



# **The Workforce Investment Act (WIA) in Arkansas:**

## **An Assessment of Performance and a Vision for the Future**

**A R K A N S A S**  
**Working  
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PROJECT**

*A project of the Good Faith Fund and  
Arkansas Advocates for Children & Families*



## Executive Summary

### ***Introduction***

In the wake of the Arkansas Supreme Court decision on the Lake View school funding case, state policymakers have engaged in a vigorous debate on public education reform. Early childhood and K-12 education in particular are being closely examined. But what is missing in this debate is that part of the state's education system that provides educational opportunities for adults who are or want to be in the workforce. This part is often called workforce development.

Workforce development is a critical component of the state's education system for two reasons. First, it is key to providing a continuum of lifelong learning opportunities for all Arkansans, which the Lake View decision called for. Second, if the primary goal of education reform is to improve the skills of the state's workforce and raise incomes across the state, educational opportunities for adults, the population served by workforce development, are critical. In 20 years, the state's current workforce, adults 25 and over, will still represent about half of the state's workforce.

This report is aimed at generating appropriate interest in workforce development while there is an historic opportunity for education reform in Arkansas. It is the first in a series of reports that will examine the education and training opportunities for the adult workforce, especially low-skilled adults whose need for better skills is the greatest, and generate ideas for improving such opportunities. Subsequent reports will examine other parts of the workforce development system, including community colleges and technical institutes, and adult education.

### ***Meeting the Needs of Employers and Workers***

This report and those that follow will examine and evaluate the various components of Arkansas' workforce development system using a simple question: how well are the workforce development needs of workers and employers, the two primary constituencies of workforce development, being met? These needs and evidence supporting them are detailed in the report. The needs are based on research and Good Faith Fund (GFF)'s experience as a successful provider of workforce training services to employers and workers in the Delta region of Arkansas. The needs of employers include: workers with industry-specific skills, soft skills and few employment barriers, and few hassles in procuring such workers. The needs of workers include: more education and training, access to financial aid, and help with addressing common employment barriers such as child care and transportation. An additional evaluation criterion is how well these needs are being matched, which is critical because the needs of employers and workers are not mutually exclusive.

### ***An Assessment of WIA in Arkansas***

This report provides an assessment of how well the workforce development needs of employers and workers are being met by the Workforce Investment Act (WIA) and its system of workforce centers across the state. WIA is a key workforce development program, especially in terms of providing education and training opportunities to low-skilled, low-income Arkansans.

An analysis of the available data on WIA performance reveals several key findings:

### **The System**

- Only a few workforce centers have established partnerships with organizations that are not mandated by WIA to be workforce center partners, which suggests not enough strategic partnerships are being created to address the range of barriers workers often face in completing training and getting and keeping a job.
- Local workforce centers are experiencing problems establishing and maintaining their mandated program partnerships.
- Many local workforce investment boards (WIBs) are not proactively marketing their services to employers.
- Local WIB Individual Training Account (ITA) policies vary greatly with regard to total dollar amounts, uses of funds, and eligibility.

## **Expenditures**

- Local WIBs spent an average of only 42% of PY 2000 funds, and there is great variation in spending across categories of workers and services by local WIBs, especially with regard to training services. Some WIBs spent 62% of all funds on training while others spent only 13%.
- Most WIBs are spending very few funds on customized training and incumbent worker contracts, and virtually no funds on on-the-job training (OJT) contracts, all of which are valuable training options for engaging employers.
- The total number of ITAs awarded and the total amount of money spent on ITAs varies greatly across local WIBs.<sup>1</sup>

## **Performance Indicators**

- In PY 2000 local WIBs, on average, met 52% of their adult and dislocated worker performance indicators, with some local WIBs meeting almost all of their indicators and other local WIBs meeting only one or two indicators.
- The performance indicator that proved easiest to meet was the “entered employment” indicator, suggesting most local WIBs are having success helping workers find jobs.
- The performance indicators that proved hardest to meet were the employment “retention” indicator, suggesting too many workers are not keeping the jobs they find, and the “credential and employment” indicator, suggesting that too many workers who received training services are not receiving recognized skill credentials and finding a job.
- Adults and dislocated workers who received training services as opposed to core or intensive services, which typically are non-training services, reported higher earnings change, suggesting there are notable benefits to investments in training.

