

A SPECIAL REPORT

Fulfilling the Promise of the Workforce Investment Act:

A Survey of Labor
Representatives
on Workforce
Investment Boards

**ALSO INSIDE: A Summary of Listening
Sessions with Assistant Secretary
of Labor Jane Oates** *(SEE PAGE 4)*

NOVEMBER 2009

About the Survey

For many years, as part of its mission to encourage public workforce and economic development programs and policies to support a high road economy, the AFL-CIO Working for America Institute has conducted periodic surveys of Labor Representatives on Workforce Investment Boards. The current survey is an effort to update our understanding of these boards, to inform our work with WIB Labor Representatives and others and to provide valuable insights for future workforce policy.

During August 2009, the Institute sent the survey to 900 e-mail addresses of confirmed WIB Labor Representatives. Just over 400 WIB Labor Representatives responded to the survey electronically, including representatives from 47 states and the District of Columbia—a response rate of almost 45%. In addition to using e-mail, the Institute mailed the survey to the addresses of WIB Labor Representatives for whom we had no confirmed e-mail addresses.

As the Institute was completing its survey, labor-sponsored organizations in Pennsylvania and California were completing similar surveys for their states. The Pennsylvania survey is of special interest because this survey has reported results for the past nine years. We have included findings from the California and Pennsylvania surveys that relate directly to questions on the Institute's survey.

WIB Labor Representatives who answered the survey came from 43 international unions, bringing a wide range of industrial experience to the workforce development system.

About the Survey's Respondents

Given the survey response rate, geographic distribution of respondents, and number of responses received, the survey respondents are a representative sample of the full population of WIB Labor Representatives in the workforce investment network.

As with the total population of WIB Labor Representatives, survey respondents mostly serve on local boards (86%), though state WIB representation is significant (14%), approximately reflecting the actual distribution of WIB Labor Representatives on the local and state levels. Some representatives serve at both levels (4%). Most respondents on local WIBs reported that their WIBs serve urban, suburban and rural customers (54%). WIBs primarily serving either urban or rural customers were a distant second at 24%.

WIB Labor Representatives are experienced participants in the nation's public workforce system: 36% have served one to five years on their boards while 49% have served five years or more on WIBs or their predecessor organizations. The recent California survey found that one third of their WIB Labor Representatives had served three years or more.

Survey respondents illustrate the breadth of labor's commitment to economic and workforce development. WIB Labor Representatives who answered the survey came from 43 international unions, bringing a wide range of industrial experience to the workforce development system.

Executive Summary of Survey Results

In August 2009, the AFL-CIO Working for America Institute conducted a national survey of Labor Representatives who serve on the nation's 600 Workforce Investment Boards (WIBs) across the country. These boards are charged with making critical decisions on how to spend workforce development funds including billions of training funds under the Administration's new stimulus plan.

Out of 900 WIB Labor Representatives contacted by email, more than 400 from 47 states and the District of Columbia participated in the 37-question survey—a response rate of nearly 45%.

Among the survey's major findings:

Most WIBs do not give the interests of workers adequate representation. Most boards have two or fewer WIB Labor Representatives among as many as 20 to 40 members on each board. WIB Labor Representatives are not represented on most WIB executive committees that make the key decisions. According to the survey, 70 percent of the boards have 10 or more business representatives.

Many WIBs do not include the key actors in regional economies. Forty-four percent of WIB Labor Representatives said “no” or “don't know” when asked if a “major employer” is on their board. About one in three (31%) reported having a temporary agency as a business representative on their board.

Most WIBs are not true policy-setting bodies. The vast majority of WIB Labor Representatives (67%) reported that their boards approve staff decisions instead of being “deliberative policy-making” organizations. WIB Labor Representatives said it is difficult to recruit and retain strong board members when the boards are not involving their members in significant board activities.

Most WIBs focus primarily on reducing unemployment without sufficient attention to the quality of available jobs in the region. Only about 30% of WIB Labor Representatives reported that the main focus of their boards is “creating and retaining family-sustaining jobs and connecting workers to those jobs.” Almost half reported using on-the-job training funds primarily to subsidize low-wage work. Almost half answered “no” or “don't know” when asked whether an economic development agency is represented on their board. Collaboration between economic and workforce development is much less likely when there is no agency representative on the board.

