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Senator Tom Harkin, Chairman
Committee on Health, Education, Labor, and Pensions
United States Senate
Washington, DC 20510-6300

RE: Testimony for "A Stronger Workforce Investment System for a Stronger Economy" Hearing

Dear Senator Harkin and HELP Committee Members:

Thank you for the opportunity to provide input on this important topic. The American workforce system has the potential to play a pivotal role in economic recovery and regional competitiveness, as I hope my testimony will illustrate.

My organization, The WorkPlace, Inc., is a private 501(c)(3) not-for-profit which has served as Southwestern Connecticut's Workforce Investment Board (and predecessor Private Industry Council) for 26 years. Although there are some differences in how states set up their systems, and differences in local market needs and priorities, our experience is broadly representative. Like other WIB's, we are guided by a Board of Directors representing business, labor, and other WIA-mandated partners and key stakeholders.

Thank you very much for the opportunity to share these thoughts with you.

Joseph M. Carbone
President and Chief Executive Officer
The WorkPlace, Inc.

“Moving Beyond the Formula”

1. The critical role the workforce investment system plays in addressing the employment, education, and skill needs of its dual customers – workers, jobseekers and employers

The system is fundamentally sound but imperfect.

- It has **responded** to the challenge of a recession far beyond what was imagined by the makers of the Workforce Investment Act (WIA).
- The Act enables WIBs to play a critical role during times of recession as well as prosperity.
 - **One-Stops are the hub** of the system; they act as natural magnets for unemployed, underemployed, and employed individuals, as well as businesses needing workers.
 - Workforce Investment Boards (WIB’s) can be **neutral brokers**, which is a necessary factor in bringing together many diverse and competing partners.
 - WIBs are **business-led**, and they become the natural place for businesses to turn to when they need workers.
 - WIBs connect **partners**; the Act identifies the required partners and suggests others as well. However, it takes WIBs with credibility to keep the partnership together and make it productive.
 - WIBs are **flexible** and able to change as economic conditions dictate; for example less training and more education in a deep & prolonged downturn.
 - The Workforce Investment Act enables WIBs to lead a **free-market** system of job training. As a regional planning entity and not a competitor for training business, they can select from proposals and programs from for-profit, not-for-profit, and government providers. The customer and taxpayer interest can come first.
 - **Formula funding** provides the seeds for the local system, as well as program support.
 - WIB’s received **ARRA**/stimulus investments under similar rules to the formula funds, which enabled the system to adjust to the new requirements brought about by high unemployment and many new customers needing service.
 - The Workforce Investment Act offers **local communities a choice** -- their WIB can be the administrator of the three pools of funding under the formula system, or they can choose to do that PLUS a far more enterprising approach.

2. New and innovative practices used to better integrate services to more effectively meet the needs of workers and employers, including barriers to such practices

Some WIBs and One-Stops are finding creative ways to work with multiple partners to better integrate services. Here are a few examples from our experience in Connecticut:

- **Older Workers** have been full integrated into the One-Stop system. By using SCSEP (Senior Community Service Employment Program) as a true training model, we have been able to provide skills upgrades and job placements to unemployed workers over age 55. We leverage and integrate the following:
 - WIA Core Services (job search, computer workshops, professional development)
 - Community Colleges (skills training certificates)

