



WIA At Work: A Policy Dialogue

Colloquium Highlights

The Workforce Investment Act in Eight States: A Field Network Evaluation

The Nelson A. Rockefeller Institute of Government

May 6, 2004—The Nelson A. Rockefeller Institute of Government, the public policy research arm of the State University of New York, in partnership with the U.S. Department of Labor, held a colloquium in Washington, D.C., on the Institute's study of service delivery under the Workforce Investment Act (WIA) of 1998. This was the culminating event of the Rockefeller Institute's two-year evaluation of the nation's workforce development system.

Over 100 federal, state, and local government officials, program administrators, researchers, and other system stakeholders attended the colloquium, which provided attendees the opportunity to engage in dialogue on state and local administration of workforce development services under WIA. Presentations and discussions focused on how federal WIA requirements help—and hinder—state and local efforts to develop One-Stop systems to meet local workforce and economic development needs.

The colloquium included a presentation of findings from the Rockefeller Institute's service delivery study. The Institute and a network of field researchers studied the experience of eight states, 16 local areas, and over 30 One-Stop Career Centers in 2002 and 2003 in implementing WIA. The eight study states are [Florida](#), [Indiana](#), [Maryland](#), [Michigan](#), [Missouri](#), [Oregon](#), [Texas](#), and [Utah](#). The goal of the evaluation, funded by the U.S. Department of Labor, is to understand how states and local areas interpreted and operationalized WIA—to inform Congress and system stakeholders as they consider reauthorization proposals.

This report includes:

- *Keynote address highlights from Mason Bishop, Deputy Assistant Secretary, U.S. Department of Labor*
- *A discussion of nine challenges for the nation's workforce development system presented by Burt Barnow, Johns Hopkins University, and Christopher King, University of Texas at Austin*
- *Highlights of panel sessions featuring state and local officials and researchers on the operations of One-Stop Career Centers, the use of market mechanisms, and the role of employers in One-Stop Career Centers*

Highlights of Keynote Address

Mason Bishop, U.S. Department of Labor, presented the Labor Department's agenda for workforce development and One-Stop Career Centers. Following are highlights from Bishop's address:



Mason Bishop

The Workforce Investment Act in Eight States: A Field Network Evaluation

AGENDA

Welcome and Introductions
Richard Nathan
Rockefeller Institute of Government

Keynote Address
Mason Bishop
U.S. Department of Labor

Evaluation Methodology and Reports
Including Colloquium Overview
Patricia Billen
Rockefeller Institute of Government

Overview of Study Findings
Burt Barnow
Johns Hopkins University
Christopher King
University of Texas at Austin

Panel I: Operations of
One-Stop Career Centers
Moderator:
Richard Nathan
Panelists:
Curtis Austin
Workforce Florida, Inc.
Michael Richardson
Utah Department of Workforce Services
Ronald D'Amico
Social Policy Research Associates

Panel II: Market Mechanisms
Moderator:
Laura Leete
Willamette University
Panelists:
James Dickerson
Central Region Workforce Investment Board
(Missouri)
Greg White
Oregon Workforce Investment Board
David Stevens
The Jacob France Institute

Panel III: Role of Employers
Moderator:
Peter Mueser
University of Missouri
Panelists:
Karen Sitnick
Mayor's Office of Employment Development
(Baltimore)
Bryan Stone
WorkSource (Florida Region Eight)
Richard Kazis
Jobs for the Future

- One of the biggest agenda items for the U.S. Department of Labor is to have the workforce development system become "a truly demand-driven system." In the spirit of WIA, the Labor Department wants to engage the business community in the system to provide training for skills in demand and ensure services at the system's One-Stop Career Centers are "customer-focused and effective."
- The Labor Department does not view the WIA system as a "labor-only" system. There are other services that should be available in the centers including adult vocational education, Vocational Rehabilitation, Temporary Assistance for Needy Families, Food Stamp Employment and Training, and youth offender programs.

"One-Stop Centers are not labor-only places. Truly the intent and spirit is that they are places in the community where people can go for career help and employers can go for the skilled workers that they need."