Most WIBs do not take advantage of the labor-management training programs and union apprenticeship programs that can lead to family-sustaining careers. Only 35% of WIB Labor Representatives reported that their boards sought to support labor-management training programs and union apprenticeship programs, which are most likely to lead to long-term family-sustaining jobs.

Many WIBs could be more entrepreneurial in meeting the workforce development needs of the region. Half of all WIBs (50%) rely entirely on federal formula funds to accomplish their work, according to the survey.

For more details on the survey's findings, see page 7.

Listening Sessions with Assistant Secretary of Labor Jane Oates

WIB Labor Representatives express their views on reauthorization of the Workforce Investment Act.

During their conference calls with Jane Oates, WIB Labor Representatives wrestled with the question about what could be fixed in new legislation and what needed to be addressed through better training of board representatives or through more local activism.

In addition to conducting a national survey of WIB Labor Representatives, the AFL-CIO Working for America Institute hosted a series of listening sessions on the reauthorization of the Workforce Investment Act (WIA) with Jane Oates, Assistant Secretary of Labor for Employment and Training. The quotations from WIB Labor Representatives that appear later in this report were made during these sessions.

More than 70 WIB Labor Representatives from 32 states—and from a broad cross section of labor unions—participated in the three calls and webinars conducted on September 3, 4 and 21. The three calls included Labor Representatives from urban, rural and state Workforce Investment Boards. The Institute’s Executive Director, Nancy Mills, served as the moderator for all three calls.

The conference calls focused on three critical questions:

- 1. Is the WIA system serving workers?**
- 2. Is the system effectively linked to economic development?**
- 3. What changes do WIB Labor Representatives recommend for WIA reauthorization?**

In addressing the first two questions, many Labor Representatives emphasized that the WIA system tends to promote the placement of workers in the most readily available jobs in an effort to lower the unemployment rate. The system often fails to focus attention and resources on putting people into careers that truly contribute to self-sufficiency and to the higher earnings that the Act says is one of its major purposes.

WIB Labor Representatives also noted that many WIBs put little or no emphasis on economic development strategies and as a result these WIBs do not play a major role in leveraging community resources to attract high wage employers and prepare workers for high wage employment. WIB Labor Representatives also said that WIBs that do embrace economic development strategies are often more successful in addressing long-term workforce development needs.

Regarding their recommendations for WIA reauthorization, WIB Labor Representatives wrestled with the question about what could be fixed in new legislation and what needed to be addressed through better training of board representatives or through more local activism.

Here are some key recommendations that the Labor Representatives made on the calls—many of which are also reflected in the survey findings:

Focus on Preparation for High Wage Jobs: WIB Labor Representatives noted that WIA training funds are frequently oriented toward low-end jobs. There are insufficient resources available for training. Proprietary schools and community colleges too

often enroll people who are not ready for the training provided. Training is offered when there are no jobs available once training has been completed. The programs receive payment when the courses are over, regardless of whether participants obtain employment.

Establish More Uniform Standards: There is no standardization among WIBs across programs. Policies vary from one WIB to another. There is too much decentralization in the system. During all three calls, Labor Representatives were supportive of more uniformity and stronger standards. In measuring success, greater emphasis should be placed on high quality job placements. When the quality of a placement is calculated, the measurement should include the value of fringe benefits offered by employers.

Strengthen the Voice of Workers on WIBs: Two labor representatives often are not sufficient to represent the concerns and needs of workers, especially on boards with ten or more business representatives who strongly support low wage jobs. Labor Representatives tend also not to be included on the Executive Committees of their WIBs.

Expand Role of Major Employers: In many communities the major employers are not represented on WIBs, and as a result these employers are not being engaged on important workforce development issues.

Emphasize WIB's Policy Making Role: Some WIBs tend to rubber stamp the decisions of staff, rather than serve as deliberative and policy-making bodies.

Include Apprenticeship: Often, there is a lack of alignment between apprenticeship programs and WIBs.

