- Currently, there are potential opportunities to enhance collaborations across state boundaries with Missouri (SW Missouri) and Texas (Wichita Falls). Oklahoma has already established successful collaborations between southern Oklahoma and Texas. These and other interstate collaborations should be encouraged and further developed.
- There are also models of successful collaboration with businesses and tribal nations within Oklahoma's boundaries, many that have led to operational savings. Both private sector corporations and tribal nations have made office space available to local workforce offices for free or at reduced amounts to lower the local office's operational costs.
- According to the State WIA Plan, Oklahoma has 32 recognized Native American tribes and has the second largest Native American population of any state.¹⁷ The 2007-09

Plan notes that the State will work with local areas to create enhanced partnerships with Native American tribes and develop a Native American presence in Workforce Centers. Specifically, the Plan outlines that “the State will work with local areas to include tribal representatives on BSTs and to leverage resources for the betterment of all Oklahomans.”¹⁸

Roles and Responsibilities of State and Local Areas in Collaborations

- Oklahoma has committed to assist local WIBs by identifying best practices, making recommendations on reductions of administrative costs, and exploring the possibility of assuming or assisting with some administrative roles to free up WIB staff to focus more on system issues.¹⁹ In regional meetings, local workforce officials agreed that this type of assistance from the State would be very helpful; however, there was no consensus among local leaders about where they most wanted or could most use the State’s help.
- Participant responses at every regional forum indicated a disconnect between state and local leaders regarding the roles each should play in the development of statewide strategic initiatives and regional efforts to implement and support the strategies. One specific example was the Career Readiness Certificate (CRC). Specific disconnects related to:
 - The value of the CRC as an employer job matching tool
 - The use of CRC data as an economic development tool
 - The value of the CRC to business in evaluating and increasing the skill levels of existing employees
 - Use of the CRC as a communications tool between business and education to identify needed changes in curriculum and as a tool to measure the effectiveness of curriculum
 - The ability to utilize aggregate data from the CRC database
 - The need to have a critical mass of career-ready individuals prior to presenting data to business and economic developers
 - The use of CRC as a core element in the Certified Work Ready Communities initiative
 - The value of the CRC as a national, portable credential

Waivers and Flexibility

- Currently, waiver requests are submitted to the OESC Director of Workforce Integrated Programs. OESC staff review each request and then make recommendations to the Deputy Secretary of Commerce who is the ultimate decision-maker on waivers.
- In interviews, OESC staff noted that they work well with ODOC on the waiver review and approval process. In contrast, local workforce board members and staff at every regional forum commented on the complexity and length of the waiver application process. Some local representatives further noted that they are often discouraged from seeking waivers even before requests have been made.
- State and local workforce staffs report completely different understandings of the OETI issuance and waiver processes. While both groups agree there is no formal or standardized process for developing and issuing OETIs, state officials assert that locals are always afforded an opportunity to provide feedback on new OETIs during a comment

period and often are asked to participate in work groups to help draft new OETIs. In comparison, local workforce staff reported that they have been expressly denied opportunities to comment on OETIs before they have gone into effect and further remarked that work groups are rarely used any longer in OETI policy development.

Recommendations

1. Reduce monitoring intensity in exchange for meaningful performance measures (beyond common measures) that allow the state to assess program effectiveness.

The State should consider ways to shift from a more tightly controlled compliance mentality that divides the state and local WIB staff into an “us and them” position to an emphasis on reducing risk through improved technical support and partnership between state and local staff. The State recently received a waiver that exempted reporting of the 17 core measures. This will allow better system alignment as the transition to common measures continues.

Best Practice Model:

- Iowa: Quality Review

Iowa conducts annual quality reviews of One-Stop centers, focusing on performance, customer satisfaction, and continuous improvement. Also included in the quality reviews are Memorandums of Understanding (MOUs), joint grant applications, evaluations of integration of services without duplication, level of participation by required and voluntary partners, and unique funding and/or service delivery methods involving multiple partners. The reviews focus not only on areas of weakness, but on areas of strength as well. In fact, areas of strength and the methods employed to achieve standards are being documented and incorporated into a list of best practices to be shared in other parts of the state.²⁰

2. Provide additional grants, incentives, and capacity-building activities to guide change, reward innovations, and connect state initiatives and regional plans.

Oklahoma should set aside statewide activity funds for high-priority activities, such as performance improvement or employer-driven sector strategies. While Oklahoma has developed tools and training for local areas as a means for encouraging sector strategies, local WIBs are unable to fund the capacity (i.e. staff time) required to actually launch and maintain a sector strategy. Some local WIBs had recently planned and “saved” their money to try to launch sector strategies, only to have the WIA rescission stop them in their tracks. The state should be making available more statewide funds for grants to the local WIBs for these activities.

Oklahoma has previously set aside statewide activities funds for competitive grants to help guide change and reward innovation. This practice should continue with the added effort to ensure a better connection between the rationale for state strategies and regional implementation and support.

Best Practice Models:

- Oregon: State incentive funds to align local and state strategies

Oregon, a state similar in size to Oklahoma, uses statewide funds to incent local board alignment with the Governor's goals. The Oregon Employer Workforce Training Fund is distributed through Workforce Response Teams at the local level. The teams are made up of the Title IB provider, Oregon Employment Department, local community college, local economic development agencies, and the State economic development regional representative, so that workforce, education, and economic development partners make training decisions together. This strategy incents the local economic and workforce development entities to work together to solve problems.²¹

- Tennessee: Baldrige Initiative and Career Center Quality Award

Tennessee is one state making direct use of the Baldrige model for quality improvement. In 2008, the USDOL issued a guide for applying the Malcolm Baldrige Quality Certification Framework in the context of a workforce development system.²² The framework covers seven categories: Leadership, Strategic Planning, Customer and Market Focus, Information and Analysis, Human Resources Focus, Process Management, and Business Results. The continuous improvement cycle involves initial certification; ongoing performance assessment and improvement; and recertification with updated standards.