- Local Government (serve as host agencies)
- Business (Adecco and other placement agencies have signed on to place older workers in skill-specific permanent placements. GoliathJobs.com has developed a website specifically to connect older workers with job openings.)
- **People With Disabilities:** The Voc-Rehab agencies (e.g. Bureau of Rehabilitative Services and Bureau of Education Services for the Blind) are on-site in our Bridgeport One-Stop once per week to do **case conferencing** with One-Stop staff. In addition, we utilize our PWI (Projects With Industry grant) funding to provide placement, working closely with local employers.
- **Youth:** targeted youth programs have helped to provide more services to at-risk youth. With private funding (JPMorgan Chase and others) we have established the following:
 - A **youth website**, designed by Bridgeport students, whose content includes job training, employment, and college resources
 - An **allied health exploration** program that provides students the opportunity to understand careers in allied health (beyond nursing assistant) and to work as interns during the summer
 - **Summer internships** in the arts, and with local industrial employers (including Sikorsky and Derecktor Shipyards).
 - In each of these programs, we work with the local school system and the business partner to identify the appropriate kids. This could not have happened with WIA dollars due to the stringent income guidelines and the performance outcomes.
- **Veterans:** our program for Homeless Veterans built partnerships with Homes for the Brave (a residential center for homeless veterans), the VA Hospital, Department of Labor Veterans Services, and many other local agencies. Veterans in the program received intensive career services, training, job placement, and permanent housing through a multi-level collaboration.
- **Community Resource Center:** in response to the deep and prolonged recession, we got funding from the local United Way to use our One-Stop as a point of delivery for meeting basic needs. This new Center awarded small grants for rental assistance, utilities, and transportation. In addition the Center partnered with local agencies that provided assistance to people in need of food, shelter, housing, day care, medical insurance, and legal services. This created a stronger network of partners and expanded awareness of services available in the One-Stop.

3. Ways to promote innovation in the structure and delivery of America's workforce system to increase the prosperity of America's workers and employers, the economic growth of states and regions, and the global competitiveness of the U.S.

Innovation is the tool WIBs need to use to engage partners in endeavors of common interest, to solidify their role as system leader, and to add a flavor of excitement and progressiveness to the local system. Here are my 7 suggestions:

- ✓ Provide incentives for WIBs to think and operate **regionally**
- ✓ Provide incentives for WIBs to **leverage** their formula allocation for growth
- ✓ Provide incentives for WIBs to create value-added through the **integration** of partner services at the One-Stop level
- ✓ Provide incentives to States to explore a **data-driven** approach to the creation of WIB **catchment** regions
- ✓ Provide incentives for WIBs and States to increase the annual investment in **ITAs** (Individual Training Accounts), both in number and in choice for customers
- ✓ Provide incentives for WIBs to study and determine through analysis the **special populations** that will become central for their work
- ✓ Provide incentives to keep the workforce investment system in a mode of building **capacity** all the time.

4. What we have done to improve the knowledge and skills of the nation's workforce...with family-sustaining wages...particularly America's youth

- Go beyond formula funding
 - Reliance solely on formula dollars will inhibit ability to become a regional leader and limit ability to serve special populations
 - With “leveraging” approach, (current budget without ARRA), WorkPlace, Inc. non-formula now 64% (1.7 times formula) (i.e. formula is 36% of total)
 - Process of leveraging helps to engage partners
 - Particularly as a 501(c)(3) private not-for-profit, WIB has ability to move beyond formula:
 - Actively compete for grants
 - Solicit money from philanthropic corporate and foundation sources
 - Create fee-for-service
 - Competitive grants have added to our services, capabilities, and impact
 - WIRED has enabled us to create partnership with New York (CT-NY Talent for Growth)
 - High-Growth grants supported workforce development in the Advanced Manufacturing and Finance/Insurance sectors
 - Six grants (multiple sources) built our Disability Services Center in Bridgeport One-Stop, the most comprehensive in the state, and linked to additional services
 - Five grants in Veterans Services provided intensive training and employment to Homeless and other Veterans
 - Four grants for Brownfields Environmental Remediation provided technical training and launched graduates into well-paying jobs in promising careers
 - Total of \$50 million over 12 years
- Maximize use of ITA's (Individual Training Accounts)
 - Best path to family-sustaining wages is improving skills & knowledge of workers (see “Education Pays” chart from BLS)
 - We make “stretch” commitment to ITA's every year through the budget process