## **Customer Satisfaction**

- The Arkansas WIB Customer Satisfaction Survey, another WIA performance measure, revealed satisfaction below benchmark levels among employers who had used WIA services, but satisfaction above benchmark levels among workers who had used WIA services.
- GFF’s survey of employers, which was intended as a supplemental measure of WIA performance, suggests that many employers are not aware of their local workforce center, and of those that are, most are not using their center to obtain skilled workers.
- GFF’s survey of workers who received WIA services at several workforce centers across the state suggests that most workers are receiving job search help and that some workers may not be getting the training they want or need.

## **Recommendations**

Based on the above findings, the report makes the following recommendations to enable WIA to meet the workforce needs of employers and workers in Arkansas.

**Spend the Funding that is Allocated.** Although carryover funds from previous years may partially explain why local WIBs on average spent less than half of their allocated money for PY 2000, given the clear need to improve the skills of the state’s workforce, this money must be spent and spent effectively. The state should consider enacting policies that establish consequences for this kind of underperformance.

**Increase Local Funding for Training.** Given the clear need for and benefits of training, local areas should be encouraged to consistently spend more of their funding on training, for all worker categories, so that workers in every part of the state have access to training.

**Make Training Easier to Access for Workers and Directed to Those Who Need It Most.** To create easier access to training services, local WIBs need to simplify and streamline their eligibility policies and practices. They also need to establish policies that target training funds, when limited, to those workers that need it the most.

**Adopt Proven Practices for Effective GED and Other Adult Education Services.** Given the need for GED and other adult education services, local WIBs should study and implement proven practices for providing effective adult education training. Ideally

adult education training should be quick but thorough and linked to a clear career path of employment or advanced training. Models for such practices exist and should be studied and implemented.

**Create Greater Access to Supportive Services.** Given the importance of supportive services such as child care and transportation to helping workers, particularly those with low-incomes, both complete training and succeed in a new job, local WIBs should establish policies and strategic partnerships with other organizations that expand access to supportive services.

**Study Best Practices for Workforce Center Partnering.** An absolutely critical issue in the future success of WIA is effective local workforce center partnering—without it centers simply will not have the resources necessary to effectively achieve their mission. Best policies and practices in effective partnering, both with mandated and non-mandated partner organizations, need to be studied and implemented.

**Study and Improve Job Retention Rates.** WIA is not helping workers nor employers by helping individuals get jobs they do not keep. To improve job retention rates, the causes of current low retention rates need to be understood and addressed.

The remaining recommendations are strategies for making WIA a more employer-driven program. Employer involvement is perhaps the most critical issue in the long-term success of WIA because training that targets the specific skill needs of employers and real job opportunities for workers, better serves the needs of both groups.

**Reach-out to Employers More Proactively.** Local WIB strategies to involve employers should be more proactive and better designed to provide services that meet the individual workforce needs of local employers. In particular, WIBs need to make better use of the OJT and customized training contracts, which are well-suited to providing employer-specific training.

**Make Training Easier to Access for Employers.** To enable more employer-driven training under WIA, local WIBs need to simplify and streamline their policies and practices relevant to providing employer-specific training. In particular, training service eligibility policies and policies specific to the processes for OJT and customized training contracts need to be simplified. Best practices on how local WIBs in Arkansas and elsewhere have streamlined policies and practices to provide industry-specific training need to be studied and disseminated.