Tennessee's Career Center Quality Award is a state-level effort to incent all Tennessee Comprehensive Career Centers to use a Baldrige-based self-assessment process to improve processes and customer service. The Baldrige-based award is used as a means to improve efficiency and effectiveness throughout the State workforce development system and deliver better customer service. The goal is to have all partners within each center to work as a team to identify areas where the Career Center can coordinate efforts in service delivery.²³

- Pennsylvania: Rapid Response set-aside

The Commonwealth has set aside WIA Title I Rapid Response funds as part of the industry partnership initiative. Funds are used to assist local WIBs to develop innovative strategies for incumbent worker programs and strengthen the linkages among economic development agencies at the local and state level.²⁴

- Pennsylvania: Investing for Pennsylvania's Prosperity Awards

Statewide funds are used for local workforce area incentive grants, based on a combination of performance criteria that may include performance relative to negotiated levels, high-performing WIB standards, and/or Pennsylvania CareerLink (One-Stop) Quality Review findings.²⁵

3. Encourage local workforce areas to continue and expand collaborations across regions and jurisdictional boundaries.

Oklahoma has recognized the need for cross-jurisdictional collaboration and has both encouraged and rewarded it. Oklahoma should use statewide funds to further enhance these collaborations, including partnerships across state lines and with tribal nations. Specifically, funds could be used to incent local areas to explore further opportunities to partner across state boundaries with Missouri and Texas. Additionally, areas should be encouraged to proactively cultivate other interstate and intergovernmental collaborations.

Tribal nations have financial resources available for both employers and employees. Local and state workforce officials should continue to enhance collaborations with tribes and conduct thorough asset mapping across systems to make sure that all resources are being utilized fully.

Best Practice Models:

- Michigan: Regional partnerships

The state provided WIA funding to Michigan Workforce Areas (MWAs) to build 13 regional partnerships that include stakeholders within regions that are self-defined by the applicants. According to Michigan's strategic plan, each participating MWA was eligible for up to \$50,000 of funding. MWAs that united with others to form regional partnerships were eligible to receive a ten percent bonus. The Michigan partnerships receive ongoing technical assistance support from the Department of Labor and Economic Growth (DLEG), the University of Michigan, other state agency partners, and external organizations.²⁶

- Illinois: "Opportunity Returns" economic development plans

Illinois Governor Rod Blagojevich designated 10 economic development regions to develop individual "Opportunity Returns" economic development plans. As part of Opportunity Returns, a Critical Skills Shortage Initiative was designed to establish local WIB-led coalitions that identify key industry sectors, collect and analyze information about shortages in key occupations, determine root causes and solutions, and develop proposals to test and implement solutions that leverage existing resources.

Using WIA discretionary funds, the Illinois Department of Commerce and Economic Opportunity awarded \$3 million in planning grants to these coalitions on a noncompetitive basis and \$15 million in total training grants on a competitive basis to those submitting the best plans. In the first year of the grants, 100 percent of the cost of activities (authorized under WIA) was funded. Grants are renewable for a second year to fund up to 50 percent of costs, with each region expected to secure funds from other sources to make up the difference and then continue without any state funds in subsequent years.²⁷

- Illinois: Governor's Award for Collaboration in Workforce Development

The Illinois Governor's Office has presented this award to groups that demonstrate their ability to: 1) work as a team and contribute jointly to the workforce development needs of the community; 2) exceed job expectations in contributing to the achievements of a common goal; and 3) produce a collaboration that results in the achievement of significant, successful, and noteworthy outcomes.

One notable Governor's Award recipient in Illinois was the Regional Healthcare Workforce Alliance, a group of stakeholders including business, education, labor, and community organizations that worked together across jurisdictional lines to address workforce shortages in the healthcare industry. The alliance was led by five healthcare executives charged with directing three "workforce action teams." The healthcare action teams were tasked with implementing workforce and economic development follow-up activities created by the momentum of a recent regional healthcare workforce summit.²⁸

- Delaware Valley: Tri-State Delaware Valley Innovation Network (DVIN)

The Delaware Valley Innovation Network (DVIN), funded through a \$5 million USDOL WIRED grant, is a tri-state effort to develop and grow the life sciences sector through workforce development and innovation. The three collaborating states – Delaware, New Jersey and Pennsylvania -- work together under a grant administered by Innovation Philadelphia. The project is managed by an executive committee that includes education, industry, economic development, and workforce development representatives from all three states. Now in its third year, DVIN has developed a tri-state gap analysis to identify the supply of skills needed for the life sciences industry as well as education and outreach efforts and industry talent development throughout the region.²⁹

4. **Streamline the current waiver process and formalize processes to be used in OETI development, issuance, waivers, and appeals.** Oklahoma has received WorkFlex designation and developed a very robust and thorough waiver process designed to maximize flexibility in its workforce system. Now, the State must endeavor to streamline its processes and remove any barriers that prevent or delay waivers from being granted.

Specifically, Oklahoma may want to reconsider its current waiver structure that involves both OESC and ODOC. Or, the State could develop waiver "Rapid Assist" teams designed to provide locals with answers to waiver application questions quickly (ideally within a few days) and consistently across the state. ODOC and OESC should also use technology to distribute answers to waivers (and other compliance questions) clearly and consistently across the state.

Furthermore, State and local workforce officials should reach agreement on the processes that will be used for OETI development, issuance, waivers, and appeals. There must be a common understanding between State and local officials as to when OETI work groups and comment periods will be allowed. Local areas must also be proactive in seeking waivers and work together to articulate when there are common concerns or priority areas where waivers are needed. Local areas and State staff should meet regularly to discuss new waiver needs.

Best Practice Model:

- Tennessee: Technical unit for LWIA assistance

Tennessee's Department of Labor & Workforce Development has a technical unit that responds to LWIAs who need clarifications regarding policy issues, delivery of services in the career centers, or any other questions LWIAs have regarding workforce development. The technical assistance is transparent in that all questions relating to delivery of services are posted on the web in a common "Q&A" section, so other LWIAs have the opportunity to create a uniform solution to common problems.³⁰

OESC officials state that they have encouraged locals to submit questions electronically (via email) in order to receive a written response on program and compliance questions; however, they report that electronic Q&A has not been widely used. Given the usefulness of such a tool, it would be worth OESC's time to survey (even if informally) local staff to better understand why the offered electronic Q&A mechanisms have not been more widely used. Once OESC is successful in generating and fielding more local questions electronically, these should be linked directly to the "search OETI" page of OESC's website so that other local areas can search and find consistent answers to similar questions.