—Mason Bishop

- The Labor Department views the intent and creation of the One-Stop system as being able to provide better governance of the nation's workforce system, which includes reduced duplication and better customer service. Where WIA and the One-Stop Career Centers have worked well is where the state and local level leadership was willing to break down turf to develop the system. This is particularly true in Utah, where program consolidation happened because the governor "made it happen."
- The "real challenge" to take the Workforce Investment Act to the next level is to provide the states with more flexibility and eliminate current duplication. This includes "loosening the strings of the law that create separate categorical programs." President Bush wants to give state governors the "utmost flexibility to be able to align programs to their state and local economies and economic development plans...." This also includes providing enhanced waiver authority to allow states to overcome "burdens and hurdles" in the law.

- The Labor Department proposes that greater flexibility to the states be coupled with greater accountability.
- An “enhanced and powerful evaluation agenda” includes projects with a research question upfront that strives to understand what is effective and what is not.

“With the implementation of common measures—employment, earnings, job retention—we get down to the core of our expectation: performance. We’ve been engaged administratively in trying to have an enhanced performance system that is simplified so that there are no longer different definitions across programs. That it is simplified and states and locals are not spending all their time on paperwork and performance reporting.”

—Mason Bishop

Forthcoming Labor Department sponsored work includes:

- A study of unemployment insurance in light of the current economy
- A five-year impact evaluation of the Trade Adjustment Assistance program
- An outcome evaluation of the youth offender reentry demonstration programs
- Demonstrations of personal reemployment accounts

Nine Challenges for the Nation’s Workforce Development System

Christopher King, University of Texas at Austin, and Burt Barnow, Johns Hopkins University, are the lead researchers for the Rockefeller Institute’s WIA service delivery study, and the authors of the project’s interim and final reports. King and Barnow presented findings from the study and challenges for the system.

The primary theme across the Rockefeller Institute findings is that state and local officials have taken different approaches to developing and implementing their workforce development systems under WIA. As a result, systems vary across states and local areas in leadership and governance; system administration and funding; One-Stop Career Center organization and operations; service mix and operation; and use of market mechanisms.

For information on the state and local systems in the Rockefeller Institute study, see the Barnow/King PowerPoint presentation, [“The Changing Landscape: Findings from an Eight-State Study of the Workforce Investment Act.”](#)

Barnow and King presented nine challenges policymakers and administrators face to developing and administering workforce development systems under the WIA of 1998. Congress should look closely at these challenges when considering WIA reauthorization proposals.



Christopher King (standing), and Burt Barnow

1. **Balancing accountability and flexibility under a broad gauged federal grant-in-aid program such as the WIA.** The workforce development system is highly devolved with the federal government providing funding and state and local governments administering the system's programs.

The challenge: Finding the right mix of flexibility and accountability so states and local areas can develop programs that meet job seekers' and employers' needs while at the same time ensuring that the broad goals of federal programs are met.

2. **Maintaining cooperative federal-state-local relationships on an ongoing basis for monitoring and overseeing local WIA and One-Stop Career Center activities.** The roles of the different levels of government in the workforce development system have changed over the last 40 years, with a trend toward giving states and local areas more authority over the federal funds supporting the system.

Rockefeller Institute Field Network Evaluation of WIA Service Delivery

Products from this project include eight state case study reports published by the U.S. Department of Labor in two volumes, and an interim report by Burt Barnow and Christopher King, the project's lead researchers. The volumes of [state case study reports](#) and the [interim report](#) are available on the Rockefeller Institute's web site at www.rockinst.org.

The challenge: Finding the right mix of authority, while at the same time ensuring a cooperative relationship between the three levels of government.

3. **Assuring that reporting and performance requirements do not adversely affect client selection, services provided, and outcomes.**

A number of studies show that performance measures can create incentives for "creaming," or providing services to only those customers who increase the likelihood that the provider will meet

performance requirements such as job placement, job retention, and increases in earnings benchmarks. Often, this results in practices that deny services to populations with multiple employment barriers.

The challenge: To develop a performance system that identifies and encourages good performance, while discouraging inappropriate client enrollment and management practices.

4. **Balancing the effects of Unemployment Insurance call centers and online claims processing with the role and effectiveness of One-Stop Career Center services.** Most states have adopted or are in the process of developing call centers or online systems for their Unemployment Insurance application and claims processes. To a certain extent, this has driven the Employment Service and Unemployment Insurance programs apart.

