

High Road Agenda for Public Workforce Development

Survey results show promise for high road workforce development

The nation's over 600 state and local Workforce Investment Boards (WIBs) are legislatively mandated to provide general oversight to the nation's public workforce investment system. Working people are represented on these boards through WIB labor representatives—nominated by labor federations and appointed by elected officials. Last year, the AFL-CIO Working for America Institute—with financial support from the Rockefeller Foundation—surveyed Workforce Investment Boards in the nation's major metropolitan areas to determine the extent to which they adopted strategies that are part of the Institute's High Road Agenda for Public Workforce Development. The results of that survey were released this spring under the title *Off to a Good Start: A Report on High Road Workforce Investment Board Policies and Practices*.

Thanks to the extremely high degree of cooperation with the survey

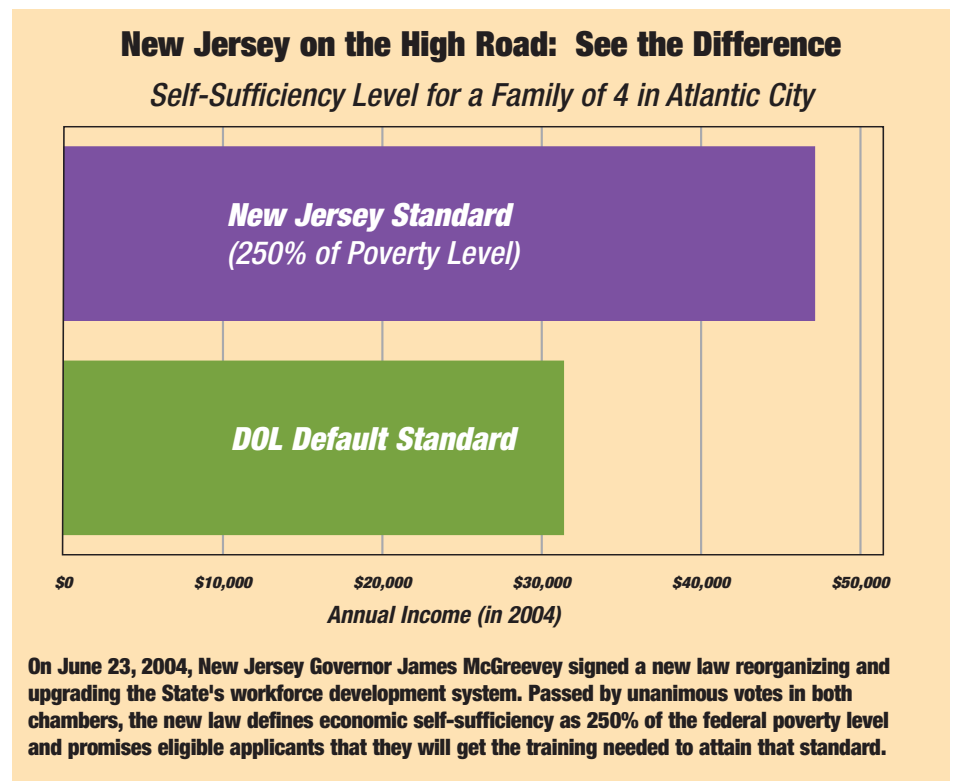
(we received 69 responses from 82 surveyed boards), we were able to confidently report that WIBs in 45 major metropolitan areas around the country have made great strides in using these strategies to set higher job and wage standards for their communities.

What We Learned From The Survey

The survey's primary findings are:

1. Use of High Road Community Audits

While most local boards are working to understand their labor market areas, it appears that they are not doing comprehensive reviews of their regions' labor market needs. The survey showed that 68% of respondents reported that they had conducted a community audit, but a review of the specific components used by the board showed that these audits were focused more on reviewing labor market infor-



mation and assessing employer needs than on reviewing the needs of workers and strategies for worker advancement. **Even fewer boards were using their community audits to find the family-sustaining jobs in their community—a practice the Institute highly recommends.**

2. Setting and Using Realistic Self-Sufficiency Standards

The nation's workforce development system is oriented primarily to serve out-of-work job seekers. In order to quality for intensive or training services, employed workers must earn less than the WIB's "self-sufficiency standard"—a wage rate set by the U.S. Department of Labor when not established by the Board itself. **Two-thirds of the local boards surveyed (67% of respondents) have already established self-sufficiency standards higher than the U.S. Department of Labor minimum level in order to expand eligibility for access to training and intensive services among employed low-wage workers.**