WIB Consolidation

Background

In 1998, Congress enacted the federal Workforce Investment Act (WIA), which significantly reformed the nation's workforce preparation system. In 2000, WIA was implemented in Oklahoma establishing a One-Stop career center system and designating local workforce investment areas. *(See Figure 2 for a map of Oklahoma's twelve current Local Workforce Investment Areas.)*

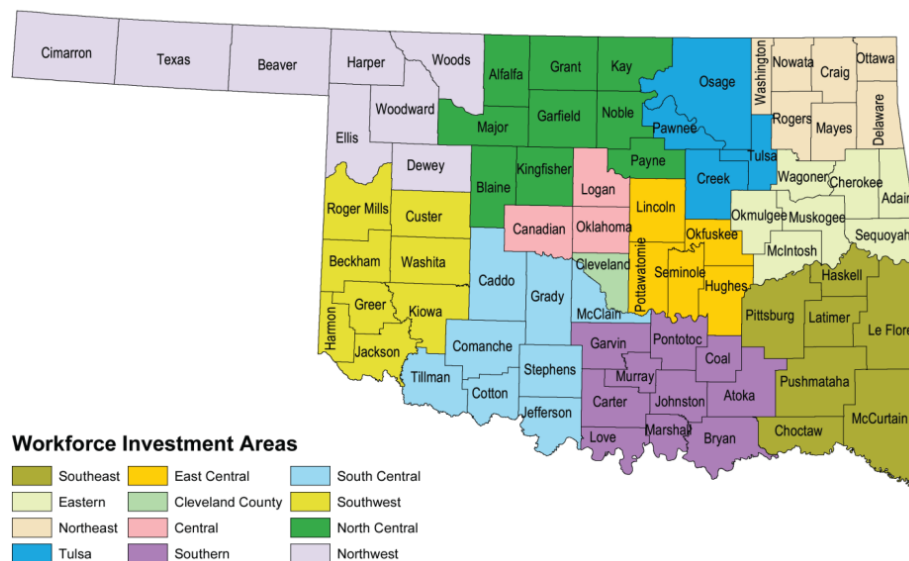
When originally designating the state's local workforce areas, the Oklahoma Workforce Investment Board (predecessor to the Governor's Council for Workforce and Economic Development) determined that the primary consideration in creating the workforce implementation system should be local labor market areas.³¹ It is noted in Oklahoma's 2007-09 WIA State Plan that the GCWED plans to examine local workforce area designations to determine whether their basis on local labor markets is still feasible.³²

The Plan further notes that the State will "work with local workforce areas to provide incentives and technical assistance for joint planning efforts which may lead to efforts toward consolidation of workforce areas in order to provide a more regional approach."³³ The State has developed RFPs for local boards to bid for funding to create regional consortiums of two or more WIBs. The State Plan notes that the purpose of this funding was to "encourage and support WIB regional planning & development and to assist local WIBs in becoming an independent convening entity that can foster collaboration in development of a workforce system that supports economic development."³⁴ According to the Plan, this funding (taken from the Governor's 15 percent Discretionary Grant) has been used to support local WIBs by providing seed funding in their pursuit of regional workforce and economic development systems.

Specifically, the Plan states that, “Realizing that federal and state workforce development financial resources are finite, the State encourages local WIBs to look at regional planning and resource sharing. This may lead to a reduction in administrative costs while encouraging alignment and more of a ‘systems approach’ within a regional area.”³⁵ The Plan further notes that the “State will require independent WIB staff for local WIBs. However, two or more WIBs may utilize the same WIB staff for multiple workforce investment areas and share the costs.”³⁶

State officials have indicated that when considering redesignation of LWIAs, “any contemplated changes in areas [will be] discussed with all parties involved including the local elected officials, WIB, and service providers” and “changes in workforce investment areas are done only in the best interests of the State and the business and job seeker customers in that area.”³⁷

Figure 2: Oklahoma’s Twelve Current Workforce Investment Areas



Source: Oklahoma Department of Commerce

Findings

Local Workforce Investment Area Structure

- In interviews conducted for this project, representatives from the GCWED, ODOC, OESC, and the local boards themselves stated that the current structure of Oklahoma’s workforce areas should be re-evaluated because the areas are too numerous, not cost-effective, and they could be reconfigured better to meet employee and employer needs.
- In forum discussions, regional economic development partners echoed this concern and noted that when they have multiple workforce investment areas within their region it is very difficult to coordinate with all of them.
- The State has made a commitment to “work with local workforce areas to provide incentives and technical assistance for joint planning efforts which may lead to efforts toward consolidation of workforce areas.”³⁸ Currently, the State has granted the East Central WIB a

waiver to use funds for consulting services to identify potential operational efficiencies and consolidation strategies.

- In regional forums, local board members and staff noted concern that if WIBs are consolidated, Board members who now drive one hour for meetings would then have to drive three to four hours. Both state and local forum participants noted that some local boards are already having problems meeting quorum requirements at their board meetings.
- Local business and elected leaders pointed out that no area *wants* to give up local workforce services or offices and that moves toward WIB consolidation could be opposed by local leaders. However, there was recognition by both state and local officials that the recent WIA funding rescissions might drive WIB consolidation.
- In its current State WIA Plan, Oklahoma has committed to examining other existing programmatic regions to determine if alignment of WIA regions with these areas is in the best interest of the State.³⁹