The challenge: To ensure Unemployment Insurance claimants are connected to job search services available through the One-Stop Career Centers.

5. **Balancing the goals of universal access and serving those most in need.** WIA core services are available to all customers regardless of economic need. This is a departure from its predecessor programs that had income eligibility standards for services. WIA's increase in eligible population was not accompanied by an increase in

funding, and as a result, some of the local areas in the Rockefeller Institute study did not have sufficient funds to provide training.

The challenge: For state and local officials to provide the right balance of core services to the general population and training opportunities to appropriate customers, given limited funding.

- Determining proper roles for business in workforce programs and how to achieve and sustain them.** Employers have several roles in the nation's workforce development system. They are customers seeking qualified candidates for open positions and training for current employees; managers participating in system oversight through state and local Workforce Investment Board membership; and experts providing guidance on the direction of the local job market. Rockefeller Institute study findings suggest that "WIA has not yet achieved the employer role envisioned in the law and promoted by the U.S. Department of Labor." Although employers have a strong role in some of the study states, the strength of business engagement varies widely. Institute researchers found that low employer involvement on local Workforce Investment Boards was due to the bureaucratic nature of the boards and the limited influence of the boards on the system.

The challenge: For states and local areas to develop meaningful roles for employers in local workforce development systems and a method for keeping business representatives actively engaged in the system.

- Designing One-Stop Career Centers so their orientation, management structures, and the layout for customer flows maximize outcomes.** WIA designates 17 programs administered by four different federal agencies, each with its own set of eligibility and reporting requirements, as mandatory partners for One-Stop systems. The law also provides states and local areas the flexibility to incorporate non-mandatory programs into their One-Stop system.



David Balducchi, U.S. Department of Labor, and Richard Nathan

The challenge: For state and local officials to develop center infrastructure that maximizes outcomes for the many populations served by the different programs in a way that encourages the different programs to work together toward a common mission or goal of the center.

- Effectively integrating workforce services at One-Stop Career Centers and in other locations.** This builds on the previous challenge and suggests systems go beyond co-locating program services to developing seamless service delivery systems where the customer is blind to the funding streams and related programs requirements supporting their services.

The challenge: Overcome turf issues to move further away from the silo structure of many federal, state, and local programs.

- Developing return-on-investment (ROI) measures as an important component of workforce performance management systems.** Policymakers and program

administrators need to view training as an investment and to figure out how to measure return on investment.

The challenge: Such an effort requires the difficult tasks of tracking the cost of services at an individual level (something that is becoming increasingly difficult as service integration is pursued), and developing a method to measure program outcomes, such as impact on earnings.

Burt Barnow and Christopher King are the authors of the final report for the Rockefeller Institute's evaluation of WIA service delivery in eight states. The report will be available in late 2004.

Highlights of Panel Sessions

Three separate panel discussions focused on the administration of state and local workforce development systems. Panel members included state and local officials and researchers, who presented promising practices and cautionary notes on the operations of One-Stop Career Centers; the use of market mechanisms in system administration and service delivery; and the role of employers in the WIA system.

Panel I: The Operations of One-Stop Career Centers



Left to right: Austin, Richardson, D'Amico

Moderator:

Richard Nathan: Rockefeller Institute

Panel:

Curtis Austin, Workforce Florida, Inc.

Michael Richardson, Utah Department of Workforce Services

Ronald D'Amico, Social Policy Research Associates

Curtis Austin:

- Florida's "radical" approach when implementing WIA put the state Workforce Investment Board in charge of all the system resources. The state has consolidated several funding streams at the local level including WIA, Unemployment Insurance, the Wagner-Peyser Act, and the Temporary Assistance for Needy Families (TANF) block grant, and supports the current administration's efforts to consolidate federal funding streams.
- Florida has a decentralized workforce development system with much authority with local Workforce Investment Boards and the business community to design and administer their system to meet local needs. This has resulted in different local systems and One-Stop Career Centers across the state. While Florida's devolved system provides flexibility to local areas, the state has coupled this flexibility with performance measures in addition to those required by federal WIA legislation. The additional state requirements include measures that allow officials to track system performance.
- Florida's workforce development system is constrained by limited resources, particularly in recent years as the state has reduced TANF funding to the system. As

a result, Florida is focusing less on “bricks and mortar” One-Stop Career Centers and more on electronic self-service. This “no-stop” effort includes making all One-Stop Career Center services available on the Internet. While there are concerns that certain populations (such as older job seekers) may not be able to easily use electronic services, the electronic effort has allowed the state to provide services to more customers overall.



