



CREATING AN ENVIRONMENT FOR SUCCESS: AN OVERVIEW AND RECOMMENDATIONS FOR STATE WORKFORCE BOARD ORGANIZATION

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*This report recommends operational and policy changes in the New Mexico State Workforce Board Structure and Governance. The report was prepared for the New Mexico Department of Workforce Solutions by **Public Works LLC**.*



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1. EXECUTIVE SUMMARY

The New Mexico Department of Workforce Solutions (NMDWS) engaged **Public Works** to provide an in-depth look at state workforce board structures and operations created under the Workforce Invest Act (WIA) and make recommendations on the best manner in which to structure the governance and oversight of the New Mexico workforce system.

In order to accomplish this task, **Public Works**, in conjunction with NMDWS, identified several states with strong and diverse workforce systems to review. The states selected for review include: Utah, Texas, Florida, Oklahoma, and Michigan. For each of these states we provide an overview of the operations of the state board and the lead agency responsible for implementing WIA programs and describe the innovative approaches the states have taken to structure governance and provide oversight. State workforce board membership and structures vary widely. Governors have used their authority to grandfather workforce boards already in place under the Job Training Partnership Act, pursue federal waivers to the modify board membership size and composition, and increase the representation of education and state agency officials serving on boards.

SIDE-BY-SIDE COMPARISON OF WORKFORCE BOARD MEMBERSHIP BY STATE

MEMBERS REQUIRED BY WIA OR STATE LAW	NM	UT	TX	FL	MI	OK	RI	AL
Governor	1	1			1	1		
State Legislators	4	1			4	4		4
Business Reps	19	8	5	8	39	25	9	15
Chief elected officials	2				2	2		2
Reps of Labor	2	4	5	5	4	2	2	2
Reps of Youth Organizations	2				2	2		
Workforce delivery providers	2	2	1	1	9	2	2	
Lead State Agency Officials	3	3	5		5	2	2	4
Other One-Stop Partners	1	3						
State officials	3					1		1
Other		9	3	1	7			
TOTAL MINIMUM*	39	31	19	15	73	49	17	29

*Although state law requires the appointments, Governors can choose to appoint more members. For example, while Florida law only requires a 15 member board, however the Governor has appointed 45 members.

In order to provide background information this report includes an overview of requirements for state boards under the federal Workforce Investment Act (WIA) and the regulations issued by the United States Department of Labor (DOL) concerning WIA state board membership, as well as a review of the waivers that have been granted to states for alternative board structures.

Finally, we draw some conclusions from this investigation and make recommendations for NMDWS to consider. The recommendations include:

Goal	Recommendations
<i>Build Unifying Mission</i>	<ul style="list-style-type: none"> • Enable State Workforce Development Board (SWDB) to fulfill its goals by providing: <ul style="list-style-type: none"> ○ Authoritative leadership; ○ An unambiguous mandate and mission; ○ Consensus around a common vision for the state as well as formal agreement among agencies to share resources and goals; ○ Adequate funding to provide professional management support and accountability; ○ Incentives for interagency planning and fiscal and programmatic cooperation; ○ A focused action agenda that pursues the Governor's priorities.
<i>Create a More Robust Committee System</i>	<ul style="list-style-type: none"> • Reorganize the Board into 3 standing committees, 4 policy and operations committees and special committees. <ul style="list-style-type: none"> ○ Standing Committees <ul style="list-style-type: none"> - Executive Committee - Performance Monitoring Committee - Chairs of Local Boards Committee ○ Policy and Guidance Committees <ul style="list-style-type: none"> - Marketing and Business Services - Data Systems Management - Career Pathways - One-Stop Customer Service ○ Special Committee <ul style="list-style-type: none"> - Ad Hoc Skills
<i>Remove Potential Conflicts of Interest</i>	<ul style="list-style-type: none"> • Make local board representatives non-voting members of the state workforce board. This assures partners are at the table for important discussions while removing any appearance of a potential conflict of interest.
<i>Achieve Efficiency</i>	<ul style="list-style-type: none"> • State Board Meetings should occur annually in

<i>by Increasing Work of Committees and Limiting the Number of Full State Board Meetings</i>	April, July and October
<i>Configure Board Membership to Reflect States Career Clusters</i>	<ul style="list-style-type: none"> • To ensure board represents high demand industries, Governor should appoint representatives of business from the state's selected career clusters
<i>Increase Accountability and Continuous Improvement by Exercising Policy Making Authority</i>	<ul style="list-style-type: none"> • Board must make policy and issue guidance to carryout and communicate the Governor's vision. • Develop multi-pronged communications system to make all workforce system participants aware of new initiatives or changes in policy or operations procedures.

2. WORKFORCE INVESTMENT ACT: OVERVIEW OF LAW AND REGULATIONS

The WIA statute, enacted by Congress in 1998, was intended to give Governors flexibility to implement innovative and comprehensive workforce investment systems tailored to meet the particular needs of local labor markets. The law gives authority to Governors to appoint a state board, however, it prescribes a significant number of stakeholders who must serve and outlines the functions of the state board in some detail.

2.1. State Board Membership

Under the WIA requirements for stakeholder appointments, the board consists of 37 members at a minimum. Business representatives consisting of owners, CEO's or those with hiring authority must comprise the majority of the board. In addition, the law requires that all regions of the state be represented as well as rural, urban, and suburban areas.

Following are the specific representatives and numbers of members for a state board.

FEDERAL WIA REQUIREMENTS FOR STATE BOARD MEMBERSHIP

APPOINTEE	APPOINTMENT MADE BY	REQUIREMENTS	NUMBER REQUIRED
Governor	Governor		1
State Legislators	Speaker of the House, President Pro-Tem		2 House 2 Senate
Business Representatives	Governor	Business owners or CEO's, or employees with hiring authority. Need to reflect the employment opportunities in the state. -Must include at least 2 business members of local boards. -Nominees of business and trade organizations. -Regulations specify that an individual may be appointed as a representative of more than one entity if the individual meets all the criteria for representation for each entity.	19
Chief elected officials	Governor	From both counties and cities.	2
Representatives of Labor Organizations	Governor	Nominated by state labor federations	2

Representatives of Youth Organizations	Governor		2
Workforce delivery providers	Governor	CEO of community college and community-based organizations within the state	2
Lead State Agency Officials	Governor	All responsible for the services carried out by one-stop providers.	4 (on average)
Other One-Stop Partners	Governor	If a state agency head does not have responsibility for a service delivered in one-stops, a representative must be appointed. For example, State head of agency for Vocational Rehabilitation is not represented, the director of the office serves.	1
State officials	Governor	Governor may appoint any other state officials. Economic development and juvenile justice are suggested.	Optional
Total Minimum			37

The statute requires inclusion of all state agency heads responsible for services carried out by one-stops. This in effect means that the number of members on the board could substantially increase if the state has a robust one-stop system and a number of different agencies offering services.