Additionally, some boards have begun using self-sufficiency standards to ground other aspects of their work:

- ▶ 35% established job placement performance benchmarks or perform-

ance goals based on their "self-sufficiency" wage

- ▶ 25% conducted labor market analysis using their "self-sufficiency" wage to target jobs for placement
- ▶ 35% used their "self-sufficiency" wage to define job quality as a prerequisite for public investment

3. Utilizing Subsidy Accountability Techniques

Those boards that subsidize employers' training costs through the use of on-the-job training (OJT) or customized training agreements do set clear expectations about the number and/or wage rates of jobs to be created and do include contractual consequences—such as reduced reimbursement or recaptured funds—when hiring and/or wage goals are not met. Some of the activities captured by the survey include:

- ▶ 63% use job quality or job quantity standards with employers that receive WIB resources
- ▶ 59% establish consequences for employers that fail to meet wage or placement goals
- ▶ 50% made recommendations to a public economic development board or an elected official about economic development activity

High Road Strategies: Good for Boards, Good for Labor

The strategies that comprise the High Road Public Workforce Agenda are not only helpful to Workforce Investment Boards in meeting the requirements of the Workforce Investment Act, but they can assist labor and their allies to set higher community job standards. Some of the benefits include:

Benefits Under WIA

- ▶ Assist boards in strategic planning
- ▶ Identifies demand occupations and leading industry sectors
- ▶ Provide One Stops with better customer information on jobs, wages and career ladders
- ▶ Help engage service providers and to identify and invest in filling service gaps
- ▶ Provide a way to engage community stakeholders

Benefits for Labor and Allies

- ▶ Identify better paying jobs and industries for public system to support – jobs and industries that are more likely to be unionized
- ▶ Give unions a better understanding of the strengths and weaknesses of the regional economy
- ▶ Research can be used in organizing and bargaining

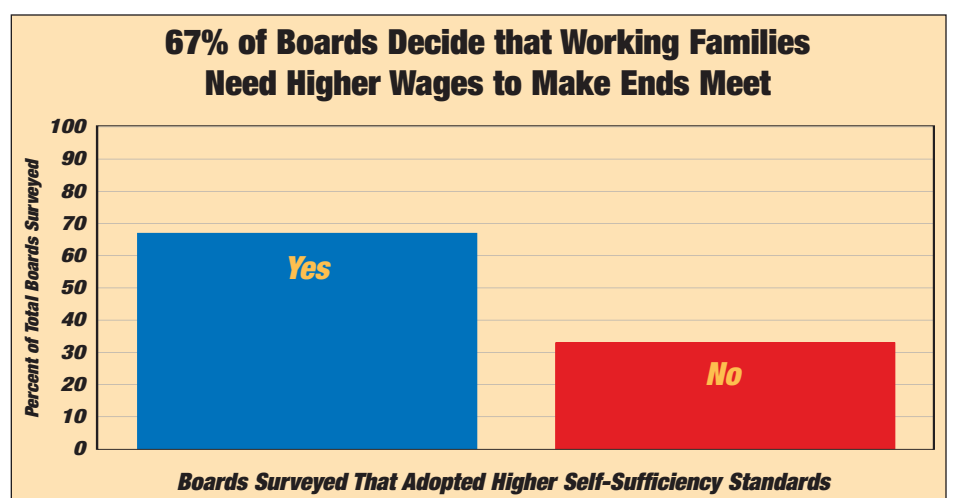
High Road Community Audits

Setting and Using Realistic Self-sufficiency Standards

- ▶ Provide the ability to assist low-wage workers in accessing to training
- ▶ Establish a performance benchmark to increase the connection between training and good wages
- ▶ Provide a counseling tool to help customers find and prepare for better-paying jobs
- ▶ Create more and better-trained workers who can make a community more attractive to employers
- ▶ Makes more workers—including union members in lower-wage industries—for assistance under WIA
- ▶ Increase public investment in higher-wage jobs, while making it more difficult for public funds to be used to support low-wage employers
- ▶ Provide an "official" standard of what it really costs to live and work in a community, building support for workers to get the skills to earn family-sustaining wages
- ▶ Once those standards are recognized, they can be used for bargaining