*Don Winstead (standing),
U.S. Department of Health and Human Services*

Michael Richardson:

- In contrast to Florida, Utah’s workforce development system is centralized, with state officials providing most One-Stop Career Center services. Utah is a single, statewide service delivery area that “blends” workforce development funding by using a random-moment survey to allocate costs to funding streams. Utah’s workforce development system is organized around “functional areas” such as eligibility services and business services rather than programs or “silos.” The state’s performance measures focus on these functional areas or business processes rather than specific programs or funding streams.
- One of Utah’s biggest issues with service integration is the “complexity of running multiple programs,” as a single customer touches many programs. State officials find reconciling the different definitions and requirements across programs difficult and would like to see WIA reauthorization legislation address some of these discrepancies. In general, Utah is seeing the number of people served by their system increase dramatically; however, it has been able to manage this increase, as “service integration is allowing the state to be more wise with its money.”

WIA Changes in Brief

WIA institutionalized the concept of the One-Stop Career Center by requiring local boards to establish at least one full-service center in each service delivery area. The act designates as mandatory partners for One-Stop delivery systems 17 programs administered by four different federal agencies.

Ronald D’Amico:

- The changes that WIA made to the nation’s workforce development system are remarkable. Although states and local areas have encountered problems integrating services, the big success is that administrators from the system’s silo programs are “talking to each other,” a critical first step to going beyond co-locating services. Feedback from customers is positive, suggesting they like the system’s tools and the ability to choose services and service providers. And while “no-stop” centers are “ballooning access” to the system, policymakers and program administrators need to think about the populations, including those that lack computer skills and others with limited English proficiency, that electronic services may be leaving behind.

- D’Amico offered the following “needs” for consideration as policymakers develop federal WIA reauthorization proposals:
 - Designated funding for One-Stop Career Center infrastructure
 - Balance universal access to core services with the needs of specific populations or niche markets
 - Making the system work for people with limited computer skills or limited English proficiency in light of the system’s new reliance on self-services and electronic services
 - Addressing the unique challenges of One-Stop Career Centers in rural communities

Panel II: Market Mechanisms

Federally Required Mechanisms in WIA

1. Use labor market information to help customers make training and career decisions.
2. Provide Individual Training Accounts (ITAs) to customers to select training.
3. Limit allowable training providers to those on the Eligible Training Provider List (ETP), which includes performance information on each approved program and provider.
4. Link performance incentives to achieving job placement, retention, earnings, and skill attainment rates for WIA-funded programs, and meet performance requirements in adult education and literacy, and vocational education programs.
5. Require states and local areas to select WIA providers through a competitive process.

Moderator:

Laura Leete, Willamette University

Panel:

James Dickerson, Missouri Central Region Workforce Investment Board

Greg White, Oregon Workforce Investment Board

David Stevens, The Jacob France Institute, University of Baltimore

Laura Leete:

The Workforce Investment Act of 1998 makes regular use of market mechanisms, which were “intended to bring better information, more choice, more accountability, and more incentives to the system.” Leete, a field researcher for the Rockefeller Institute study, didn’t view the WIA mechanisms as bringing true “market pressure and discipline” to the Oregon system. For example, the guided choice process for helping customers select training and training providers was “more guided and less choice”; many WIA providers were typically the old Job Training Partnership Act (JTPA) providers suggesting that the competitive selection process did not bring more providers to the system; and performance incentives were awarded to providers when they met performance requirements.

The ensuing panel discussion focused primarily on Individual Training Accounts (ITAs), Eligible Training Provider List (ETP) requirements, and WIA’s performance measures.