The law allows states to maintain workforce boards created before 1998 under the Job Partnership Training Act. If the State uses an alternative entity, the State workforce investment plan must demonstrate that the alternative entity meets all three of the following requirements:

- Was in existence on December 31, 1997;
- Was established under Job Training Partnership Act; and
- Is substantially similar to the State Board described in WIA.

If the alternative entity does not provide for representative membership of each of the categories of required State Board membership under the WIA, the state plan must explain how the state will ensure an ongoing role for any unrepresented membership group in the workforce investment system. The regulations suggest that the State Board may maintain an ongoing role for an unrepresented membership group, including entities carrying out One-Stop partner programs, by means such as regularly scheduled consultations with entities within the unrepresented membership groups, providing an opportunity for input into the State Plan, or establishing an advisory committee of unrepresented membership groups.

2.2. Functions of the State Board

The primary role of the state workforce board under the Workforce Investment Act is to develop a state plan on behalf of the Governor. The plan articulates the state's vision, goals, strategies, policies and measures for the workforce investment system. Although the plan must be developed in an open manner including opportunities for public comment, the board, through the plan, has complete authority to determine policies for implementing the workforce investment act so long as they remain within the provisions of the law.

In addition to developing the state plan, the board has a number of other duties including:

- Development and continuous improvement of a state system of activities funded under Workforce Investments or carried out through a one-stop delivery system that received WIA funds.
 - Ensuring that there is no duplication of programs and activities and that there is coordination among programs and activities.
 - Reviewing local plans.
 - Commenting on the implementation of the Carl D. Perkins Vocational and Applied Technology Act.
 - Designating local areas.
 - Developing allocation formulas for the distribution of funds for adult employment and training activities and youth activities to local areas permitted under WIA.
- Development and continuous improvement of comprehensive State performance measures, including State adjusted levels of performance to assess the effectiveness of the workforce investment activities in the State.
- Preparation of annual report to the Secretary.
- Development of the statewide employment statistics system.
- Development of an application for an incentive grant.

Since potential conflicts of interest are present because the board is comprised of stakeholders who may benefit from the policies developed by the board, the WIA enabling legislations specifically addresses such conflicts. The statute prohibits a board member from voting on any matter regarding provision of services to or by that member or the organization which he or she represents.

3. WAIVERS RELATED TO STATE WORKFORCE BOARD STRUCTURES

WIA grants the Secretary of the federal Department of Labor fairly broad authority to waive provisions of both the statute and regulations that are deemed necessary to improve the statewide workforce investment system. To date, two states – Alabama and Rhode Island – have applied for and received waivers concerning the requirements of WIA for state board membership.

Alabama applied for and was granted a waiver in 2005. The waiver requested that the state board make-up reflect provisions in the WIA reauthorization that had been considered by Congress but failed to be approved before the Congress adjourned. This structure would decrease the mandatory appointments to the board by about 10 members. Business representatives remain at least 51% of the make-up of the board and the state official responsible for economic development is added to the board. Requirements for representatives of workforce delivery organizations, youth programs and the Governor on the board are dropped. The Governor is still provided the authority to appoint other state officials deemed necessary. The chart below depicts the new make-up of the Alabama board as granted under the waiver.

Alabama chose to alter the composition of the board as members terms expired and to use the new criteria to change the composition of the board rather than the size of the board. For example, the Governor has appointed three economic development officials; 2 local economic developers and the state development official. The Governor has also chosen to have the full spectrum of state lead officials serve on the board including: Office of Workforce Development, Department of Economic Development and Community Affairs, Department of Industrial Relations, Department of Education, Department of Human Resources, Department of Senior Services, Department of Rehabilitation Services and Department of Post-Secondary Education.

ALABAMA STATE BOARD MEMBERSHIP

APPOINTEE	APPOINTMENT MADE BY	REQUIREMENTS	NUMBER REQUIRED
State Legislators	Speaker of the House, President Pro-Tem		2 House 2 Senate
Business Representatives	Governor	Business owners or CEO's, or employees with hiring authority. Need to reflect the employment opportunities in the state. -Must include at least 2 business members of local boards. -Nominees of business and trade organizations.	15
Lead State	Governor	All responsible for the services	4 (or more)

Agency Officials		carried out by one-stop providers.	
Representatives of Labor Organizations	Governor	Nominated by state labor federations	2
Chief elected officials	Governor	From both counties and cities.	2
State Official Charged w/ Economic Development	Governor		1
State agency officials or others the Governor deems necessary			Optional
TOTAL REQUIRED			29

The state of Rhode Island applied for and was granted a waiver in 2005 to reconfigure its state board based on legislation passed by the state. Under the waiver, business representatives remain as the majority of the board's composition. Requirements for the Governor and state legislators as well as representatives of youth organizations, workforce delivery organizations are eliminated. Only two state agency officials serve: the Department of Labor and Training and Post-secondary education.

The state changed the appointments and structure of its board immediately upon passage of the state law and approval of the federal waiver. Members of the board are appointed by the Governor and approved by the Senate. The directors of Human Services, Labor and Training, and the Commission of Higher Education also serve on the board as experts. The board's 17 members meet monthly except July and December. The following chart reflects the new make-up of the Rhode Island board as granted under the waiver.