**Better Connect WIA to the Two-Year Colleges and Technical Institutes.** A better connection to Arkansas' two-year colleges and technical institutes will enable WIA to begin to build a rapport with a significant base of employers who are using the schools for industry-specific training, and begin to play an important role in the state's overall industry training efforts. In particular there are state funding gaps for certain kinds of industry training that WIA could help fill. In this way a better connection would benefit the schools as well, who with WIA help could provide more of the industry training that state employers want.

**Encourage Sectoral Employment Strategies.** Another way to involve employers would be to encourage what are called "sectoral employment strategies". Such strategies are essentially a more comprehensive form of industry-specific training that is more permanent in nature, includes multiple employers, and places greater emphasis on worker retention and career path development. Research shows these strategies to be more effective on a variety of outcome measures than traditional workforce development programs. The Arkansas WIB should support a sectoral demonstration grant program for local WIBs or otherwise encourage sectoral employment strategies.

**Encourage Community Audits and Other Strategic Planning at the Local WIB Level.** To begin identifying industry sectors in which to promote sectoral employment strategies, local WIBs should conduct so-called "community audits." The U.S. Department of Labor (DOL) is funding pilot "community audits" in several local areas across the country. Community audits are strategic planning tools for identifying industry sectors with growth potential and the specific skills, occupations, and career ladder options within such sectors. These audits also can be used to gather other detailed labor market information to help develop training and to identify or map the assets in a community that are available to support workforce development activities. Community audits are a powerful planning tool for creating an effective, integrated, regional workforce development system.

# The Workforce Investment Act (WIA) in Arkansas: An Assessment of Performance and a Vision for the Future

## Introduction

### ***Striking While the Education Reform Iron is Hot***

Arkansas is in the midst of a debate over reforming major parts of its educational system. In particular, state policymakers are considering strategies for improving K-12 and early childhood education in the wake of the Lake View school funding decision.

What is missing is an interest in improving that part of the educational system that provides opportunities for adults who are already or would like to be in the workforce. This part of the system, often referred to as workforce development, helps those people who are stuck between the K-12 system and college—people who may or may not have completed high school but who need to improve their skills, continue their education, and advance their careers to achieve a family-supporting income.

Many people in Arkansas fit this profile. They represent the majority of the state's workforce now and will do so well into this century. In 20 years, the current workforce in Arkansas will still represent almost half of the state's workforce.

According to 2000 Census data, 23% of adults aged 25 and older have less than a high school diploma, 58% have a high school diploma or less, and 79% have less than an Associate's Degree. Comparing these education levels to the educational requirements of the state's fastest growing occupations, particularly those that pay relatively high wages, demonstrates convincingly that a better future is beyond the reach of most Arkansans unless they can improve their education and skill levels.

Given this reality, it is surprising that state policymakers are neglecting workforce development as they debate improving the state's education system. What makes this oversight even more perplexing is that the skills of the existing workforce are key to any serious effort to boost economic growth and improve incomes and upward mobility throughout Arkansas, which many state policymakers have suggested are the ultimate goals of the education reform efforts currently underway.

This report is aimed at generating greater interest in workforce development while the education reform iron in Arkansas is hot. It is the first part of a larger research project by the Good Faith Fund (GFF) intended to bring attention to education and training opportunities for the adult workforce, especially low-skilled adults whose need for better skills is the greatest, and generate ideas for improving this critical aspect of the state's education system.

### ***GFF's Policy Project on Workforce Development in Arkansas***

The larger research project of the Good Faith Fund has two main goals: 1) assess what is working and not working well within Arkansas' workforce development system, and 2) based on that assessment, provide policy options for expanding those aspects of the system that are working and changing those that are not. The project will produce a series of reports that focus on the different parts of the workforce development system, including the Workforce Investment Act (WIA), adult education, technical institutes and community colleges, and TANF and Transitional Employment Assistance (TEA).

Recognizing that these parts of the workforce development system are, or at least should be, interconnected, the reports will examine their coordination or lack thereof. This first report examines WIA.