Current Challenges for Local Workforce Areas

- Recognizing the capacity limitations of its local workforce areas, Oklahoma now requires only one comprehensive Workforce Center in each area.
- The bylaws of the GCWED direct that “State Council meetings will be the model structure that local boards can emulate” and notes that the group should “spen[d] meeting time on discussion of substantive issues and not individual program[s].”⁴⁰ Unfortunately, this is not a model that local boards currently follow. Local board members in every regional forum reported that they spend a majority of time in meetings talking about bureaucratic processes rather than strategic planning.
- At each regional forum, local board members expressed frustration with current board meeting format and the amount of time spent on bureaucratic paperwork. Recent WIA funding rescissions have further driven locals away from strategic planning, requiring even more focus on funding and compliance issues. One local board member noted, “We had just started having breakouts looking at [industry] clusters and identifying priorities and problems for our area. Now, we’re back to signing papers, and talking about compliance. It feels like we have backtracked.”
- The Oklahoma State WIA Plan and ODOC officials note that the GCWED is working through the WSST and GCWED subcommittees to expand the focus of local WIBs. The Plan states that the goal is “to have WIBs that are seen as the authority on workforce and economic development issues” and notes that “too often WIBs are seen as simply ‘WIA Oversight Committees’ and are much too involved in programmatic minutia.”⁴¹
- Many current LWIBs lack the expertise and niche experience they need to be strategic planning bodies for their area. This has been an ongoing problem for local boards in Oklahoma. The Corporation for a Skilled Workforce (CSW) noted in its August 2005 report that local WIBs “need to move more aggressively into the strategic planning role, and need to quickly build the capacity and tools to do so...With a few exceptions, most WIBs are not positioned to do strategic level work. In fact, many are not positioned to do even the basic

functions of overseeing the WIA investments and the One-Stop system. Most appear to be focused on the most basic of WIA Title I oversight.”⁴²

- At each of the regional forums, local elected officials expressed concern that they may be legally liable for the activities of the Workforce Investment Board while they have no way of knowing whether the Board or the local workforce centers are in compliance with the law.

Opportunities in WIB Consolidation

- Each local Board hires staff to perform administrative functions such as program and policy oversight; fiscal/accounting and budgeting; data collection and reporting; and systems administration. Board administrative staffs may include an executive director, a director of fiscal operations, a director of program operations, a director of business services, and an administrative assistant. It is common for boards to have fewer administrative staff members who share these responsibilities.
- Several LWIAs have discussed sharing board staff across areas to reduce operational costs. Already, the North Central and Northwest WIBs share staff between their two boards. This partnership emerged when the North Central area needed fiscal agent support. The North Central and Northwest areas also share a youth council for both WIBs. In assessing their opportunities to share resources, the two LWIBs noted similarities in their geographical distribution, rates of unemployment, economic development priorities, and industry make-up.
- Other LWIBs have sought staffing support from the State (OESC) when they have lost local staff or experienced other problems.
- In evaluating WIB consolidation opportunities for its state, the California Performance Review estimated \$455,000-566,000 in administrative salary and benefits savings each time a board could be consolidated.⁴³ The Review noted that further savings could also be recognized as larger, consolidated areas could take better advantage of economies of scale in purchasing and procurement assistance.

Recommendations

- 5. Consider consolidation of local workforce investment areas.** Oklahoma should recognize WIA funding rescissions as an opportunity to re-evaluate the organization of its local workforce investment areas and assess options to reduce administrative costs, provide more consistent services across the state, and ensure that local boards are equipped to conduct the strategic-level planning for which they are designed.

When considering realignment of the current workforce area designations, the State may wish to contemplate alignment with other existing districts and regions within the state.

While some current workforce investment areas are interested in pursuing consolidation strategies, others are opposed to any type of area merger or realignment. Recognizing that local stakeholders are vital to the success of any workforce system, the State should first consider realignment or consolidation of areas interested in doing so. In the meantime, the State should continue to provide financial and programmatic incentives to local areas willing to improve performance and efficiency by sharing administrative

resources, even if less than a full consolidation. Of course, administrative savings and efficiencies can be maximized with broader consolidation efforts.

Given current funding realities, WIBs should carefully consider the benefits of consolidation to serve the best interest of their stakeholders and clients.

Best Practice Models:

- Indiana: Statewide workforce investment area with regional boards

In 2005, Indiana reorganized its 16 local workforce investment areas into 11 regions with two workforce investment boards -- one for the Indianapolis metro area and one for the balance of the state. To maintain local input and participation in the system, Indiana designated 11 regional workforce boards with greater flexibility and accountability and aligned the new regions with existing economic development and community college boundaries.

Indiana's realigned workforce boards maintained regional control and authority of the area under the direction of the Indiana Workforce Investment Board (the statewide WIB).⁴⁴

In its waiver application to USDOL requesting area redesignation, Indiana described its reorganization approach as follows:

Indiana is setting into place an aggressive agenda to improve upon the current workforce development system. The cornerstone of the agenda is for Indiana to become a two-workforce service area state...Indiana is taking aggressive steps to revamp the workforce development system in order to:

- *Align the system with the current and future needs of employees and employers*
- *Prepare the system for the Workforce Investment Act reauthorization*
- *Build more prestigious, accountable, flexible, and regionally-driven workforce boards*
- *Maximize return on investment by aligning funds with regional economic and workforce development needs*
- *Integrate service delivery at both the state and regional levels to provide better customer service*
- *Build regional capacity in which the workforce development system is closely aligned with industry, economic development and education*
- *Instill demand-side strategies for the delivery of workforce services*⁴⁵

In its waiver application, Indiana also noted that consolidation of its workforce areas would allow the state to accomplish its goal of “streamlining administration of services, eliminating duplication, and increasing efficiency in its workforce investment

system, leading to improved services to citizens, personal income growth, and job/employment growth.”⁴⁶

Much like Indiana, Oklahoma has identified the need to improve the strategic capacity and operational efficiency of its local workforce system, particularly in light of recent federal funding rescissions. Also like Indiana, Oklahoma notes the importance of maintaining a local voice in the state’s workforce system. Based on these similarities, Oklahoma should consider the Indiana model that has successfully addressed board consolidation while maintaining a role for local stakeholders.