Subsidy Accountability

- ▶ Strengthen the connection between workforce and economic development and gives the workforce system a bigger voice in community decisions
- ▶ Discourage low-wage employers from applying for public subsidies
- ▶ Encourage better-paying employers to locate in the community
- ▶ Reduce public subsidies for low-wage employers
- ▶ Hold public system accountable for terms of subsidies (both in the number and quality of jobs created)
- ▶ Help taxpayers understand the cost/benefit ratios involved in government subsidies



High Road Agenda for Public Workforce Development

Taking Stock: Questions To Ask Your WIB

There are still numerous WIBs that have not yet explored the High Road Agenda for Public Workforce Development Strategies for serving workers and their region's better employers. That is why taking stock of where your local board is relative to the High Road is an important step for WIB labor representatives who are interested in advancing these strategies in their communities. If your board was not among those surveyed (see list on the Institute's website, www.workingforamerica.org), you may want to conduct your own survey to assess the extent to which your WIB uses the strategies covered in the report. A full copy of the survey is available as an appendix to the *Off to a Good Start* report, but an adapted set of questions that a Labor Representative, or other WIB member, may want to ask would include:

The Road Ahead

While the survey results indicate that WIBs are off to a good start in using their power to connect more job seekers to better jobs, there's still a great deal of work to do. Many of the high road policies and practices captured by this survey are encouraging first steps but need to be strengthened to have significant impact. Each tool is useful on its own, but even more useful when combined with either or both of the other two. Adopting these policies is only the beginning. Once these policies are in place, WIB members can utilize them to drive public investment, training opportunities, and job placements toward the high road—strengthening their communities by focusing on the quality, not just the quantity, of jobs.

The WAI report, entitled *Off to a Good Start: A Report on High Road Workforce Investment Board Policies and Practices*, is available on our website at www.workingforamerica.org.

On High Road Community Audits:

- Has our board conducted a community audit?
 - Is the standard being used for any other purpose (see examples below)?
 - Establishing performance benchmarks or performance goals
 - Conducting labor market analysis
 - Defining job quality for public investment?
 - Other _____
- Which of these components were included in the community audit?
 - Review of labor market information from public sources
 - Additional research on occupations and skills of the current workforce
 - Employer surveys
 - Worker surveys
 - Identification of skills shortages
 - Cluster analysis or sectoral audit(s)
 - Mapping career ladders
 - Asset mapping (identification of community resources)
 - Wage levels, measured against a self-sufficiency standard
 - Other _____
- How were the results used?
 - Strategic planning
 - "State of the Workforce" or other public report
 - To focus programs and resources on particular target populations (youth, workers coming off welfare, displaced workers, etc.)
 - To respond to the needs of particular employers
 - Other _____
- With whom have we shared the results?
 - Board only
 - One-stop operators
 - Local businesses
 - Other stakeholders (Was labor included as a stakeholder?)
 - Broad public release

On Setting and Using Realistic Self-Sufficiency Standards:

- Has our board adopted its own self-sufficiency standard as the threshold for employed worker eligibility for Intensive and Training Services under WIA (a wage rate other than the Lower Living Standard Income Level (LLSIL))?
 - If no:
 - Have we ever considered the adoption of such a standard?
 - Can we establish a subcommittee or workgroup to make recommendations on adopting a higher standard?
 - If yes:
 - What standard was adopted?
 - Has the standard been given to local One-Stop employment counselors to determine incumbent worker eligibility for services?
 - Is the standard being used in other ways in our One-Stop centers, such as a career counseling tool?
- Does our Board fund on-the-job training or enter into customized training agreements with area employers?
 - If yes:
 - Do we use contracts or other formal agreements with employers receiving funds that set clear expectations about the number and wage rates of jobs to be created?
 - Do those contracts have any consequences (such as reduced reimbursement or recapture of funds) if hiring and/or wage goals are not met?
- Does our WIB use any job quality standards for employers who receive funds from the board?
 - If yes:
 - How do we measure compliance with those standards?
 - Standard Reporting
 - Participant Interviews
 - Employer Interviews
 - Other _____
- Is the Board presented regularly with information about economic development decisions in the community?
 - If yes:
 - In what form?
 - General overview of publicly funded economic development activities
 - Specific review of those economic development activities that have workforce development components (eg., agreed upon job training, job creation, job retention, hiring preferences, etc.)
 - Review of subsidy packages
 - If no:
 - Can we make arrangements to have these presentations in the future?
- Has the board ever made a recommendation to a public economic development board or elected/appointed official about economic development activity, such as commenting on the quality of employment goals tied to an economic investment?
 - If yes:
 - What was the outcome of the recommendation?