The assessment of how well Arkansas' workforce development system is working will be based on the extent to which the system is meeting the needs of two primary constituencies—employers and workers. This report will briefly outline the needs of employers and workers, based on research and GFF's experience as a successful education and training provider. It will also provide a description of the WIA system, analyze how well WIA is meeting the needs of employers and workers, and provide recommendations for enabling WIA to better meet these needs.

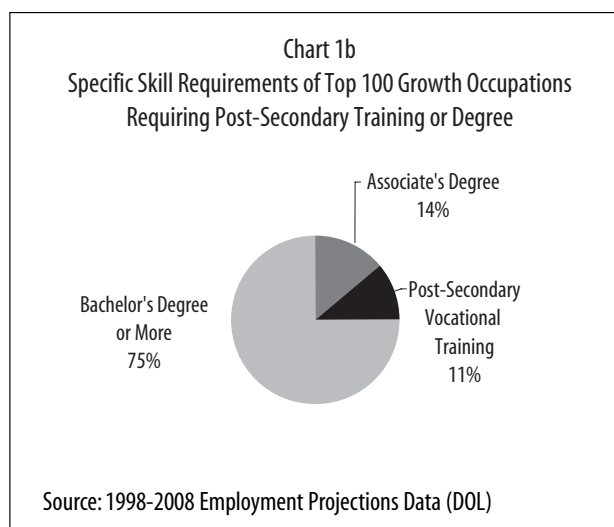
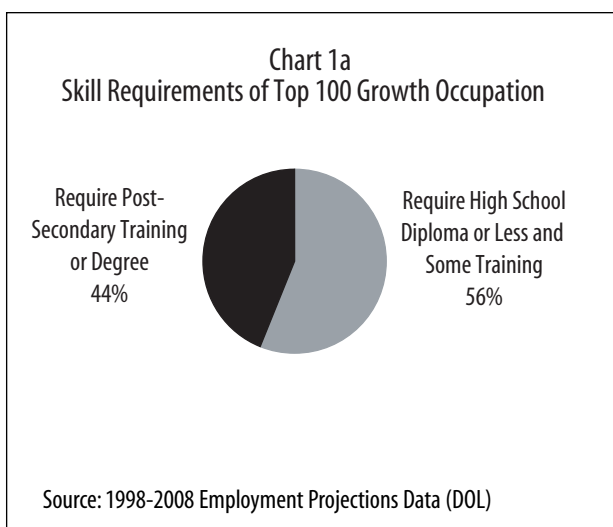
## Needs of Employers and Workers<sup>2</sup>

### The Needs of Employers

**Skilled Workers.** The primary need of employers in today's rapidly changing and global business environment is staying competitive. Because skilled workers are key to business growth and competitiveness, workers with adequate levels of education and training and basic employability skills are a constant concern for many employers, in both good and bad economic times. For example, despite the current economic slowdown, a recent survey by the National Federation of Independent Business found that 71% of employers had difficulty finding qualified workers. Two-thirds of these employers had to go without needed employees, and half said they had to limit production or turn away business.<sup>3</sup>

Moreover, inadequate population growth and an aging workforce will help to ensure that the need for skilled workers stays constant. By 2028 job growth is estimated to exceed population and labor force participation growth by 20 million jobs. On top of that, the workforce is aging and will be retiring at significantly higher rates in the next 30 years. By 2028, two-thirds of the workforce is expected to be over 35 years old.<sup>4</sup>

Occupational demand projections for 1998-2008 from the U.S. Department of Labor (DOL) provide one quantitative measure of the need for skilled workers in Arkansas. As Chart 1a shows, almost half of the top 100 growth occupations in the state require post-secondary training or a degree. The other half require some level of on-the-job training and often a high school degree. A breakdown of the specific training requirements for the occupations requiring post-secondary training or a degree is provided in Chart 1b. Three-quarters of these occupations require a Bachelor's Degree or more.



It is important to keep in mind, however, that these projections only capture part of the potential demand for skilled workers. Awareness among policymakers is emerging that a skilled workforce is a key factor in business location and expansion decisions. Accordingly, an abundance of skilled workers could make Arkansas an attractive location for employers from all over the world.