- Idaho: Creating a single state workforce investment area as a response to dramatic funding reductions

In 2005, Idaho received a waiver from USDOL to allow the state to shift from six regional areas to a single statewide planning area. Under the waiver, the State Board was allowed to carry out the roles of a local board in a single statewide “local area.”⁴⁷ In its waiver request, Idaho pointed to the state’s “bleak financial outlook” and stated that the most recent funding reduction made change imperative (the state had experienced a 37 percent drop in funding over the last four years).⁴⁸

Idaho also supported its waiver request by pointing out that a consolidated system would foster sharing of data and information across regions and ease movement of customers from region to region. Idaho further noted that a single statewide planning structure would reduce overall administrative overhead from 14 percent to less than 3 percent total.⁴⁹

- Alaska: Improved performance through workforce area consolidation

The State of Alaska has also transitioned to a single statewide workforce investment area and, in doing so, experienced significant improvement in performance results throughout its system. Specifically, Alaska has documented that consolidation has led to:

- Increased standardization in service delivery and eligibility
- Greater satisfaction with the system from partners and service providers who note that they now work with a single administrative entity, using common statewide policies and practices
- Enhanced (and less duplicative) grant opportunities in each local area, with more consistent formats for application, reporting and performance management expectations
- Overall reduced cost associated with administering the WIA system⁵⁰

3. IMPROVING PLANNING AND COMMUNICATIONS

Background

A successful workforce development system is built upon a strong planning foundation, one that involves stakeholders at every level. However, even the best plans cannot be effectively implemented without clear and consistent communications among all participating entities.

As the state WIB, the Governor's Council for Workforce and Economic Development (GCWED) is expected to lead Oklahoma's workforce planning efforts. In statute, the GCWED is directed to strengthen collaboration among the government agencies that coordinate employment and other human resource investment activities in order to create a "seamless system to nurture healthy economic development."⁵¹ In addition, the State WIA Plan notes that the ODOC Office of Workforce Solutions is responsible for system planning and policy as well as partner and resource development. The Plan states that in those capacities, the Office is to coordinate projects of the workforce system and provide strategic guidance to local workforce investment boards and local business services teams.⁵²

The importance of effective planning and communications in Oklahoma's workforce system has also been underscored by the Corporation for a Skilled Workforce (CSW) and the GCWED Transformation Task Force. In its August 2005 report, CSW noted that Oklahoma's local WIBs and the GCWED need to be strong partners in strategic planning for the workforce system. The report states, "There must be connect points for the strategic work that ensure that this work does not get lost in 'operations' priorities."⁵³ The report goes on to say, "Local areas have identified a clear need for a single point of contact for information and policy directives. They now get multiple requests from different people and different departments. They expressed a need for some form of communications plan and protocol. They also believe they need general policy direction and support for implementation of local priorities within the broad state context...There is a need for clarity on who is responsible for leadership on the economic development agenda and how this can be translated into coherent local economic development policies."⁵⁴ In its recent white paper, the GCWED Transformation Task Force also described the need for the state to develop a comprehensive strategic communications plan when noting that a "transformed system will be proactive in outreach, engagement, and communication strategies."⁵⁵

Findings

Planning and Communications Roles of the GCWED and Local Workforce Leaders

- Strategic planning from the Governor's Council must be integrated into the daily operations of local workforce systems. At regional forums, local board members and staff reported that strategic planning by the GCWED has little bearing on their board meetings and most of the day-to-day efforts of the workforce system in their area.
- Local leaders also have a responsibility to work closely with the GCWED to develop regional strategic plans that align with the state's strategy.

- At each of the regional meetings, local area representatives expressed concern that state policy is developed without a full understanding of what a new or changed policy will mean at the local level. Several areas noted the state's heightened focus on Career Readiness Credentials (CRCs) as one that was not fully vetted at the local level before implementation.
- Local workforce officials reported that they are "overwhelmed" when state strategies and priorities change. One local board member commented that "Since 2000, we have been told to change our priorities many times. First, we were told to focus on working with incumbent and dislocated workers and youth. Then, we were told to become an integrated system with WIA and other partners. Next, we were told to come up with a local strategic plan. After that, we were told to concentrate on becoming a certified board. Then, we were told to focus on becoming an economic development arm. We can't be everything to everybody. We need to perfect one phase before taking on another."
- Some GCWED members who participated in regional forums commented that they have little control over the agenda of Governor's Council meetings and that interaction between GCWED members and local areas is minimal.
- At regional forums, both GCWED and local board members remarked that they often develop reports and strategies, but seldom see plan implementation or system changes. One local official commented that "GCWED does a thorough job of developing statewide plans and reports, but the problem comes at the end of reports. There are lots of recommendations, but no implementation. We need action plans. We need results."

Communications between State and Local Entities

- Local areas continue to report that they receive inconsistent or conflicting direction from different State entities on workforce policy. Previous evaluations of Oklahoma's workforce system have noted this problem and recommended that the GCWED be the single point of contact in communicating with the local WIBs, particularly in areas of policy development and WIB certification processes.⁵⁶
- State officials have noted some improvement in this area pointing to the most recent round of WIB certifications in which local areas were asked to submit documents only to ODOC, as opposed to submitting some parts to ODOC and others to OESC as in previous rounds.
- There is general lack of understanding in local areas about the meaning, interpretation, and waivers of OETIs. At several regional forums, local staff suggested that the OETIs "should be written in plain English."
- OESC staff has reported that they hold trainings and monitor meetings several times each year where local areas may send staff to discuss ways to improve coordination and the compliance monitoring process. OESC noted that sometimes these sessions are topic-specific and other times they are open-ended.
- The State Plan establishes (and staff further confirmed) that OESC has hired a national consulting firm (Greg Newton & Associates) to meet with local staff 3-4 times each year to review operational best practices, efficiency measures, and program integration.
- Local officials acknowledged the availability of these resources, but noted that sometimes they were limited in the staff they were allowed to send to the sessions. Local areas also

commented that staffing limitations in their offices meant they were sometimes unable to make staff available to attend the sessions.

- In 2007, ODOC and OESC developed a document describing the design principles behind the shared roles of ODOC, OESC, and GCWED. The document lists the roles and responsibilities for each agency, as well as senior agency officials, as related to the Workforce Investment Act.⁵⁷ While agency (and agency officials') roles have been delineated in this document, local partners are still confused about the roles of State workforce officials and their agencies.

Recommendations

6. Create stronger planning relationships between State and local workforce officials to ensure that state strategies are relevant to the day-to-day operations of local workforce systems.

