

The Role of the Local Workforce System in Job Creation

Conference of Mayors Meeting

Thursday, April 22, 2010

10:30 a.m. – 11:30 a.m.

20 – 30 minutes of presentation, followed by discussion.

Slide 1: Welcome

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Slide 2: Agenda

- Role of the Workforce System in Job Creation
- Workforce Investment Strategies to Support Job Creation
- Upcoming Funding Opportunities
- Roles for Locally Elected Officials
- Questions and Discussion

Slide 3: Role of the Workforce System in Job Creation

- Workforce investment system does not create jobs directly
- Instead, system complements and enhances economic development and job creation initiatives through strategic investments in workforce development.
- Developing a skilled workforce is an essential component of successful economic development strategies, whether at the local, regional, or national level. Research shows that a one percent increase in the postsecondary education completion rate raises real Gross Domestic Product (GDP) per worker by 0.1 percent. Human skills development ensures continued economic growth and broadly-shared prosperity.
- Reduce lag time through job match: “right person for the right job, right away”

Slide 4: Workforce Investment Strategies to Support Job Creation

- WIS supports job creation by identifying and addressing the workforce needs of regionally-significant industry sectors and support the growth of emerging sectors. By taking pro-active steps to create a workforce system that is able to respond to these needs, local Workforce Boards support industry growth.

- The time line for realizing the goal of job creation and job growth can be quite long, particularly during economic recovery.
- To support industry growth and expansion, the workforce system must
 - understand the challenges and opportunities facing the targeted sectors,
 - identify and build relationships among stakeholder organizations, and
 - develop and implement short and longer term workforce investment strategies.

Slide 5: Key strategies to support job creation

- Generate, obtain, and share labor market information to support informed decision making
- Engage in routine strategic planning, Forecasting and long-term plans
- Proactive service delivery
- Strong dual customer approach – Sector Initiatives
- On-the-job training
- Summer youth employment
- Reemployment
- Employer/industry recognized credential

Slide 6: Strategy: Labor market information to support informed decision making

- Workforce information drives strategic workforce investment.
- Workforce investment boards need access to good data, the resources to convert that data into actionable information, and the ability and willingness to share that information with economic development stakeholders, including businesses and educational institutions like community colleges.

Slide 7: Strategy: Regional perspective and strong business partnerships

- To support job creation and economic development efforts, workforce investment boards need to recognize the larger economic and employment dynamics of the region and learn to partner on a larger scale. The employers best poised to grow in the economic recovery,

or the training providers for a particular sector, may be outside the WIB.

- Leadership of locally elected officials and support of state workforce system are essential to regional collaboration.
- A good example of this ongoing regional planning is our WIRED grant in SW Minnesota. This region had very little in place to support their regional branding initiative when the WIRED grant was awarded. They have been working hard to craft a regional economic identity around alternative energy. In its earliest stage, this large, predominantly rural region built upon its agricultural (corn) base to generate significant amounts of biofuels. More recently, the region has diversified its focus to include wind energy and has enlisted the help of the local community colleges and university to develop faculty capacity and course offerings that will prepare students to enter related occupations and professions.

Slide 8: Strategy: Short- and long-term planning

- Once local workforce areas have access to good and actionable workforce information, they need to put it to use. They need a substantive strategic planning process that allows them to regularly review their investment strategies against available workforce information, and to revise strategies as necessary.
- A good example of this revision in practice: Our WIRED region in Utah identified the life sciences sector as an important component of their regional economy. From an economic development perspective, they want to ensure the continued health of the sector, and fuel industry growth in one segment of the sector (natural food supplements) in their region. To do so, they have been working with area universities and community colleges to improve the quality of education and training, and have been developing a campaign to recruit students to enter related college, high school, and career and technical education programs. When initially conceived (2006), the recession had not yet impacted the region. Since that time, the region has had to refocus its resources on the short-term needs of dislocated workers in the region.

Slide 9: Strategy: Proactive service delivery and dual customer approach

- Workforce boards and one stops need to recognize larger patterns and forces in the economy and look for proactive service delivery strategies.
- For example, local workforce areas traditionally wait until a WARN notice has been issued to begin providing services to workers who will be laid off through rapid response services. However, if a specific industry is clearly in decline, and another is on the rise, local workforce areas can be proactive in engaging workers and helping them make informed decisions about career changes in the future.

Slide 10: Strategies: Support Credential Attainment

- ETA recognizes that a more focused effort on training and credentialing can buoy growing sectors of the economy. As we make these investments, we will not only help individuals return to work, but also help workers obtain the measurable and differentiated skills necessary to move along directed career pathways in these growing sectors
- Strategies to support credential attainment:
 - Increase the number of WIA and TAA participants enrolled in credential-issuing programs, such as Registered Apprenticeship, or in educational programs that conclude in a certification examination.
 - Leverage more resources to support persistence in and completion of credential-granting programs:
 - WIA Titles I and II
 - Foster stronger program linkages among WIA, TAA, TANF and the Carl D. Perkins Act
 - Become familiar with expanded eligibility for Pell Grants and other sources of financial aid for nontraditional students.