In addition to technical or academic skills, employers are also looking for workers with what are commonly called "soft skills." Such skills include a willingness and ability to learn; punctuality and other basic work-related skills; an ability to work in a team and communicate; and an ability to think critically and analyze and solve problems.<sup>5</sup>

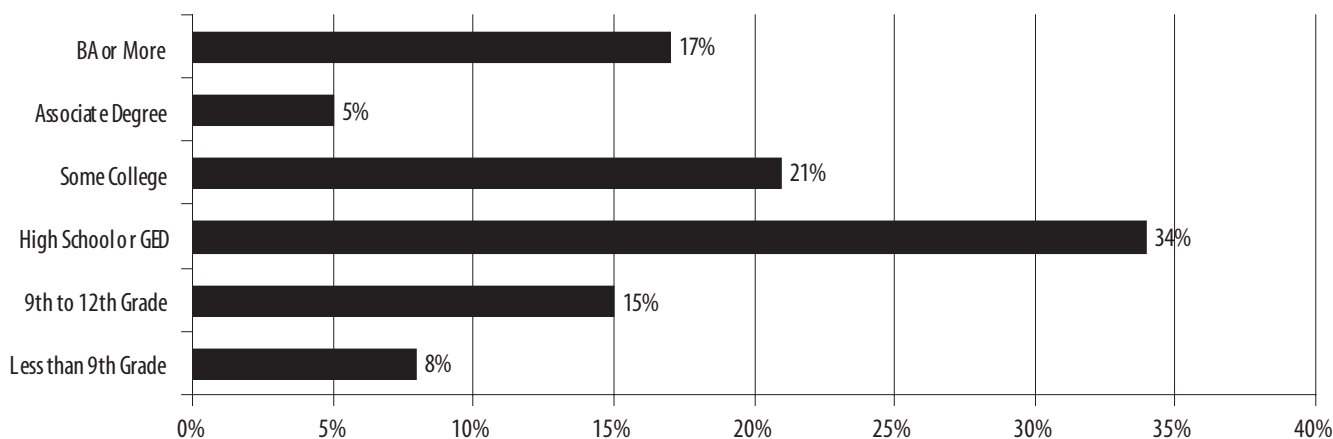
In addition to skills, employers also want workers with few or manageable "barriers to employment" —problems that prevent workers from being successful employees despite adequate education and training. Such barriers include access to housing, child care, transportation, substance abuse, and physical and psychological distress.

**Limited "Red Tape."** Few hassles are another need of employers when working with workforce training and education organizations.<sup>6</sup> Excessive paperwork, processes, and rules often translate into too much time being spent away from core business activities. This tendency to require too much time explains employers' reluctance to get involved in workforce development activities that could benefit their business. The costs simply outweigh the benefits. GFF attributes part of its success at providing businesses with skilled workers to a "hassle-free" partnership that serves the corporate interests of the employers and respects their time constraints.

**The Needs of Low-Skilled Adult Workers**

**More Education and Training.** The primary need of low-skilled workers is more education and training. Chart 2 shows that 23% of adults aged 25 and older have less than a high school diploma, 58% have a high school diploma or less, and 79% have less than an Associate's Degree. Moreover, statistics on the number of years of schooling can be misleading because the actual functional levels of many adults are often lower than that suggested by the number of years of schooling completed. For example, GFF has found many high school graduates to have functional levels of 9th grade or lower.

Chart 2  
Educational Attainment of Adults 25 and Older, 2000



Source: Census 2000 Supplementary Survey, June 28, 2001

These facts indicate that a range of educational services is needed, from adult education and GED preparation to post-secondary training. Basic literacy and ESL must also be included given the surging growth in our state's Spanish-speaking population. Census data indicate that the Spanish-speaking population in Arkansas increased by 337% or about 67,000 people between 1990 and 2000.<sup>7</sup> Part of the challenge facing training providers is creating programs that can accommodate these various low levels of preparation or skill and linking these programs to other programs higher on the education or skill-attainment continuum, ideally two- and four-year degree programs. GFF deliberately created its training programs to play this mediating role.