The State should not only engage local partners more fully in GCWED planning from this point forward, but should also review current state strategies to make sure they make sense for local systems, particularly in light of recent and on-going funding rescissions. As part of this review, state and local planners should also revisit previous reports and recommendations from the GCWED and other groups to make sure that good ideas are being put into place.

It is also incumbent upon local representatives on the GCWED and WSST to voice any concerns about whether and how Council strategies can be implemented regionally. WSST members with regional offices should also include their field staff as plans are developed.

Best Practice Models:

- Iowa: Building communications and capacity of local boards

Individual Iowa Workforce Development staff members are identified as WIA Regional Representatives and are assigned to specific local workforce areas. The job of the regional representatives is to provide training and technical assistance, and to provide local boards with data and information to support the oversight and evaluation activities of the boards.⁵⁸ In addition, individual state board members attend local board meetings to foster relationships with local officials.

Oklahoma's State Plan notes that lines of communication for action and planning direction "should be from the Council [GCWED] to local WIBs."⁵⁹ More interaction between Oklahoma's state and local board members could help prevent situations where policy is made at the state level without a full appreciation of the effects on local systems. Local workforce leaders should be encouraged to attend state board meetings and proactively voice their concerns about state policies and strategies as they are developed.

- Oregon: Technical Assistance and Resource Sharing Agreement Teams

In Oregon, a state-level team of partners representing TANF, Vocational Rehabilitation, Title IB, and Employment Services ensures local plans are supporting the direction outlined in the Oregon Workforce Investment Board (state WIB) strategic plan. This team is similar to Oklahoma's WSST in that it involves state-level individuals from a variety of agencies; however, it differs from the WSST in that the individuals are not executive level representatives and the team is designed specifically to better integrate resources, all with an eye toward keeping the local areas focused on the state's priorities. The Oregon state team conducts annual reviews of Resource Sharing Agreements (RSAs) to ensure effective use of funds through the leveraging of resources. The state-level team also provides technical assistance and training to local areas regarding Resource Sharing Agreements, Memoranda of Understanding, planning, and confidentiality resolution.⁶⁰ Using an approach similar to Oregon's could help Oklahoma better align state and local plans and also meet its commitment to help local partners better align resources and services.

7. Sponsor pilot projects as a means for testing state strategies and engaging local WIBs in the development of those strategies before they are implemented.

Many state WIBs around the country have chosen to sponsor pilot projects to test the state strategies they have developed. Pilots allow local boards to participate in the operational shaping of the state Workforce Investment Board's strategy, thus easing the eventual transition to the new way of doing business. Pilots can be conducted through a competitive grant process or simply through the direct selection of the local WIBs to be used as the test sites.

Pilots by their nature require collaboration, reporting, and discussion. They become an agreement between the state WIB and the local WIB(s) to test a concept and to discuss and debate the merits of the concept and how best to implement it as results emerge. The joint commitment to a shared purpose through operational change is key; labeling an effort a pilot allows room for failure, which is key to developing trust and respect. Similar to other states, workforce leaders in Oklahoma should work together to pilot new state strategies before full implementation.

Best Practice Models:

- Pennsylvania: Career Pathways pilot

Pennsylvania's WIB is piloting career pathways as a means for linking existing training activities, sector strategies, and strategies for talent development. Five sites were awarded \$150,000 to test the concept. The Pennsylvania WIB receives reports at each of their meetings on the progress of the career pathway pilots. This piloting is designed to lead to well-informed recommendations regarding the state's role in career pathways for adults -- exactly the sort of policy recommendation state WIBs were designed to make.⁶¹

- Virginia: One-Stop staff certification

The Virginia Workforce Investment Council piloted a One-Stop center staff certification in 2007. Feedback from this pilot was instrumental to adjusting certification implementation planning. During the pilot, officials discovered that the initial goal of achieving staff certification within 45 days created some challenges. This led to a final recommendation of a 45-90 day window.⁶²

8. Re-examine the GCWED Outreach and Engagement Team communications plan and create more opportunities for enhanced communications with local workforce systems.

The Outreach and Engagement Team of the GCWED was developed to facilitate communication opportunities for the Governor's Council. The primary mission of the Team is to communicate with stakeholders and facilitate buy-in and implementation of the GCWED's plan. According to the State WIA Plan, the Team has developed a communications plan that has identified target audiences, key messages, challenges and solutions, tactics and elements of communication, and action steps along with a timeline.⁶³ Based on the comments from stakeholders at regional meetings, the Team should re-examine its current communications plan and identify more and better ways to get buy-in from local partners on the GCWED's current and future plans.

4. FOCUSING RESOURCES

Focusing the Work of ODOC and OESC

Background

Oklahoma statutes outline clear expectations for the GCWED and the WSST to lead organizational improvements in the state's workforce system. Specifically, the GCWED is directed to review and evaluate workforce development programs within the state and formulate recommendations to increase their efficiency and effectiveness, eliminate duplication, and align with economic goals. Statutes further instruct that the GCWED's recommendations "shall be communicated to the Governor, Legislature, state and federal government agencies and appropriate individuals and entities within the private sector."⁶⁴

Oklahoma's state agencies have endeavored to work more collaboratively, and have noted many successes. However, there is still room for better coordination. In a recent system assessment, the Corporation for a Skilled Workforce (CSW) stated, "Given the different perspectives of OESC and ODOC, we do not believe the current organizational set-up allows the State the best opportunity to operationalize its integration and improvement strategies to the fullest."⁶⁵

Recognizing the importance of coordination and collaboration, Oklahoma state agencies have developed a Memorandum of Understanding (MOU) to guide the agencies toward common goals, eliminate duplication, and support common objectives. This "Commitment to a Workforce and Economic Development Partnership" agreement was signed by the directors of eight state agencies in October 2005. In the MOU, partner agencies agreed they would work together to:

- Link workforce and economic development
- Support the Governor's Council for Workforce and Economic Development plan
- Create a demand-driven system
- Respond to demand skills within targeted industries
- Support the Workforce Solutions Staff Team
- Build on the strength of each partner for the common good
- Model state collaboration as an example for local entities to follow
- Demonstrate agency commitment to agreed-upon common goals
- Seek alignment of service delivery for better client access
- Support and encourage local partnerships and joint planning
- Leverage and link program initiatives where possible for the purpose of achieving broader economic development goals⁶⁶

According to the Oklahoma State Plan, this agreement has led to resource alignment and the elimination of duplicative services.⁶⁷

Findings

- Local workforce areas have continued to identify a need for consistent information and policy directives from the State. In every regional forum, local board members and staff stated that when working with ODOC and OESC, they are confronted with two agencies,

each with a different and sometimes conflicting mission. The overlaps between ODOC and OESC in terms of responsibility for oversight and providing strategic direction clearly still exist in Oklahoma's system.