RHODE ISLAND WIA BOARD MEMBERSHIP

APPOINTEE	APPOINTMENT MADE BY	REQUIREMENTS	NUMBER REQUIRED
Business Representatives	Governor	Representative of employers of different sizes and sectors, including non-profits.	9
State Agency Officials	Governor	Department of Labor and Training, Post-secondary education	2
Representatives of Labor Organizations	Governor	Organized labor representatives	4
Community-based Organizations	Governor		2
TOTAL			17

4. OVERVIEW: STATE WORKFORCE BOARD OPERATIONS AND POLICIES

Next we turn our attention to investigate the structures of other state workforce systems with emphasis on the states workforce board's authority and how this authority is used. Also included is an overview of the administrative entity and how it enforces the board policy and interacts with local workforce boards. We identify the strengths and weaknesses of each system.

Again, the states reviewed include: Utah, Texas, Florida, Michigan and Oklahoma. These states are known to have varied workforce system structures which have led to system-wide service improvements and innovations. First, however, we present an overview of the New Mexico workforce system.

4.1. New Mexico and Workforce Investment Act Administration

The New Mexico Department of Workforce Solutions was created by legislation approved in the spring 2007 by the state legislature and the Governor. Effective July 1, 2007 the new department merges services formerly under the direction of the Governors Office of Workforce Training and Development and the New Mexico Department of Labor. The Department of Workforce Solutions, Division of Workforce Transition Services is now the administrative entity for WIA programs in the state. The State Workforce Development Board is administratively attached to the Department.

State law mandates that the board membership meet the requirements of the WIA. The provisions of the state's administrative code (Title 11, Chapter 2, Part 5) which designate the state board and its authorities specify in more detail the composition of the state board. The rules specify the six state agencies heads required to serve on the board: Secretary of Labor (now Department of Workforce Solutions), Secretary of Economic Development, Secretary of Human Services, Director of Vocational Rehabilitation, Director of the Commission on the Blind and Superintendent of Public Instruction (now Secretary of Public Education). Other required members are reflected in the following chart. Members are appointed for 4 year terms and must represent diverse regions of the state including urban, rural and suburban.

NEW MEXICO STATE WORKFORCE DEVELOPMENT BOARD MEMBERSHIP

APPOINTEE	APPOINTMENT MADE BY	REQUIREMENTS	NUMBER REQUIRED
Governor	Governor		1
State Legislators	Speaker of the House, President Pro-Tem		2 House 2 Senate
Business Representatives	Governor	Business owners or CEO's, or employees with hiring authority. Need to reflect the employment	19

		opportunities in the state.	
Chief elected officials	Governor	Representing both counties and cities.	2
Representatives of Labor Organizations	Governor	Nominated by state labor federations	2
Representatives of Youth Organizations	Governor	Organizations must have special knowledge and experience with youth programs	2
Workforce delivery providers	Governor	(1) CEO of a community college and (1) community-based organizations which that conducts workforce investment training	2
Lead State Agency Officials	Governor	Secretary, Department of Workforce Solutions Secretary, Human Services Department Secretary Public Education Department	3
Other One-Stop Partners	Governor	Director, Vocational Rehabilitation	1
Other State Officials	Governor	Secretary of Economic Development Director, Commission on the Blind	3
TOTAL MANDATORY			39

The Governor has also appointed the Lt. Governor and the Secretary of Higher Education to serve on the board. Meetings of the board are held six times a year and its activities and staff are funded through the WIA 15 percent funds.

By regulation the state board carries out the duties as outlined in the federal WIA and is given the following responsibilities:

- Review, evaluate, and report annually on all workforce activities administered by state agencies. The plan must include recommendations to the legislature on the modification, consolidation, initiation or elimination of workforce training and education programs in the state.
- Develop linkages with the State Board of Education to ensure coordination and non-duplication of vocational education, apprenticeship, adult education and vocational rehabilitation programs with other workforce development and training programs.
- Provide policy advice regarding the application of federal or state law that pertains to workforce development.

Since 2000, approximately 25 formal policies have been promulgated to clarify the states rules regarding WIA. A sample of major policy issuances are as follows:

Year	Purpose
2000	
	Organization and designation of the State Workforce Development Board
	Organization and designation of Local Workforce Development Boards
	Organization of State One-stop system
	Guidance to local boards on selection of training providers
	Core performance and customer satisfaction measures
	Sanctions and corrective actions for those utilizing WIA funds
2001	
	Guidance to local boards regarding youth activities
	Establishment of Youth Councils
2005	
	Technical Assistance and Corrective Actions when local boards fail to meet performance standards
	Establishes complaint procedures
	Establishes process for occupational training contracts
	Requirements for local board On-the-Job Training
	Requirements for local board Customized Training
	Established policy for Individual Training Accounts

The SWDB has formed five committees to carry out responsibilities under WIA and state rules. They are:

- Business Services,
- Performance Monitoring,
- Carl Perkins Committee,
- One-Stop Coordination Committee; and
- Coordination and Oversight Committee.



The Coordination and Oversight Committee (COC), created by the Governor through Executive Order, is unique to the New Mexico structure. The executive order specified that the COC be a subcommittee of the State Workforce Development Board, and include the secretaries of the Departments of Economic Development, Labor, Workforce, Human Services, Public Education, Higher Education, and Children, Youth and Families. When the COC was constituted in November 2005, however, the Governor expanded its membership to include labor, business, and legislative representatives and appointed Terri Cole, Chair of the State Workforce Board to also chair the COC.

The Governor's Executive Order charged the COC to:

- Develop "strategic goals for both statewide and regional employment growth and training in New Mexico;"
- Incorporate "plans for secondary education that address" those strategic goals;
- "Work with statewide and regional business and other partners ...to create career pathways [that] align curriculum and facility plans with the Economic Development strategic plan;" and
- "Facilitate a career pathways culture" in New Mexico.

The committee integrated these four directives into a single, cohesive plan. Under the rubric of a "career clusters" system, New Mexico established economic targets or "clusters" to guide development of its future economy and identified the public school and community college education and training programs or "career pathways" needed to produce high-quality workers for those clusters. The COC agencies have worked together, with advice from their private-sector partners, to launch the career clusters initiative, and have completed start-up tasks, including:

- Selecting a brand name—"Work in New Mexico" and logo;
- Introducing a career resource guidebook and website to assist job seekers, students, employment and career counselors and employers with basic information about career opportunities in the cluster sectors, resources available to help pay for education and training, and projected job growth;
- Identifying on-line tools that improve customer services, including skills and aptitude testing for public school students as well as adults and enhanced economic and labor market data for employers;
- Training front-line workers to provide accurate and appropriate information about the new "Work in New Mexico" products and services; and
- Crafting legislative and funding priorities.