When educational attainment levels are compared to the skill requirements of the state's high-growth occupations, particularly those that pay a "Family Income Standard (FIS)" wage, which is quantified in Table 1a, the education and training deficit facing the majority of Arkansas' adult workers is severe.<sup>8</sup> As Table 1b shows, of the 64 growth occupations in Arkansas that pay over \$10.59 an hour, adults with a high school education or less, which represent 58% of the state's adult population, are only qualified for 25 (or 39%) of those occupations. Of the 45 growth occupations that pay over \$13.51 an hour, the same adult population is qualified for only 24% (or 11) of those occupations. (See Appendix A for a complete list of the top 100 growth occupations in Arkansas that pay FIS wages). *Clearly, improving incomes in Arkansas is highly contingent upon improving the education levels of a majority of the state's workforce—who, by the year 2020, will still represent over half of the state's workforce and primary income earners.*<sup>9</sup>

Table 1a  
Arkansas Family Income Standard

Family Type	Annual FIS	Hourly FIS
1 Adult/1Child	\$18,805	\$8.90
2 Adults/1Child	\$22,372	\$10.59
1 Adult/2 Children	24,833	\$11.76
2 Adults/2Children	28,541	\$13.51

Source: Making it Day to Day, Arkansas Advocates for Children and Families, 1999.

Table 1b  
Mismatch Between High Growth Occupations That Pay FIS Wages and Skills of Workforce

	Top 100 Growth Occupations	Percent of Those Occupations for Which Workers With a High School Diploma or Less Qualify
Occupations Paying \$8.90 or Higher	77%	45%
Occupations Paying \$10.59 or Higher	64%	39%
Occupations Paying \$11.76 or Higher	54%	28%
Occupations Paying \$13.51 Higher	45%	24%

Source: 1998-2008 Employment Projections Data (DOL) and Making it Day to Day (AACF).



**Greater Access to Free Training and Financial Aid.** The need for more education and training is followed by the need for greater access to free training and financial aid, particularly grants and scholarships. A recent report by the Arkansas Department of Higher Education (ADHE), *Student Success*, underscores the need for more financial aid and the significance of such aid in determining student educational success. The report points out that the majority of current and potential students are ineligible for state financial aid because they are either part-time students or have been out of school for more than a year. State financial aid primarily targets full-time students that go directly from high school to college. The report also points out that need-based aid is one of the strongest determinants of student success or graduation: “students with the largest grant packages are about THREE times as likely to graduate as those with minimal or no aid.”<sup>10</sup> Need-based aid in the form of grants and scholarship is particularly critical for low-skilled adults who typically have low incomes.

**Assistance with Barriers to Training and Employment.** Low-skilled adults face barriers to completing training and succeeding at work. Perhaps the most critical lesson GFF has learned from its trainees over the past six years is that low-skilled adults face many barriers, many of which are not understood by traditional job training providers and employers. Therefore getting and keeping this population in a good job requires a more holistic strategy than simply training.