Individual Training Accounts and Eligible Training Provider List Requirements

David Stevens:

- “Who is making the choice” regarding training and training providers is a significant issue. “I would agree that my experience has been that it is a joint experience; it is not

either the customer or the staff making the decision....” The issue of choice and available provider options on the Eligible Training Providers Lists vary. In rural areas there is less choice, as there are fewer training providers from whom to choose. The real issue is whether customers understand the labor market information and the performance information of training providers that is available to them.



James Dickerson (left) and Greg White

Greg White:

- Oregon has strong consumer protection laws, making reconciling the requirements of the state law and the federal Eligible Training Provider List difficult. Listing providers’ performance-reporting requirements on the list has proven to be a disincentive for providers to pursue listing their programs. This is especially true for community colleges where WIA-funded students make up a small portion of the student body.

James Dickerson:

- The Central Workforce Investment Board is the largest workforce development region in Missouri with 19 counties, but does not have a community college within its borders. Therefore, the region would not benefit from a proposal that dedicates workforce development funds to community colleges.

Performance Measures

David Stevens:

- The Census Bureau’s new Local Employment Dynamics (LED) program data provide information at the local level on 29 indicators, with economic trends by worker age and sex, by county and workforce investment area. Employment indicators from the Census Bureau’s program include hires, separations, job creations, and job loss. This information can be used as a tool by U.S. Department of Labor regional offices, and state and local officials to better inform the negotiations on performance measures. There is an “important need to invest in staff understanding” of the capabilities of the LED data.

The Jacob France Institute’s MEETS program is currently working with ten states to design and develop new prototype labor market information products based on the Census Bureau’s LED data. For more information, please visit www.ubalt.edu/jfi/jfc/meets.htm.

James Dickerson:

- Missouri is one of states working in the MEETS program and officials are finding the LED data very helpful. WIA’s 17 performance measures are too many, however. Missouri is beginning to measure market share and market penetration not only for WIA, but also for Wagner-Peyser Act and TANF-funded services.

Greg White:

- Three common performance measures for employment programs of job placement, job retention, and earnings have been used since the 1980s. There are also other and more interesting kinds of measures such as skills attainment and job turnover that may be more meaningful to business and other system stakeholders. The key is to think strategically about performance measurements and to think about potential unintended consequences of how the measures will be used.

The audience discussion that followed the panelist's remarks focused on performance measurements and the need to incorporate more abstract measures. Researchers have found that many states and local areas are moving in this direction by developing a tiered system of standards that help track and measure day to day tasks, larger program performance and broad-based system performance. This tiered-system allows program administrators to track both short- and long-term performance.

Panel III: Role of Employers

Moderator:

Peter Mueser, University of Missouri

Panel:

Richard Kazis, Jobs for the Future

Karen Sitnick, Mayor's Office of Employment Development (Baltimore)

Bryan Stone, WorkSource (Florida Region Eight)



Peter Mueser

Peter Mueser:

Labor exchange services, especially among economists, have had a bad reputation for not involving and serving employers, and for many decades have been under pressure to better respond to employer needs. "In the last ten years pressure has increased dramatically" and even more so with the passage of WIA. *Job training programs*, which now are combined with labor exchange under WIA, referenced employers and the importance of employers in the system going back to the Comprehensive Employment and Training Act (CETA), but under WIA, there is much more effort to get employers involved.

Employer involvement in the workforce development system is important even though the system's performance measures are based at the employee level. "The assumption is that if we involve employers at the level of administering the system, we are more likely to be able to meet those [employee level] goals. Clients are more likely to get jobs."

The goals of the panel III discussion were to:

1. Describe problems of employer involvement under WIA
2. Review successes
3. Attempt to outline solutions to the implementation process and especially to consider ways that facilitate those solutions

Richard Kazis:

- Findings from recent employer surveys and focus groups reflect how employers are receiving WIA's changes to the workforce development system. The research was conducted by the partners in Workforce Innovation Networks (WIN), which includes Jobs for the Future, the Center for Workforce Success of the National Association of Manufacturers, and the Center for Workforce Preparation of the U.S. Chamber of Commerce. WIN found that, in general, employers like the direction WIA is taking the system, and appreciate the following aspects of it:
 - Increased employer authority on Workforce Investment Boards, particularly when boards treat workforce development as a key component of economic development
 - Availability of customized training, particularly for incumbent workers, that meets employer needs
 - Assistance with layoffs and access to rapid response services
- WIN's research identified the following areas where employers would like to see improvement:
 - More flexible, efficient, and varied services to employers, including better screening of job applicants and increased training resources, particularly for incumbent workers
 - Better marketing of the system's services by using employer associations and chambers of commerce
 - Greater influence for employers over strategic use of system resources at the local level to address the needs of business and economic development
 - Performance measures determined at the local level, if not at the federal level that "reward effective and responsive service to employers"