Additional duties enumerated for the COC by the Governor through Executive Order include:

- Developing strategies for coordination of information technology for the purposes of providing participants access to all appropriate State services,



collecting and managing data related to all appropriate workforce development services and programs, and sharing and integrating appropriate workforce data across agencies and appropriate non-governmental partners for identifying needs.

- Establishing ad hoc skills councils which require the Chairman of the Statewide Workforce Development Board (SWDB) and the chairs of each of the Local Workforce Development Boards (LWDBs) to appoint one member from each of their respective bodies to form a council who identify State and regional industry clusters to the SWDB for developing coordinated, targeted workforce training;
- Coordinating program designs to avoid duplication or unproductive segmentation of services; and
- Directing state agency efforts to progress toward comprehensive and customer-driven One-Stop Centers through co-location of mandatory and recommended partner service delivery points for workforce development.

New Mexico's workforce system is spread over a number of state agencies including Office of Workforce Solutions, Public Education Department, Higher Education Department, Human Services Department, Aging Department, Commission on the Blind, Veterans Services Department, and Economic Development Department. All house and run programs for different populations aimed at preparing people for employment. The new structure with the Department of Workforce Solutions merges the largest workforce programs in the state (WIA and Wagner-Peyser Employment Services) and will help to provide better communication and coordination among programs.

The state workforce board has been plagued by low participation rates from high level decision makers in the state cabinet and high turn-over from private business people. Both groups express that meetings are too long, and involve operational issues as opposed to a high level policy and oversight for the state workforce programs. New Mexico is not unique in this regard. During the reauthorization hearings for WIA, Congress heard testimony from states that the mandated workforce board size made it difficult for boards to conduct business and hindered the state board's ability to engage in strategic planning.

UTAH'S JOB CONNECTION

Utah has a highly structured workforce system. This is due in part to the fact that they have a single state-administered Workforce Investment Board. There are no local boards; however there are eight regional planning councils that have substantial input into workforce policy, resource allocation, service design, and location of One-Stops. In 1999, the federal Department of Labor issued policy guidance clarifying that only states with a single workforce area under JTPA would be allowed to continue as a single workforce area under WIA. The guidance effectively prohibits most other states from seeking this structure of organization.

The Utah State Workforce Investment Board, called the State Council on Workforce Services, consists of 26 voting members and five non-voting members:

UTAH STATE COUNCIL ON WORKFORCE SERVICES

APPOINTEE	STATUS	REQUIREMENTS	NUMBER REQUIRED
Director of Workforce Services	Non-voting	Serves as the Governors Representative.	1
State Legislator	Non-voting		1
Business Representatives	Voting	Small and large businesses must be represented. Small businesses are classified as under 100 employees and large as over 100 employees.	4 small 4 large
Representatives of Employees	Voting		4
Community Organizations	Voting		2
Veterans Representative	Voting		1
Chairs of Regional Councils	Voting		8
Lead State Agency Officials	Non-voting	Human Services Health Economic Development	3
Other State Officials	Voting	Superintendent of Public Instruction (K-12) Commissioner of Higher Education Director, Vocational Rehabilitation	3
Total Minimum	Voting Non-Voting		26 5



The State Council meets quarterly and focuses on the review, revision and approval of work done at the committee level. Committees include:

- Operations and Performance (monitor performance and fiscal)
- Business Services and Marketing (marketing)
- Workforce Improvement and Coordination (make recommendations for long-term direction and continuous improvement)
- State Youth Council
- Regional Chairs Committee (review state and local needs)

The State Council issues policies which are formalized and communicated to the regional councils and other partners in the workforce system by the Department of Workforce Services. The policies are well developed and prescribe specific items such as which information systems will be utilized for programs statewide and how to use demand driven decision making during the development of an employment and training plan.

Utah was the first state in the nation to consolidate workforce and welfare programs into a single agency. The Department of Workforce Services administers nearly all workforce development and many related programs. The Utah Department of Workforce Services administers WIA programs in addition to: TANF, Food Stamps, General Assistance, Child Care, Wagner-Peyser, Unemployment, Refugees, Seasonal Farm Workers, Veterans, Trade and has MOU's with Youth Council and Native American Programs. The one-stop program also determines Medicaid eligibility for participants seeking services. Education programs are administered separately by the State Office of Education and the Utah System of Higher Education. Economic development programs are administered through the Department of Community and Economic Development.

The Department of Workforce Services has developed and issued a Service Delivery Operational Guide to provide direction to local one-stops to deliver services to both employers and job seekers. While some may argue that the detailed guides may discourage innovation at the local level, this well developed structure serves to ensure consistency in services being offered statewide and has fostered one of the most integrated delivery systems in the country.

TEXAS WORKFORCE SOLUTIONS

Texas was one of the first states in the country to adopt workforce reforms leading to an integrated delivery of services. In 1993, five years before the enactment of WIA, the Governor and state legislature created a state workforce board to serve as an advisory capacity for system integration. The state has earned more than any other, \$84 million, in incentive awards for high achievement for TANF job placement and WIA success in the past four years.

Texas has a fourteen member state workforce board, called the Texas Workforce Investment Council, which is appointed by the Governor.

TEXAS WORKFORCE INVESTMENT COUNCIL

APPOINTEE	STATUS	REQUIREMENTS	NUMBER REQUIRED
Business Representatives	Voting		5
Representatives of Organized Labor	Voting		5
Community Organizations	Voting		1
Representatives of Education	Voting		3
State Agency Heads	Non-voting	Workforce Commission Education Agency Higher Education Coordinating Board Health and Human Services Economic Development and Tourism	5
Total Minimum	Voting Non-Voting		14 5

The board was created by state law prior to the enactment of WIA and therefore the structure of the board is grandfathered – granted the option of retaining its pre-WIA structure. State law directs the board to do strategic planning and system evaluation and makes the board the advisor to both the Governor and the state legislature on state workforce issues. The council receives administrative funding for staffing its efforts from each state agency budget in proportion to the agencies participation in the workforce system.

Under state law the Council and the WIA administrative entity for the state split the duties of the state board required under the WIA. The Council is directed to advocate for the development of an integrated system, designate workforce development areas,



review local plans and evaluate the effectiveness of the state workforce system. To this end, the Council collects performance information annually from both state agencies and local boards and publishes a report card on system effectiveness.