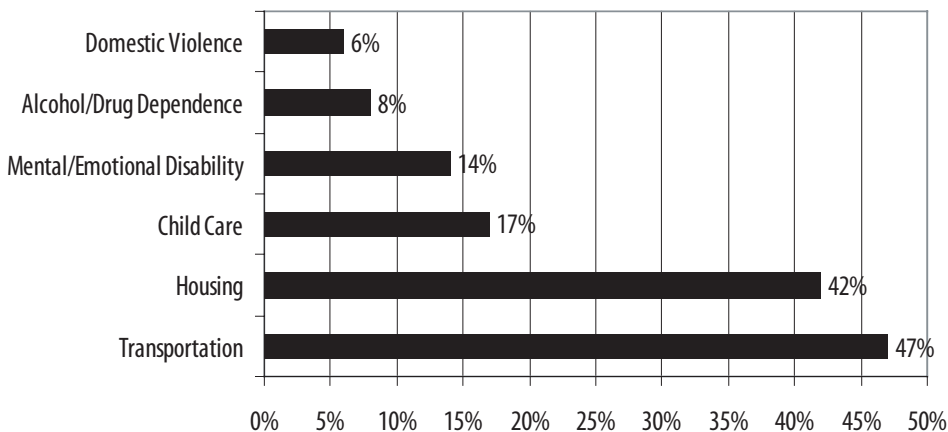
Often individuals cannot enroll in or complete training because they have no reliable means of transportation to get to class. Many cannot afford child care for their children while they attend class, or they simply cannot afford the time off from work required to attend class. Likewise, individuals who successfully complete training often face some of the same barriers with regard to getting and keeping a job. Other important barriers, which often go unnoted and unaddressed, are lack of self-esteem, hopelessness, depression, and an inability to believe in the future and in one’s potential. GFF deliberately addresses these barriers because they are very common among trainees who often have a history of trauma, such as domestic violence or failure, particularly failure in school.

Addressing such barriers is typically not thought of as part of workforce development. However, workforce development efforts must be prepared to assist trainees in eliminating these barriers, particularly if their target population is low-skilled adults. Employers also have a role in overcoming such barriers. GFF attributes its successful trainee placement and retention rates, in part, to its efforts to assist employers in recognizing these barriers and helping develop strategies for addressing them.<sup>11</sup> GFF’s experience suggests that the workforce development system must assist employers in recognizing the need

for their help in lowering the barriers to successful employment in their communities.

Some indication of the extent to which low-skilled adults face employment barriers is provided in Chart 3, which shows the percent of GFF trainees who reported needing assistance with various barriers at the time of their enrollment.<sup>12</sup> In many cases additional barriers were identified after enrollment, particularly domestic violence or a history of sexual abuse.

Chart 3  
Employment Barriers Faced by GFF Trainees



Source: GFF Evaluation Data

## ***Not Just Meeting But Matching the Needs of Employers and Workers***

The needs of both employers and low-skilled workers cannot be met independently of each other. These seemingly unconnected needs have to be met in a context that enables them to be connected and matched. This means that employers have to be active partners in the workforce development process, and workforce development practitioners must cultivate this kind of relationship with employers. Although there are many advantages to connecting and matching the needs of employers and workers, an obvious benefit is that employers often need very specific skill sets that can only be provided if employers are contributing to the training process. Likewise, employers cannot help trainees overcome employment barriers unless the employers understand and anticipate the need to help address such barriers.

To capture these and many other benefits, GFF deliberately set out to create what is called an employer-driven “sectoral” training and employment program, which is directly connected to a particular industry sector and specific employers in that sector. Using this employer-driven approach, GFF has been able to successfully meet and match the needs of its employer partners and trainees to the satisfaction of both.

## **An Assessment of WIA in Arkansas: How Well Is It Meeting the Needs of Employers and Workers?**

### ***An Overview of the WIA System and Some Early Implementation Issues***

In 1998, the Workforce Investment Act (WIA) became law and changed the way that workforce development programs would operate at the state and local levels. Chief among the new features of the law was the establishment of one-stop centers that would coordinate a range of workforce activities with the intent of making them easier to access and more effective for both employers and workers. Several Federal programs were required by law to coordinate their services in some way with the one-stop centers.

The new law also mandated a sequenced three-tier system of services—core, intensive, and training services. Core services such as outreach and intake and access to labor market information are available to the general public. Intensive services include specialized assessments, development of employment plans, counseling, and case management. And training services include occupational skills training, on-the-job training, programs that provide workplace training with related instruction, adult education and literacy in conjunction with other training, and customized training. The law requires that an individual engage in at least one core service activity before he or she can move on to an intensive service activity, and one intensive service activity before he or she can move on to a training service activity. However, local WIBs can require more than one core and intensive activity.