For a complete summary of findings and recommendations for the WIN study, see "[Employer Use of the Publicly Funded Workforce Development System: Perceptions of What's Working and What's Not, and Recommendations for Improvement](http://www.jff.org/)" available at <http://www.jff.org/>.

Karen Sitnick:

- Local views of employers in the One-Stop Career Center System were presented. The job seeker, primarily the disadvantaged, unemployed job seeker, was the primary focus of the Baltimore system under CETA and JTPA. At that time, the main practice was "class-size skills training," where training in a single occupation was provided to a group of people and the system would work with employers to place them in jobs.
- The city of Baltimore and the state of Maryland now view workforce development and economic development in the same realm. Under WIA, the role of the workforce development system is to ensure that business will have access to a qualified workforce so they'll want to come to the state and stay. Across Maryland, local WIBs have made significant efforts to focus on economic development and some have co-located with the economic development agency.
- It is the notion of supply and demand that drives the way business is conducted in Baltimore's workforce development system. The job seeker is not the exclusive customer anymore. The job seeker and the business customer are seen through a dual lens—through both the job-seeker eyes and those of business. "Here is where tension will arise, particularly in urban areas like Baltimore where there are a

significant number of people who are considered the hardest to serve.... We are obligated to make sure these people are assisted. And it is not necessarily what the employer wants when they are willing to open their doors.”

- The most recent and most unique service the Baltimore area added for employers is the [Employer Toolkit](#), which has been developed to assist smaller- to moderate- size businesses that do not have human resource departments. The Employer Toolkit is a web-based human resource support system that helps employers gain access to services and information available through the workforce development system including information on tax credits, immigration laws, and training grants.

Bryan Stone:

- Florida is “ahead of the game” as its workforce development system identified business as a customer well in advance of the passage of WIA. In the state’s current system, the job seeker is considered the “product,” who is delivered to the employer, the “customer.” This approach challenged the system to become the workforce development arm of economic development and to build new services.
- Early in the retooling of Florida’s workforce development system, it became apparent to officials that available funding would not allow the system to provide all services to all businesses. As a result, Florida developed a tiered system that includes the following three levels of business services:
 - Business account – basic services including listing open positions and providing labor market information
 - Key account – more services than job listing such as some assistance with job/applicant matching and applicant screening
 - Premier account – every available service including job listing, and applicant screening, matching and assessment
- WorkSource implemented a “rapid job attachment” approach for providing services. This entails assisting job seekers to find employment quickly, and then providing services such as training and retraining to employers so the employee can move quickly to a higher-level position. Under WorkSource’s “continuum services strategy” workers are “training, moving up, training, moving up, and hopefully they reach self-sufficiency.” Employers contribute approximately 65 percent, and sometimes as high as 85 percent, of training costs.

WIA Changes in Brief

WIA increased the role of employers in the workforce development system by requiring businesses to constitute the majority of members on state and local Workforce Investment Boards.

The Rockefeller Institute’s service delivery study is under the overall direction of Richard Nathan, director of the Rockefeller Institute. The project benefited greatly from the field research conducted by Burt Barnow and Amy Buck (Florida and Maryland), Christopher King and Dan O’Shea (Michigan, Texas, and Utah), Patricia Billen (Indiana), Peter Mueser and Deanna Sharpe (Missouri), and Laura Leete and Neil Bania (Oregon). We are grateful to state and local officials for their participation in the evaluation, as well as U.S. Department of Labor staff including Stephen Wandner, David Balducchi, Tara Smith, and Amanda Briggs-Spickard for their assistance throughout the project. For more information on the Rockefeller Institute’s study, contact Patricia Billen at billenp@rockinst.org or (518) 443-5822.