- In its State Plan, Oklahoma has endeavored to align services among public agencies and provide a "single voice" for workforce and economic development.⁶⁸ In spite of this, mission and responsibility overlap between ODOC and OESC remains a challenge.
- Recently, local areas expressed great confusion when they received conflicting information from OESC and ODOC about how their WIA funding rescission amount would be calculated.
- At every regional meeting, participants (serving in a variety of roles) expressed concern that local systems were being directed to reduce budgets and integrate operations while they did not observe state agencies taking similar actions. State officials noted, however, that both ODOC and OESC experienced budget reductions in each of the last several years.
- At present, both ODOC and OESC have management, fiscal/accounting, compliance, and workforce program staff who all work with local workforce areas in some capacity.

Recommendations

9. Evaluate workforce staffing and program overlap at ODOC and OESC to determine efficiencies.

With ever-diminishing funding for state and local workforce programs, Oklahoma leaders must maximize all of its resources and eliminate any programmatic inefficiencies or redundancies.

As discussed earlier, ODOC and OESC have developed a document⁶⁹ describing the design principles behind the shared roles of ODOC, OESC, and the GCWED. This document lists the roles and responsibilities for each agency, as well as senior agency officials, as related to the Workforce Investment Act. This document should be utilized as a foundation in process mapping activities to ensure there is a common understanding of agency missions and roles.

Best Practice Models:

- Missouri: Issue Task Forces

When Missouri merged its workforce development agencies into the Department of Economic Development, it formed a team among the departments of Economic Development, Labor and Industrial Relations, and Social Services similar to Oklahoma's WSST. The Missouri team created nine task forces to examine specific issues and make recommendations for better aligning and coordinating activities around these issues. Missouri reported significant savings in administrative costs and substantially higher rates of job placement and retention as a result of their issue task force work.⁷⁰ Oklahoma should conduct similar process mapping and system analysis to address the overlap in workforce systems at ODOC and OESC.

- National Governors Association: Successful approaches to state workforce and economic development alignment and consolidation

When reviewing successful efforts to align workforce and economic development strategies and operations, the National Governors Association Center for Best Practices outlined several options for governors' consideration. In its Issue Brief on the topic, the Center noted that whether states chose to consolidate all workforce-related agencies or just establish common missions, goals, and performance measures across related agencies, successful efforts seemed to point to the same basic lessons. The Center specifically noted that states should:

- Complete a candid assessment of the status quo as the essential first step in determining appropriate actions. The assessment can identify areas of misalignment and illuminate their nature and implications, relevant actors and stakeholders, the history of any previous attempts to address misalignment, and the potential costs and benefits of reform.
- Evaluate the positive and negative aspects of each reform option (including restructuring versus other alternatives) and create a sequence of decisions based on the current state of affairs. With a clear understanding of the status quo, state leadership can begin to assess the relative merits of various approaches, from changes in governance structures to less dramatic reform options. The Center notes that "good decisions about consolidating economic and workforce development agencies versus alternative methods for eliciting the needed collaboration—such as jobs cabinets and other forms of structured coordination—are made with careful consideration of the political and economic contexts, history of relationships among relevant agencies, and other such variables."⁷¹

Focusing on Priorities, Measures and Results

Background

Oklahoma has clearly established the importance of developing strategic priorities and measuring results in its workforce system. In describing how it will evaluate local area performance, Oklahoma's State WIA Plan explains that the State will "make certain local areas are moving in the same strategic direction."⁷² The Plan further states, "To ensure this process, incentive money will be used to reward those LWIBs making the biggest strides in achieving the strategic direction of the state's system. Conversely, the State will provide technical assistance to those LWIBs not making satisfactory performance."⁷³

The Core Principles of the "Grow Oklahoma" Strategic Plan underscore the importance of accountability for results. The Plan states, "Our strategies cannot be mere rhetoric. We will develop metrics for our progress and use them to drive our actions."⁷⁴

The GCWED has also recognized the importance of common goals and measures in a successful workforce system. The GCWED Transformation Task Force was charged with formulating an executive order to be issued by the Governor to “foster continuous reduction in the duplication of employer services among agencies by strongly encouraging the agencies to commit to a shared vision, common goals, measurable objectives and reporting metrics.”⁷⁵

Findings

- The GCWED implemented a certification process for local WIBs and certified all local boards in 2006. The State indicated in its current WIA Plan that it will refine and enhance that certification process and will challenge WIBs to continuous improvement and innovative strategies in the next round of board certifications.⁷⁶
- Oklahoma’s State Plan points out that “the myriad of performance standards required for each agency operating in the One-Stop system is confusing and a classic example of duplicative effort.”⁷⁷ The State has endeavored to work with local WIBs, service providers, and the USDOL Employment & Training Administration to implement common measures to help the State align systems. The State has received a waiver that exempted reporting of the 17 core measures and allows Oklahoma to use the common measures instead.
- When questioned about the applicability and relevance of current state and federal performance measures, participants at regional forums commented that local areas spend a lot of time “chasing” (collecting) and verifying measurements rather than focusing on serving businesses and jobseekers in their areas.
- Several Oklahoma WIA areas have grappled with performance management and oversight of local service providers. In some areas, there have been ardent disagreements between staff and board members when determining whether performance standards have been met.

Recommendations

10. Drive local workforce areas toward higher performance and better alignment with the state’s workforce development vision.

Oklahoma developed minimum requirements in its first round of WIB certification standards in 2006. Original certifications were valid through 2008; current re-certifications are valid through 2009.⁷⁸ The State has committed to enhancing the certification process and challenging WIBs to continuous improvement in future rounds of certifications. As the GCWED Governance, Benchmarking, and Best Practices Committee determines the criteria for the next round of certifications, it should look to other states with high-performing WIBs for ideas on measurements and standards.