The Administrative entity for WIA programs is the Texas Workforce Commission (TWC). The Commission is managed by three executives who are appointed by the Governor to represent specific constituencies: the public, business and labor. The public representative serves as the executive director of operations. Under state law the Commission, as the state Administrative entity is charged with developing the state WIA plan, allocation of WIA funds to workforce development areas, and preparation of the WIA annual report. The TWC is responsible for eight funding sources which are consolidated into block grants to be administered by local boards: WIA, TANF Employment Services, Trade Act Services, Veterans Services, Wagner-Peyser Employment Services, Food Stamps and Child Care.

The TWC communicates policies through a formal rulemaking process. These rules set forth formal policies about how the TWC allocates dollars, awards incentives, and defines the agencies authority to sanction and monitor program administration. Through the rules the state has established a non-monetary and monetary awards process. Monetary awards are provided for by statewide activity funds and given for: performance, local incentive awards, and job placement incentives. At the beginning of each year the Commission makes each of the local boards aware of the total dollar amount available for performance awards and sets criteria and measures for superior performance.

The commission also has the authority to sanction local boards or sub-recipients who fail to meet standards either during or at the end of a program year. These standards include items ranging from failure to submit timely and accurate required financial or performance reports to failure to attain and maintain performance within 90 percent of any contracted performance measure. In addition, the TWC has the authority to enforce sanctions and assess penalties. These authorities range from requiring a corrective action plan and requiring mandatory participation in training to delay, suspension, or denial of contract payments. State policy also mandates which programs will be co-located in one-stops, which organizations one-stops will enter into Memorandum of Understandings (MOUs) with and recommends organizations with which one-stops can enter into optional partnering relationships.

Texas has also applied for and received waivers to increase the number of performance measures. In addition to the 17 required measures under WIA, the state instituted employer-based measures for local boards. These measures are:

- Job Openings Filled: the number of job openings (for all service levels) filled, including job openings of one to three days' duration.
- Market Share: the number of employers that list at least one job order with the Texas Workforce Centers.
- Employer Sustainability: the number of employers that listed a job order across multiple years.



The Texas workforce system has a well-developed structure that provides clearly defined incentives for performance and punitive actions for lack of performance. The system, however, still grapples with the integration of workforce and economic development. Self-admittedly, the system is struggling to learn how to provide services to high demand, high growth industry sectors. In addition, they find that employers have limited knowledge of the tools and services they provide.



WORKFORCE FLORIDA

Florida has a unique administrative system which utilizes a non-profit corporation as the principal workforce development organization for the state and its board of directors as the state workforce board. The states workforce programs were rated among the top three in the nation in a 2007 survey of economic development site selectors.

The Workforce Innovation, Inc. Board of Directors serves as the state board under WIA and under state law is charged with policy, planning and performance, and accountability for workforce efforts in the state. While the state law specifically mandates only 15 positions that must be represented, the Governor has discretion to appoint any members he determines necessary and to comply with WIA statute. The Board is comprised of 45 members who represent state agencies in addition to business and labor.

FLORIDA WORKFORCE INNOVATION, INC. BOARD OF DIRECTORS

APPOINTEE	STATUS	REQUIREMENTS	NUMBER REQUIRED
Business Representatives	Voting	Must constitute a majority of the board's membership. Private sector service providers are prohibited from serving.	8
Representatives of Organized Labor	Voting		5
Staff Services Industry	Voting		1
Representatives of Education	Voting	Non-public post-secondary institution authorized as an Individual Training Account provider.	1
Total Minimum			15

The board currently includes agency representation from the Secretary of Elder Affairs, Commissioner of Department of Education, Secretary of Children and Family Services, universities, community organizations and Secretary of the Department of Community Affairs which encompasses housing, planning and emergency management. All appointees serve two-year terms; the full board meets four times a year. Board appointed committees must incorporate members of regional workforce boards into their structures.

Florida's unique workforce board structure separates the board into three standing councils and four standing committees. Local workforce boards are also required to maintain these same three councils.

Standing councils include:



- First Jobs/First Wages Council: focuses on youth and adults entering employment for the first time.
- Better Jobs/Better Wages Council: focuses on families in welfare to work and former welfare recipients working in low-wage jobs.
- High Skills/High Wages Council: focuses on experienced workers through education and training efforts to place them in high-paying, high-skill jobs and to attract employers that hire these types of workers. Comprised entirely of business representatives.

Standing Committees include:

- Executive Committee: Chair of the Board plus 6 members. One of the members must represent labor. The Executive Committee is elected by the board and is granted broad authority to perform such business necessary except those duties specified by statute for the entire board approval. The committee meets on a monthly basis.
- Finance Committee
- One-Stop committee
- Targeted Occupations

The Board is housed administratively at the Agency for Workforce Innovation, however, is not subject to the control, supervision or direction of the agency. The board's purpose is to design and implement strategies that help Floridians enter, remain and advance in the Florida workforce.

Operational expenses for the Board, staff and programs are provided out of WIA 15 percent funds, Wagner Peyser 7a, TANF and state general fund dollars. The board programs include the Incumbent Worker Fund and the Quick Response Training Program. The Quick Response program provides grant funding for customized training for new or expanding businesses. The program was created by the Florida state legislature in 1993 as an economic development tool to retain and attract businesses. The Incumbent Worker Program, funded through WIA 15 percent funds reimburses expenses for customized skills upgrade training for Florida small businesses with 25 or fewer employees. Export based businesses in targeted industries such as manufacturing, finance and business, and scientific and technical services are eligible to receive funding.

The Administrative entity for the state is the Agency for Workforce Innovation (AWI). In addition to WIA programs the agency administers: Wagner Peyser Employment Services, unemployment compensation, TANF work assistance, Food stamp employment and training, and labor market information in addition to a number of other workforce programs. The AWI administers early learning programs, however all other educational services and oversight are provided through the Department of Education which has jurisdiction for K-12, community colleges and colleges and universities.