Increase Support for Incumbent Worker Training: At this time, incumbent worker training is only supported by funds from the state level. WIB Labor Representatives see a need to provide greater support for incumbent worker training and to integrate this into local WIB activities.

Improve Rapid Response: We need more coordination at the state level and more flexibility to enroll participants before their actual layoff.

Increase WIA Funding: As the basic infrastructure of WIA, the public employment system needs to obtain greater federal resources. Local offices are challenged in providing services without additional funds.

Improve Outcomes for Women and Minorities: We need greater direction from the federal government on the importance of training that targets women and minorities to help move them into high skill jobs with a career path. More leadership is required on this issue.

WIA In Brief

The Workforce Investment Act (WIA) seeks “to provide workforce investment activities, through statewide and local workforce investment systems, that increase the employment, retention, and earnings of participants, and increase occupational skill attainment by participants, and, as a result, improve the quality of the workforce, reduce welfare dependency, and enhance the productivity and competitiveness of the Nation.”

Source: WIA Subtitle B, Section 106. Purpose.

Overview of the Workforce Investment Act

The Workforce Investment Act (WIA) plays a key role in the nation’s employment and training system. The 1998 Act made four significant changes to the preceding statute, the Job Training Partnership Act. The current legislation does the following:

- ▶ Provides goals and measures for the system, including the target that workers “obtain or retain employment that allows for self-sufficiency” (Sec. 134 (d) (3) (A).
- ▶ Consolidates a variety of workforce training funding streams into three eligibility categories—adult, dislocated workers and youth.
- ▶ Creates a network of one-stop career centers that goes beyond connecting unemployed people with job openings and links these functions with more activist labor market strategies and economic development policies, programs and investments.
- ▶ Mandates a new set of governance structures to oversee the system and to increase the role of the “demand side” in workforce policy. These new structures—state and local Workforce Investment Boards (WIBs)—coordinate workforce investment activities as part of local and regional economic development strategies (Workforce Investment Act, Section 117(d)7).

As a result, the Act’s mandate extends well beyond connecting job seekers to existing job openings. Utilized to the fullest, the Act creates unique opportunities to promote high-wage economic and workforce development strategies. The mission of the AFL-CIO Working for America Institute includes promoting these positive outcomes and providing resources to achieve these goals. (See “Action Brief: Self-Sufficiency & Good Jobs” at <http://www.workingforamerica.org/actionbriefs/PDF/SelfSufficiency.pdf>).

The Act also clearly provides organized labor with a special role in the workforce investment system. WIB Labor Representatives, by law, have at least two seats on each Workforce Investment Board. The statute itself refers to *representatives*, plural, and the final Department of Labor rules state: “the context of the WIA section 111 and 117 indicates that the term ‘representatives’ was intended to mean two or more” (Federal Register, Workforce Investment Act Final Rules, August 11, 2000).

WIB Labor Representatives are a voice for customers of the system. They are experts in their industries. And they can play a critical role in promoting economic success among incumbent workers, job seekers and youth. This “big picture” role for WIB Labor Representatives has been encouraged through the representative selection process and through years of technical assistance by the Working for America Institute and other groups. (See, for example, “Labor in the Boardroom: A Nominating Guide for Labor Federations” at http://www.workingforamerica.org/documents/PDF/Rock_LaborRep.pdf).

The Act also promotes collaboration among key stakeholders including representatives of business, labor and government to address both workforce needs and economic development. This is explicitly required in Section 117(d)7, which directs local boards to coordinate workforce investment activities with economic development strategies.

Survey's Major Findings

Here are the six major findings from the survey of WIB Labor Representative which the AFL-CIO Working for America Institute conducted in August 2009.

1. Most WIBs do not give the interests of workers adequate representation.

The Workforce Investment Act requires that each local board have at least two WIB Labor Representatives. Nevertheless, seven percent of respondents report being the only Labor Representative on their boards. About half of WIB Labor Representatives (49%) reported serving with one other Labor Representative, the minimum required by the Act. The remaining 44% of respondents serve with two or more WIB Labor Representatives. WIB Labor Representatives consistently call for greater labor representation on these boards. California has a unique state requirement that 15% of their local board membership must be labor-affiliated. The recent survey by the California AFL-CIO Workforce and Economic Development program found that only half of the WIB Labor Representatives surveyed believed their board was meeting this requirement. Furthermore, over 60% of the responders to that survey thought that the 15% requirement was too low.