There exists a rich cache of experience to draw upon from across the country as states have invested in strategies that allow them not only to meet basic performance levels, but also to achieve and maintain excellence and innovation while creating efficient operations. The examples below provide some potential structures for Oklahoma to model.

Best Practice Models:

- Pennsylvania: High-Performing WIB standards

Pennsylvania is seen as a national leader for its high-performing WIB standards. Recently, the Commonwealth revised its standards to allow for more quantitative comparisons. Pennsylvania developed standards in each of the categories below to assure that boards are aligned with the statewide workforce development vision.

- Strategic Direction
- Structure and Roles
- Data Collection and Analysis
- Workforce Development Activities
- Youth Initiatives
- Service Delivery⁷⁹

- Oregon: Quality improvement/efficiencies (Lean Business Process Redesign)

Oregon is exploring the application of tools developed for high performing manufacturing workplaces (“lean” principles) to improve its workforce development system. Several teams of state and local workforce development staff -- Fiscal, MIS, Rapid Response and Dislocated Worker, and Pathways to Advancement -- assist in communications and continuous improvement. These teams provide the locus for intentional improvement to the workforce system. The processes range from quality board interactions to “lean” system design work used in the “lean”/high performance tools of manufacturing.⁸⁰

- Missouri: Board Critical Success Factors study

The Missouri Division of Workforce Development invested in a study to identify exemplary practices for workforce boards. The project goals included:

- Identifying critical success factors for local workforce investment boards;
- Producing a benchmarking guide that could be used as a basis to provide technical assistance and frame policy;
- “Raising the bar” for workforce board success beyond meeting negotiated program performance standards; and
- Contributing to the national dialogue regarding the value of workforce boards.⁸¹

Focusing Financial Resources

Background

Successful workforce systems across the country not only develop common priorities, goals, and measures, but also maximize opportunities to share and merge funding streams to support their integrated efforts. This has never been more important given recent and ongoing federal funding cuts.

According to the GCWED Transformation Task Force, training development and economic development in Oklahoma are still “loosely coupled operations.” The Task Force notes that “while there is a desire and willingness to focus on a shared vision and common goals for effective resource utilization, this is not the current state.”⁸²

Findings

- According to local areas, the recent WIA rescissions will have the most dramatic impact on One-Stop centers across the state in terms of reduction in number and operations.
- While Oklahoma’s State Plan says that “the State is not willing to assume WIA Title I program funds are the only [funding] opportunities for administering the system,”⁸³ Oklahoma lags behind most other states in integrating funding sources for its One-Stops.
- A variety of federal programs are offered at One-Stops around the country. According to a recent US Government Accountability Office (GAO) report, Oklahoma offers seven: WIA, ES, TAA, Adult Education and Literacy, Employment and Training for Migrant and Seasonal Farmworkers, Senior Community Service Employment, and Employment and Training for Native Americans. However, there are several federal programs not yet consistently offered in all of Oklahoma’s One-Stop centers, including UI, Vocational Rehabilitation Services, TANF, Food Stamp Employment and Training, and Job Corps.⁸⁴

Recommendations

11. Augment Oklahoma’s One-Stop centers by further integrating programs and expanding resources available to support One-Stop infrastructure.

As federal workforce funds continue to diminish, Oklahoma must be proactive in identifying other funding streams to support the infrastructure of its One-Stop centers. When evaluating opportunities to leverage other funding streams to support their local workforce development system, many states have increased their reliance on Temporary Assistance for Needy Families (TANF) funds. In Program Year 2005, 16 states reported that TANF was one of the three largest sources for supporting One-Stop infrastructure costs, up from only 12 states in FY 2000.⁸⁵

Best Practice Models:

- Various States: Heightened program and funding integration

In a 2007 report, the Government Accountability Office (GAO) documented the configuration of One-Stops across the country. The report found that 19 states had reduced their number of comprehensive One-Stops, mainly due to decreases in funding. Over the same time, ten states increased their number of One-Stops due to increased demand for services and increases in on-site programs. In the GAO report, Oklahoma went from 34 to 17 comprehensive One-Stops while increasing the number of satellite offices from 24 to 31.⁸⁶

According to the GAO report, the following is a list of programs not offered in Oklahoma One-Stops and the number of states that do offer them:

- UI (36 states)
- Vocational Rehabilitation Services (36 states)
- TANF (30 states)
- Food Stamp Employment and Training (22 states)
- Job Corps (9 states)⁸⁷

In fact, the states with the most fully-integrated One-Stop systems are:

- Indiana (18 programs)
- Florida (14)
- Vermont (14)
- Arkansas (13)
- Connecticut (13)
- New Jersey (13)
- Massachusetts (12)
- Missouri (12)
- South Dakota (12)⁸⁸

As Oklahoma continues its work to integrate programs and services in the state's One-Stop centers, it should do so with an eye toward leveraging other funding streams as effectively as possible to support One-Stop infrastructure costs.

5. SUMMARY

Oklahoma has an opportunity to be a national model in economic and workforce development by creating a robust system that can support the diverse needs of state, while at the same time, developing an efficient operation that focuses resources on critical workforce priorities and needs of the state.

We believe this preliminary review provides the Oklahoma Department of Commerce, as well as other state agencies and local workforce investment boards, with findings and recommendations that can advance the goal of building a better and more efficient workforce system, even in the midst of significant federal workforce funding cuts.

ENDNOTES

- ¹ For more information on the most recent WIA funding rescissions, see U. S. Department of Labor Training and Employment Guidance Letter (TEGL) No. 24-07.
- ² National Association of State Workforce Agencies, Bulletin: May 30, 2008.
- ³ Interview with Brad Williams, Oklahoma Department of Commerce.
- ⁴ National Association of State Workforce Agencies, Bulletin: May 30, 2008.
- ⁵ Ibid.
- ⁶ Data collected by the Oklahoma Department of Commerce, available for review at: http://www.eastcentralworkforce.com/down_deta.htm?id=2571630.70597222 (last accessed June 26, 2008).
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