Federal and state program guidance is communicated to local workforce partners through participation in state level policy activities and formally promulgated and



recorded in a series of Communiqués or guidance papers. The complete roster of policies is posted on the agencies website (http://www.floridajobs.org/onestop/2003_2004Communiques.html.) The guidance papers provide clarification for regional workforce boards about state and federal policies. For example, when the agency adopted cost allocation planning in 2005, AWI issued 60-page guidance to regional workforce boards providing a general overview of cost allocation planning, plan templates and checklist and outline procedures for further communications. In addition, AWI has a less formal on-going communications provided through “Workforce Weekly Updates”.

Under this structure, Florida has been recognized as one of the most successful workforce systems in the country. At first glance it would appear that the standing council structure would lead to silos of services being offered; however, through its emphasis on communication the state is successful in service integration. Employment Services (ES) are integrated into One-Stop Centers and ES workers at One-Stops report to center managers as well as to ES supervisors. In an effort to continuously improve the system, Florida is currently making all One-Stop Career Center services available on the Internet to create an electronic self-service – “no stop” – system.

MICHIGAN WORKS!

Michigan implemented major workforce reforms in the mid-1990s before Congress passed WIA. Governor Engler was the main catalyst for the comprehensive system which emphasizes state direction and strong local control.

In 2004, Governor Granholm created the new business-led Council for Labor and Economic Growth (CLEG), which replaced the Michigan Workforce Investment Board which serves as the states WIA governing board. The Governor has currently appointed 77 members to serve on the state board. The state law requires 73 appointments at a minimum with the following make-up:

MICHIGAN WORKFORCE INVESTMENT BOARD MEMBERSHIP

APPOINTEE	APPOINTMENT MADE BY	REQUIREMENTS	NUMBER REQUIRED
Governor			1
State Legislator	Speaker of the House and President Pro-Tem		2 Senate 2 House
Business Representatives	Governor	Business owners or CEO's, or employees with hiring authority. Need to reflect the employment opportunities in the state. -Must include business members of local boards.	39
Chief elected officials	Governor	From local units of government	2
State Labor Organizations	Governor		4
Youth Activities	Governor		2
Workforce delivery providers	Governor	CEO of community college and community-based organizations which provides training	9
Lead State Agency Officials	Governor	Director, Dept of Labor and Economic Growth Director, Dept of Health Director, Dept of Human Services Superintendent of Public Instruction President, Michigan Strategic Fund	5
General Members	Governor	Members of the general public	7
TOTAL MINIMUM			73

The CLEG is advisory in nature and their mission has been defined more broadly than most other state workforce boards. In addition to the duties assigned by federal statute, the CLEG is mandated to advise the Governor on standards that affect the workforce



system as a whole including assessments of state universities, community colleges, the K-12 system, all federally funded workforce programs and workforce elements of economic development.

The CLEG is staffed by employees from the Department of Labor and Economic Growth and adjunct staff from other agencies who have expertise in workforce, education, economic development, and human services. As an administrative team they are charged with events planning and logistics, agenda development and workgroup facilitation. They staff the committee as well as the subcommittees of the board, work with local boards on capacity development and accountability and certify the states approximately 100 One-Stops.

In addition to an Executive Committee, the CLEG has six standing committees as follows:

- Tackling Major Workforce Issues Facing Key Industry Sectors Committee: Address major workforce issues facing key industry sectors by focusing attention on a handful of key sectors and developing strategies that will make a major impact with those employers such as health care and skilled trades.
- Increasing Michigan's Global Competitiveness Committee: Identify strategies to increase Michigan's global competitiveness by examining the extent to which Michigan companies, workers, students, educational providers, and communities are prepared to succeed against peers worldwide, with gaps in that readiness becoming a key focus for ongoing work.
- Increasing Educational Attainment Committee: Increasing educational attainment by providing the lead on the recommendations from the Lt. Governor's Commission on Higher Education and Economic Growth.
- Accelerating Re-Employment/Workforce System Committee: Accelerating re-employment for workers facing job/career transitions by developing strategies to reduce the time, cost, and pain they face.
- Creating a Low Wage Worker Advancement Strategy Committee: Creating low-wage worker advancement strategies and actions that improve the transition of low-wage, low-skilled workers with entry-level jobs to self-sustaining employment.
- Creating a State of Culture of Entrepreneurs Committee: Lead a large scale, long-term repositioning of how companies and workers embrace entrepreneurship to address the state's low ranking on measures of entrepreneurship.

In addition to the standing committees, the Directors of state agencies with workforce components – Department of Labor and Economic Growth, Department of Humans



Services, Department of Community Health, and the Superintendent of Public Instruction – are charged to coordinate and collaborate on funding solutions for human service workforce issues, eliminating duplication, working through barriers and leveraging resources. In order to ensure links between economic development and workforce, three members of the workforce board also serve on the Governors Council of Economic Advisors and the board of the Michigan Economic Development Corporation.

Federal and state policy, memos and general correspondence are communicated to local boards and partners through an electronic mail distribution system. The state provides guidance letters which serve as the official mechanism to inform workforce system partners of changes in policy or operations. In 2007, the CLEG launched a newsletter to inform stakeholders about new developments and priorities in the state workforce system.

The Department of Labor and Economic Growth (DLEG) was created in 2003. The new department merges workforce, economic development and postsecondary and adult education services into one entity and serves as the administering agency for WIA.

In addition to WIA, the DLEG administers a number of other state workforce programs including: TANF Work Program, Food Assistance Employment and Training, Career Prep System, Trade Adjustment Assistance, Adult Education Programs, Unemployment Services, Rehabilitation Services, Commission for the Blind, Veterans Services and Labor Market Information.

Michigan has a strong alliance among local workforce boards and private sector interests in workforce. The non-profit association called Michigan Works! is comprised of local board chairs, one-stop directors and chief elected officials. The organization was established in 1987 as a forum for information exchange for Michigan's workforce development system. In addition, the association provides technical assistance to the states 25 local workforce boards. This public/private partnership has been recognized by the National Alliance of Business as the most innovative in the country.

Specifically, the organizations serves as an advocacy group for the states workforce programs by defining positions on policy and producing position papers and legislative updates on issues effecting workforce development. The organization provides training for local board members and workforce system staff and hosts an annual conference for about 700 workforce development professionals at which outstanding achievement awards are presented to both workforce programs and employers.