- Help customers seeking training to invest their funds and time in programs that will lead to industry-recognized credentials that will be in demand in the regional labor market.
- Use prior learning assessments to help adults, dislocated workers, and youth identify existing competencies and accelerate their process of credential attainment.
- Collect and disseminate labor market information
- Check on the requirements and value of specific industry-recognized certifications in demand in the local labor market.
- Become familiar with the for-credit educational programs or Registered Apprenticeship that prepare individuals to take licensure and/or certification examinations, or include that examination as the capstone to the program.
- Develop a working knowledge of state and Federal occupational licensure requirements.

Slide 11: Strategies: Reemployment Services

- Improve career counseling for unemployed workers.
- Improve job matching, e.g. automatically with UC filing
- Strategic skill development – using LMI to help unemployed workers develop in-demand skills
- Sharing information about unemployed workers with economic development entities.
- Mapping the skills of common occupations in declining industries with occupations expected to grow.
- Helping community colleges develop targeted training programs that help workers quickly bridge skill gaps.
- Support for entrepreneurship training

Slide 12: Strategies: On-the-Job Training

- One reemployment strategy seeing increased attention right now is on-the-job training.
- As jobs begin to grow again, many newly-created jobs will require updated skill sets. On the Job Training opportunities can help dislocated workers learn the skill sets necessary to fill those positions. OJTs require active participation from employers for training to take place at a worksite, has the special attribute of the One-Stop Career Center creating an agreement for the individual receiving OJT with the employer providing the worksite in which the training takes place and supporting the employers' cost of training. The system should use its training resources to focus on providing OJT opportunities in order to more rapidly train dislocated workers for unfilled job placements.
- ETA is committed to supporting innovative strategies that will help dislocated workers, promote the nation's economic recovery, and assist those most impacted by current economic conditions. We are using National Emergency Grants to support significantly increased OJT opportunities in states.
- ETA invites states to apply for a one-time ARRA-funded OJT NEG. ETA encourages states to begin planning and developing a strategic approach and a NEG application that would greatly expand OJT activities for hard-to-serve populations with the greatest barriers to re-employment.
- OJT NEGs will fund projects that support: 1) the creation of new work-based training opportunities; 2) the use of OJT as a tool for the placement of dislocated workers into these newly-created positions; 3) the development and implementation of OJT agreements for employers, participants and local agencies that articulate the need for the new positions, the skills needed to perform the tasks associated with the new positions, and criteria for documenting the attainment of those skills; 4) support services, as appropriate, for employers and participants; and, 5) OJT follow-up, including placement services as necessary. Funding will be made available to states to provide workers the opportunity to return to the workplace and earn wages to support themselves and their families while adding new skills or learning new technologies, production or service procedures, and adding experience to meet the requirements of a new occupation or industry.

- OJT works best when the employment experience is closely tied to anticipated employment opportunities after an OJT placement is completed. All OJT placements should be made in the context of expected job growth in the occupation or industry in which the skills and experience will be gained.

Slide 13: Strategies: Summer youth employment

- Summer youth employment is another important strategy for supporting job creation in local economies.
- The \$1.2 billion Recovery Act youth formula funds provided subsidized work opportunities to over 317,900 low-income youth during the summer of 2009
- Congress is considering opportunities to provide funding for summer youth employment in the future.
- If such funds aren't made available, there are many other ways to continue the summer youth employment program.
 - Use remaining ARRA funds
 - Take advantage of state-appropriated TANF funds for summer employment
 - Leverage state, local, philanthropic, or private sector donations

Slide 14: Upcoming Funding Opportunities

- The **Community Based Job Training Grants SGA** is on the street, and closes April 29, 2010. These grants support community-college based training opportunities, and are an excellent resource for communities looking to expand existing or start of new training programs. If you have not already done so, we encourage you to reach out to your community college partners and encourage them to apply.

- **New Funding Opportunity for Community Colleges.** Earlier this month, Congress provided \$2 billion over four years for competitive grants for workforce development in community colleges through a previously unfunded section of the reauthorized Trade Act.
- These grants will provide communities with increased capacity to develop and deploy training programs that will help dislocated worker refresh and retool their skills for new jobs as the economy recovers.
- We expect those funds to be awarded competitively for four years, at \$500 million per year. This is twice the annual level of funding we usually have for community college training.
- I encourage you to keep an eye out for additional information, and to let your community college partners know about these competitive grant funds.

Slide 15: Roles for Locally Elected Officials

- Locally elected officials play a critical leadership role in local workforce development investments.
- Build a strong Local Workforce Investment Board. Make strategic appointments that translate into a high-functioning board.
- Support cross-system networking and partnerships. Partnership work is hard. Leaders can send clear signals of support, and who make necessary administrative, management, and legal changes to support such partnerships
- Support regional partnerships
- Create productive working relations with state agencies to benefit local workforce.

Slide 16: Questions and Discussion

- Q&A
- In what ways are you using workforce investment to support job growth?
- What support do you need to help your efforts succeed?