WIBs are often large. The scale of local boards is perhaps not surprising given the requirements for representation. The Act states that these boards “shall require, at a minimum” representation from business, education, labor, community-based organizations, economic development agencies and each partner in the area one-stop center (Section 117 (s)). Over 67% of the boards described by WIB Labor Representatives have 20 to 40 members. And 70% of the boards have 10 or more business representatives.

Most WIB Labor Representatives reported that their boards meet at least every three months (78%), with a subset of those (18%) meeting once a month or more. Discussions with survey respondents following the survey revealed that some boards are not meeting often enough to be effective. The worst case example was that of a local board that met only once one year—for a Christmas party. Most boards create an Executive Committee (87%) and 71% of those committees meet at least once every three months. Unfortunately, more than half of the WIB Labor Representatives (54%) reported that no WIB Labor Representatives served on the Executive Committees of their WIBs.

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Most WIBs create subcommittees. The vast majority (83%) has a Youth Committee and 50% have a Dislocated Worker Committee. A very small portion of the boards get by without any formal subcommittees (5%). As with Executive Committees, labor participation in these committees varies. Roughly one in three representatives (30%) do not serve on any formal committee, with 24% serving on Youth Committees and 5 percent on Dislocated Worker Committees. The Pennsylvania survey asked a deeper question about subcommittees and labor participation: “Are any WIB committees presently chaired by Labor members?” That survey found that only 8% of Pennsylvania WIB Labor Representatives were serving as committee chairs in the most recent year. This percentage is down significantly from the seven-year average of 28% of respondents having served as committee chairs at some point.

In California all WIBs are mandated to have 15% labor representation. This helps to address some of the composition issues that WIB Labor Representatives are facing in other states.

—Tom Ryan,
San Francisco, CA

I think we really need to fix the system at the top so we can attract more employers, better employers and higher-wage employers (on the WIBs). Without employers, we can't grow. And that's why we need help from Washington—to help us open things up in Indiana. Two labor folks on our state WIB can't do it alone.

—Cathy Metcalf,
Indianapolis, IN

Our WIB's Executive Board makes all the key decisions. They meet once a month while the full board meets only quarterly. This needs to change.

—Raelene Brown,
Stanislaus County, CA

2. Many WIBs do not include the key actors in regional economies.

It is essential to the mission of the WIBs that employer representatives be significant actors in the labor market area served by the WIB. This is vital because of the ability of employers to both shape outcomes and inform discussions about business needs. Slightly more than half the respondents (56%) reported that the employers on their boards are “major employers in the region covered by the WIB,” leaving 44% who say they are either unsure or do not believe that employer representatives on their WIBs are significant actors in the labor market. Moreover, 31% of WIB Labor Representatives reported that temporary-help agencies serve on their boards as employer representatives. Most boards (55%) include at least one unionized employer. The vast majority of the boards include nongovernmental agencies (72%) and government agencies (73%), suggesting that the tripartite vision of business, labor, and government informing decisions is at least possible given the representation on most of these boards.

Another key element to the success of the Workforce Investment Act is a strong collaboration between economic development agencies and workforce development

Almost half of the WIB Labor Representatives surveyed (47%) told us that no economic development agency participated on their boards.