Michigan's state board has more appointees than most other states. Michigan has made the large and inclusive board system work by establishing a strong Executive Committee and granting the committee the necessary authority and by using the board in a policy making role to further innovation and improvement in the workforce system.

OKLAHOMA'S ADVANTAGE

Oklahoma has recently completed a state workforce plan which replaces the State Workforce Investment Board with the Governor's Council for Workforce and Economic Development (GCWED). In an effort to use the state's workforce system as an economic development tool, the state has designed a new system with unique features. The GCWED is a gathering of representatives who are appointed by the Governor from the private sector and public sector to support economic development and growth of the state's economy.

The GCWED is a 49-member board that includes groups mandated by the WIA. The private sector business appointees are representatives of the states industry clusters as identified by the Oklahoma Department of Commerce. Local boards are provided data for their area and strongly encouraged to make local board appointments representative of regional clusters.

GOVERNOR'S COUNCIL FOR WORKFORCE AND ECONOMIC DEVELOPMENT MEMBERSHIP

APPOINTEE	APPOINTMENT MADE BY	REQUIREMENTS	NUMBER REQUIRED
Governor			1
State Legislators	Speaker of the House and President Pro-Tem		2 Senate 2 House
Business Representatives	Governor	Business owners or CEO's, or employees with hiring authority. Reflect the statewide high growth industry clusters.	25
Chief elected officials	Governor	County government and municipal government	2
State Labor Organizations	Governor		2
Youth Activities	Governor		2
Workforce delivery providers	Governor	CEO of community college and community organizations	3
State Agency Officials	Governor	Dept of Commerce Dept of Human Services Superintendent of Public Instruction Employment and Security Commission Dept of Tourism and Recreation	9

		Dept of Rehabilitation Services Office of Handicapped Concerns Career and Technical Education Representative of State Regents	
Other Members	Governor	Representative of K-12 education	1
TOTAL Minimum			49

The GCWED meets six times a year and is funded by WIA 15 percent funds. Staff is provided by the Department of Commerce. The objectives of the Governor's Council for Workforce and Economic Development include:

- Supporting the state's 12 WIBs
- Improving productivity and competitiveness of all workers and employers
- Building a stronger education pipeline
- Strengthening governance and accountability in the workforce and economic development system
- Expanding and creating incentives for continuous learning and
- Building the skills needed for quality jobs.

The Council has two standing committees and five teams. Standing Committees include:

- Executive Committee: comprised of the Chair, Vice-Chair and Chairs of teams. Prepares agenda for the state board meeting, approve direction of the strategic plan, appoint Teams and chairs, respond to the needs of the state council and its members and make personnel decisions and recommendations. All members of this committee are private sector representatives.
- Oversight: Critiques overall operations of the GCWED and ensures compliance with bylaws. Develops long-range strategies for benchmarking, evaluation and awards. Members are all private sector representatives.

Teams are chaired by a private sector representative and staffed by the agencies indicated below:

- Research and Data (Dept of Commerce and Employment Security)
- Education and Lifelong Learning (Career Tech and State Regents)
- Outreach and Engagement (Dept of Commerce and local WIB's)
- Governance and Best Practices (Employment Security and Workforce Oklahoma Employment and Training Association)

The newly formed council is still in the policy development phase though they have made it known that they will develop policy which separates local WIB's from all service providers so that the WIB can be seen as an independent body and not associated with any specific providers. The council has also stated that it will undertake a study to determine if local areas can be consolidated in order to streamline administrative costs and overhead while still meeting the needs of customers.



Separately from the GCWED, the state has created through law the Workforce Solutions Staff Team (WSST) comprised of executives of various state agencies that come together to collaborate and find solutions to workforce issues. The WSST meets twice monthly and includes: Employment Security Commission, Department of Education, Career Tech, Regents for Higher Education, Rehabilitative Services, Department of Human Services, Office of the Handicapped Concerns, Community Colleges, Department of Commerce and representatives of local workforce boards. All entities involved in the group have signed the *State Commitment to a Workforce and Economic Development Partnership* a formal MOU defining working relationships.

The Office of Workforce Solutions (OWS), housed in the Department of Commerce is the administrative entity for WIA. The office is tasked with system planning, policy and partner development. The office provides strategic guidelines to local boards. The OWS is charged with creating local business service teams. These teams will be representative of local economic development, workforce development, education and private sector and will organize with the purpose of being a single point of contact for businesses in the community with specific workforce needs. In an effort to administer the GCWED goal of supporting local boards, the OWS has created a series of training programs for local boards. Courses developed by the state include a local board leadership program developed by the Workforce Oklahoma Training Institute to inform and train both local board members and staff. An “Economic Development 101” course is offered to local boards and staff and national experts are provided to assist local boards with strategic planning.

The new Oklahoma structure is a good example of an entrepreneurial attempt to create a business driven workforce system. The state’s workforce system, however, still remains fragmented with workforce services and education in separate organizations which may impede the states progress toward their goal.

5. RECOMMENDATIONS

Nationally, all states are moving toward greater integration of educational and economic development activities – evidenced by the emphasis on seamless transitions from pre-kindergarten through post-graduate (P-20) education; the E³ (employment, education, economic development) coordination that has come to typify cutting-edge workforce development; and robust partnership with business – as necessary means to respond to the demands of the New Economy for a more highly skilled workforce.

New Mexico recognizes the need to capitalize on the benefits of increased synergies in bringing together state policymaking and building an infrastructure that can sustain programmatic initiatives across multiple agencies and institutions. The recent state decision to restructure its workforce and labor agencies into a single, unified Department of Workforce Solutions accelerates this process. The new agency is responsible for administering the state's federal labor and employment programs and for coordinating the state's overall workforce education strategy.

Now that the majority of state workforce activities are directed by a single agency which also houses the State Workforce Development Board, the state may want to consider remaking the State Board structure to bring greater focus to the Governor's goals and objectives. These recommendations outline operational and policy direction for the State Workforce Development Board to accomplish that goal.

5.1. Build A Unifying Mission

To fulfill his vision of a business driven workforce system that prioritizes one-stop coordination, sharing of data, culture of career clusters and pathway development and accountability, the Governor must give the State Workforce Development Board:

- Authoritative leadership;
- An unambiguous mandate and mission;
- Consensus around a common vision for the state as well as formal agreement among agencies to share resources and goals;
- Adequate funding to provide professional management support and accountability;
- Incentives for interagency planning and fiscal and programmatic cooperation;
- A focused action agenda that pursues the Governor's priorities.