- We created privately-funded “WorkPlace Scholarships” which have provided training opportunities for more than 1700 people (\$4 million over the past 13 years)
- Use a “grow-the-business” model to deliver better services. Here are some of the things we’ve done at The WorkPlace in line with this model:
 - Disability Services Center in One-Stop (“EveryOne Works”)
 - Started with competitive grant; when it ended we chose to use WIA \$\$ to continue staffing. Other grants and state funds have expanded it over time
 - Voc-Rehab partners are engaged (BRS, BESB); we have a common interest in helping people with disabilities get jobs
 - Summer Youth 2009 (ARRA funding)
 - We placed over 700 youth in summer employment, including 24% who had certified disabilities
 - Worked with more than 140 employers (80 private); indemnified them. Our “capacity” helps in having contacts with businesses to place that many in summer jobs
 - Linked regular WIA-funded youth to summer operations
 - Mortgage Crisis Job Training Program
 - Created a new program in response to growing foreclosures, connecting people to the workforce system to prevent foreclosure and increase their earnings potential.
 - Utilized State funds, in conjunction with leveraging WIA core services (e.g. financial literacy workshops).
 - WIRED (CT-NY Talent for Growth)
 - We have established cross-state collaborations among training providers, community colleges, economic development, business organizations, and community-based organizations, led by WIBs.
 - This initiative has helped us to think from a regional perspective.

In summary:

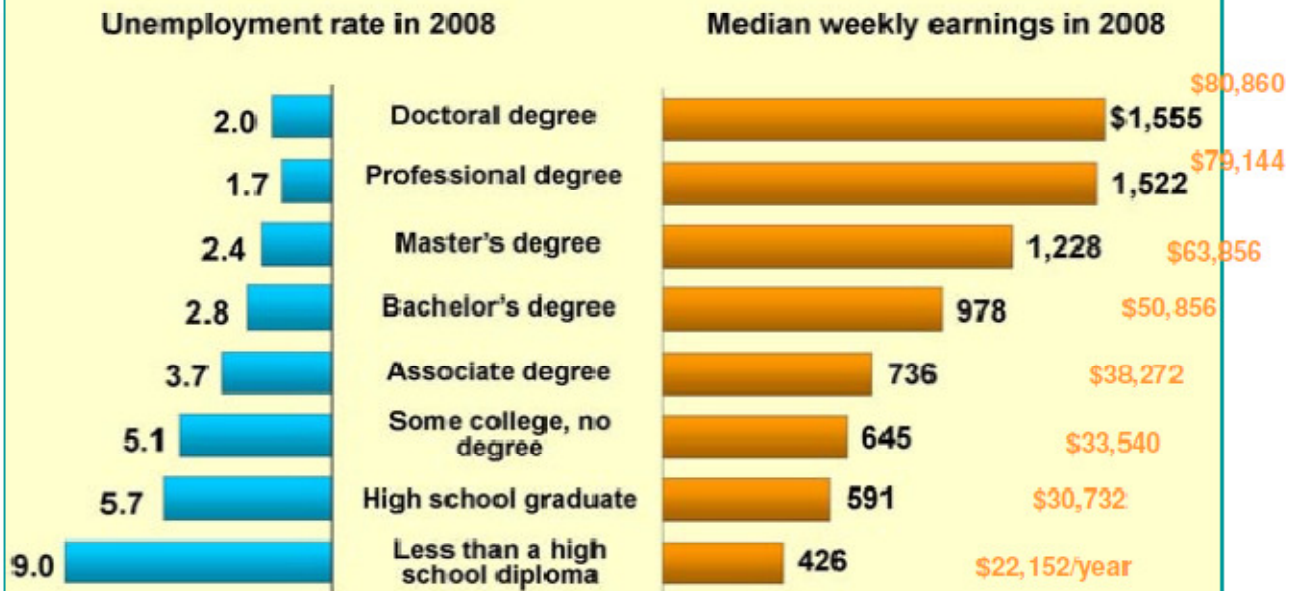
In summary, we are all dedicated to ensuring people who are unemployed get all the services they need, and to serving people in Special Populations. There’s a lot of responsibility given to the local delivery system, but WIBs don’t carry a big stick – they must earn the respect of their communities and partners. The capacity of WIB’s is key to a credible system.

What’s needed is to make WIBs a robust enterprise, to grow the business, and to broaden the partnerships. I ask you to look at the local system and give them all the tools they need to make the impact America needs.

Thank you very much for the opportunity to share these thoughts with you.

Education pays...

in higher earnings & lower unemployment rates



Source: Bureau of Labor Statistics, Current Population Survey