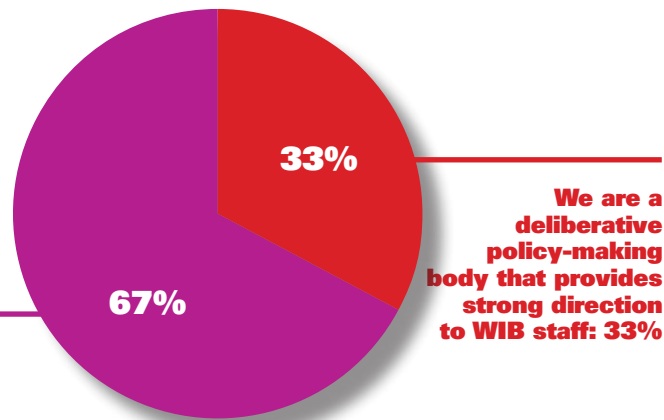
efforts. The Act requires that WIBs include organizations “regulating, promoting, or assisting in local economic development.” An important indicator of success toward this collaboration would be the formal incorporation of economic development agencies into membership of a Workforce Investment Board. Our survey reveals that this kind of integration may be rare. Almost half of the WIB Labor Representatives surveyed (47%) told us that no economic development agency participated in their boards or that they were not sure whether such an agency was involved. Labor Representatives also expressed concern about the prevalence of representatives from temporary help agencies serving on the WIBs because representatives of these agencies tended to emphasize job placement over training and focused primarily on expanding the low-wage labor market.

3. Most WIBs are not true policy-setting bodies.

The survey found that many boards do little more than approve what staff members propose. When asked whether their WIB is “a deliberative, policy-making body that provides strong direction to WIB staff” or is “primarily an authorizing body that reviews and approves decisions by WIB staff,” WIB Labor Representatives overwhelmingly described their boards as approving actions proposed by staff (67%).

Pennsylvania's survey addressed this issue in a slightly different form. The survey asked whether there are “any WIB policy decisions made in executive session without the full input of the entire body.” Twenty-five percent of the Pennsylvania Labor Representatives reported that that happened on their boards.

Which one of the following two statements characterizes the nature of your Board's deliberations and operations?



We are primarily an authorizing body that reviews and approves decisions presented by WIB staff: 67%

We are a deliberative policy-making body that provides strong direction to WIB staff: 33%

4. Most WIBs focus primarily on reducing unemployment without sufficient attention to the quality of available jobs in the region.

To explore the linkage between economic and workforce development, the survey gave representatives three options to describe the main focus of their boards. Thirty-nine percent reported that “improving overall economic development and lowering the unemployment rate” represented the main focus of their boards. Another 33% reported that “connecting job seekers to jobs” is the main focus of their WIBs. Only 30% reported that “creating and retaining family-sustaining jobs and connecting workers to those jobs” is the main focus of their WIBs. The Pennsylvania survey

Forty-six percent of WIB Labor Representatives reported that their WIBs use on-the-job training funds “mostly to subsidize training for minimum or low-wage employment.”

approached this issue with different language. Pennsylvania’s survey asked whether the WIB policy encourages “community-supporting, high quality jobs.” Only 42% of Pennsylvania’s WIB Labor Representatives said “yes.”

WIB Labor Representatives reported that most boards (55%) work with a broad cross section of employers in their regions, but 15% reported working “mainly with lower paying employers in the region.” The connection between WIBs and low-wage employers is even stronger when on-the-job training (OJT) funds are reviewed. Forty-six percent of WIB Labor Representatives reported that their WIBs use OJT funds “mostly to subsidize training for minimum or low-wage employment.”

Too often we see WIBs functioning as a job bank rather than as an engine for economic development... WIBs should develop industry partnerships in important targeted sectors and focus on promoting and developing quality work skills and competitive companies.

—Tom Mathews,
Harrisburg, PA

WIB Labor Representatives & One-Stop Job Centers

The private and nonprofit sectors play a major role in managing the One-Stop job center system. Slightly more than half (51%) of the WIB Labor Representatives told us that their one-stop is managed by public employees. But only 35% said that their one-stop was under private contract. The fact that “other” was an important answer (14%) suggests that the management of one-stops is a complicated issue that deserves more research.

The Workforce Investment Act makes an important distinction between “core” and “intensive” services. Core services focus on eligibility determination, skill assessments, job search and placement services, labor market information and collection of performance measures. Intensive services include interventions such as specialized skill assessments, development of employment plans and training. The distinction is important because most of the services relating to higher earning potential are accessed through certification for intensive services.

WIB Labor Representatives are interested in receiving more information about client certification issues. However, when asked how well they understood the process and policies that their particular One-Stop uses to certify clients for core or intensive services, most WIB Labor Representatives admit to having no or only a basic understanding (68%) of the process.