5.2. Create A More Robust Committee System

The SWDB Committee system should focus board members on finding creative solutions and recommending policy action to the full board which drive the continuous improvement of the system. We recommend the following standing, policy and coordination committees and ad hoc committee structure:

Standing Committees

- Executive Committee: The Executive Committee would provide overall vision to the workforce system – plan a long-term “big picture” agenda and define incremental steps toward reaching it. The committee will oversee the development of the state plan, set the agenda for SWDB meetings, establish new committees as needed, and deal with discipline issues with contractors and recommend sanctions if necessary to the SWDB. The Committee should be comprised of the Secretaries of Economic Development, Higher Education, Public Education, Workforce Solutions and Human Services, the Chair of the SWDB plus chairs of the Marketing and Business Services, Career Pathways, One-Stop and Data Management Committees. The Chair of the SWDB should also assume the Chairmanship of the Committee.
- Performance Monitoring Committee: The Committee would be chaired by a business person; local board members would be prohibited from serving on the committee due to conflicts of interest. The committee would be charged with monitoring performance measures of local workforce boards, bringing to the attention of the executive committee any issues that could indicate failure to comply, keeping abreast of best practices around the country for tracking performance and recommending to the full board policy innovations that could improve workforce system performance.

Policy and Guidance Recommendation Committees:

- Marketing and Business Services: This committee’s goal would be to develop policy recommendations for the full board which increase business participation in workforce services. The Chair of the SWDB would appoint the committee chair who must be a private sector business representative. The committee would be staffed by Business Services Division Director at the Department of Workforce Solutions and the Assistant Secretary for Business Development at the Economic Development Department.
- Data Systems Management Committee: This committee would report on state policy and practice challenges to the development of a comprehensive P-20-workforce data system that can produce longitudinal information on student success from early education through adulthood, including the usefulness of the current VOSS system, and it recommends to the SWDB technology solutions for creating, funding and maintaining needed systems. The Chair of the SWDB would appoint the committee chair who must be a private sector business representative. The committee would be staffed by the Department of Workforce Solutions, Labor Market Information, and Higher Education, Public Education.

- Career Pathways Committee: This committee would be tasked with aligning curriculum and creating a culture of Career Clusters. The committee would coordinate the inventorying of existing academic, technical, and career/life skills coursework, tools and products (especially career pathways available in public schools and community colleges); identify skills, technology, and program gaps; help create voluntary state curriculum in career pathways areas needed by businesses; study reports on in-state and national career pathways best-practices, and recommend project proposals to the SWDB. The Chair of the SWDB would appoint the committee chair who must be a private sector business representative. The Committee would be staffed by Office of Workforce Solutions, the Higher Education and Public Education Departments.
- One-Stop Customer Service Committee: This committee would make recommendations to the SWDB about how to improve services for customers of the public workforce system and coordinate with local service providers to implement changes. The Chair of the SWDB would appoint the committee chair who must be a private sector business representative. The Committee would be staffed by experts from Human Services (TANF), Workforce Solutions, and Local Workforce Development Boards.

Special Committee

- Ad Hoc Skills: The Chairs of the SWBD and Local Workforce Development Boards may appoint a representative from each of their organizations to serve on a council. The council would be tasked to form regional groups of economic development, workforce development and education (including both K-12 and community colleges) leaders who will determine clusters for the region. Staff support and data would be provided by the Department of Workforce Solutions. Final presentations of the clusters would be presented to the full committee and would feed the development process of the Career Pathways Committee. The executive committee would determine the frequency of updating state and regional clusters.

5.3. Strengthen Conflict of Interest Procedures

Since potential conflicts of interest are present because the board is comprised of stakeholders who may benefit from the policies developed by the board, the WIA enabling legislations specifically addresses such conflicts. The statute prohibits a board member from voting on any matter regarding provision of services to or by that member or the organization which he or she represents. In addition, the regulations give the Governor the authority to establish rules as the necessary to avoid conflict of interest or the appearance of a conflict. On the other hand, stakeholder input on the board is necessary to gauge the effectiveness of policies and of the workforce system as a whole.

Potential conflicts of interest are especially apparent with local workforce board representatives. These representatives are being asked to vote on policies which direct funding and other resources to their organizations. As such, the state board should make the representatives of local boards, non-voting members. Other states including Texas and Utah have appointed non-voting members. This mechanism assures these important partners are represented while removing any appearance of a conflict of interest.

5.4. Limit the Number of Full State Board Meetings

The SWDB should meet three times a year in April, July and October. Each of these meetings should have predetermined agenda items which reflect the duties of the board as established by law. For example, if annual reports are due to the legislature and U.S. Department of Labor on December 1, the board should approve the report at the October meeting each year.

Establishing a more robust committee system will ensure that the work of the state board will move forward even though the full board is meeting less often. In addition, meeting less frequently should improve the attendance and result in a more results oriented board structure.

5.5. Appoint Business Members Who Mirror the States Clusters

When appointing private sector representatives of business to the SWBD, the Governor should appoint CEO's and other officials with decision making authority who are representative of industries in the state's career clusters. This representation will ensure the businesses with the highest demand jobs are represented on the board. From an operational perspective, nominees of business will have to identify which major industry cluster they represent or Department of Workforce Solutions will need to categorize the nominations by industry type for the Governor.

5.6. Exercise Policy Making Authority of the Board

States with high performing workforce systems use their policy making authority to carryout and communicate the Governors vision of a workforce system and drive accountability and performance system-wide.

The board, in coordination with the Department of Workforce Solutions needs to continually update existing policies and develop multi-pronged communications systems to make all workforce system participants aware of new initiatives or changes in policy or operations. Other states have both formal mechanisms for communicating policies and guidance as well as less formal avenues of communication. Examples include electronic mail distribution systems, internet sites, newsletters and weekly updates.

The WIA emphasizes the need to continually improve performance in the workforce system. The issuance of new policy and guidance can be a strong tool to improving performance. Policies provide clear direction and thereby increase accountability. The proposed committee structure creates a mechanism through which new policies and guidance can be brought before the SWBD for consideration.