I see a lot of the same vendors always getting the same training contracts and I believe that is one reason why apprenticeship can't break into the system. Many of the “preferred” training programs seem to be training for the sake of training...Whoever receives the training contracts should be paid for performance and not merely activity.

—John Gaal,
St. Louis, MO

5. Most WIBs do not take advantage of the labor-management training programs and union apprenticeship programs that can lead to family-sustaining careers.

We asked about the relationship between WIBs and training providers. Most WIBs seek out training providers with a good reputation among employers (63%), but a much smaller percentage (35%) seek labor-management training programs and union apprenticeship programs—the programs most likely to be able to link job seekers to family-sustaining jobs. Another important relationship is between WIBs and rapid response teams that help dislocated workers. The survey found that 64% of WIBs coordinate their efforts with rapid response teams.

6. Many WIBs could be more entrepreneurial in meeting the workforce development needs of the region.

The survey also found that WIBs could be more engaged and creative in seeking additional funds. Half of all WIBs (50%) rely entirely on formula funds to accomplish their work. Most (58%) apply for and sometimes receive private or public grants to supplement their formula money. Nevertheless, it appears that board members—or at least WIB Labor Representatives—are not actively engaged in the pursuit of those additional resources. The distribution of information about grant opportunities to WIB members suggests that opportunities are being missed. Only about one-third (32%) of WIB Labor Representatives receive notice about grant solicitations as soon as they are promulgated despite the fact that these board members may have relationships with entities who might be interested in partnering with the WIB on some of these opportunities. A larger group of representatives (45%) hear about grant options only when the WIB staff members are applying (29%) or when the WIB has been awarded a grant (26%).

The fact that board members receive limited information about grant opportunities is part of a much larger concern about information flow within these boards. The Workforce Investment Act includes extensive language about performance measurement and accountability. Yet, without a mandate for more timely and comprehensive information, WIB staff are providing only basic information to WIB members and not uniformly. WIB Labor Representatives are likely to receive the information required by the Workforce Investment Act in terms of graduation, placement rates, and wages (78% report receiving this information regularly). However, only 37 percent receive information that helps them evaluate progress toward self-sufficiency wages. As noted previously, self-sufficiency wages not only represent a key eligibility criterion, but also are an important measure of worker success. Progress toward this important goal cannot be evaluated without explicit measurement.

Conclusion

The survey of WIB Labor Representatives reveals six related issues to address in the next redesign of workforce development policy—improve the balance between business and labor on these boards; ensure that boards include key regional economic actors; encourage boards to be deliberative bodies; promote greater attention to economic development and wage growth; put greater emphasis on labor-management and apprenticeship programs; and educate the boards about additional outside funding.

These issues are connected. Improving the stature, function and operation of workforce boards may require action on several fronts. The Workforce Investment Act is an essential tool for promoting a high-wage economic future. The promise of new legislation that would replace the current Act can only be realized with strong labor and management participation on truly deliberative boards. Under a new mandate, these boards could pursue strategies and programs that prepare and advance the clients of the system and move them into jobs that will promote their self-sufficiency.

In Ohio, employment services provide the infrastructure for our public workforce system and the Wagner-Peyser Act is actually the glue that's not only helped us maintain the one-stop structure but it also has become a critical link to the state unemployment insurance system. .

—Bruce Wyngaard
Westerville, OH

One of the positive things our WIB has done is to bring together the local building trades' council, the local economic development council, the community colleges, various community organizations and also the labor management workplace education program.

—Maureen Carney,
Springfield, MA



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Created in 1998 as the successor to the AFL-CIO Human Resources Development Institute, the Working for America Institute is a union-sponsored, non-profit organization that has made significant progress in articulating a vision of a high road economy that competes in today's global marketplace on the basis of innovation, quality and skill rather than on low wages and benefits. Much of the Institute's work focuses on helping workers and employers succeed by creating sector-based high road partnerships among employers, unions, government agencies and community organizations.

This special report was prepared under Grant No. EA-17004-08-60-A-11 from the Employment and Training Administration, U.S. Department of Labor.