Training services are intended to be delivered using a new mechanism called an Individual Training Account (ITA). Trainees choose a training provider from a list of eligible providers and then use the ITA to cover the cost of the training. The ITA is meant to be a last resort of funding after other sources have been considered, such as Pell Grants and other free financial aid.

Finally, the new federal law set up both state and local workforce boards that have the responsibility for setting policy and funding guidelines and providing oversight of programs. The state board, the Arkansas Workforce Investment Board (AWIB), oversees the operations of the local boards. Both state and federal law set requirements in terms of board memberships. It is a requirement that employers make up a majority of board members. Their companies should have employment opportunities reflective of the area, and the individual representatives should have policymaking or hiring authority at their companies.

The intent of this emphasis on employer membership on the boards is to ensure that policies and funding decisions reflect the needs of the local employers.

**Arkansas Workforce Centers**

In Arkansas, the one-stop centers are called “workforce centers”. There are 67 workforce centers throughout the state. There are 10 or so main centers that provide a full range of services and the remaining centers are satellite centers that often do not provide a full range of services. A key issue for the centers is accessibility for workers and employers. As Table 2 shows, a little over half of the 10 workforce areas have workforce centers in all of their counties. Most workforce centers are open Monday through Friday during typical work hours, usually 8:00 am to 4:30 pm, but some are open only a few days a week. A few open earlier and close later in the evening, such as the Little Rock Workforce Center which closes at 8:00 pm on Tuesdays and Thursdays.

One early implementation issue with regard to the centers is their hours of operation. Given that some of the workers using the centers are currently employed, the centers should provide more evening and weekend hours. The Centers could use existing staff do this by opening early and closing late several days a week or by opening Saturday and closing Sunday and Monday.

Table 2  
Arkansas Workforce Centers

Workforce Area	Number of Workforce Centers	All Counties Covered	Full-Time Coverage in Counties
Central	6	No	Yes
Eastern	5	Yes	Yes
Little Rock	1	Yes	Yes
North Central	11	Yes	Yes
Northeast	2	No	Yes
Northwest	4	No	Yes
Southeast	11	Yes	Yes
Southwest	12	Yes	No
West Central	9	No	Yes
Western	6	Yes	No

Source: Arkansas Workforce Centers web site, [www.arworks.org](http://www.arworks.org)

**Workforce Center Partners**

The WIA program requires certain partners to provide core services through the workforce centers. Required partners include Employment Service, Adult Education and Literacy programs, Vocational Rehabilitation, Welfare-to-Work, programs for Older Americans, postsecondary vocational education, Trade Adjustment Assistance, veterans’ employment services, unemployment insurance, Community Service Block Grant programs, and HUD funded employment and training programs. In addition to these mandated or required partners, workforce centers can forge partnerships with just about any organization to achieve the center’s mission.

The following is a summary of some of the partnering organizations of the 67 workforce centers across the state:

- Forty-one centers list the Department of Human Services (DHS) as a partner, which should provide workers access to various programs including child care vouchers, Food Stamps, Medicaid, and ARKids.
- Four centers specifically list early childhood programs such as Head Start and HIPPY (Home Instructional Program for Preschool Youngsters) as partners. However, many other centers list non-profit organizations that may include early childhood programs.
- Seven centers list housing authorities or rental assistance offices as partners.
- One center lists a domestic violence program as a partner.
- Seven centers list partners that address health care or substance abuse needs.
- Most centers (46) have partnerships with universities, colleges, community colleges, and technical institutes. However, only 11 centers list school districts as partners, which is curious given that over a third of WIA funding is for youth activities.
- Other non-mandated partners include the chamber of commerce in El Dorado, East Arkansas Legal Services in Brinkley, and the U.S. Army in Hope.<sup>13</sup> It is notable, given that WIA is intended to be an employer-driven program, that so few employer organizations are listed as partners.

The participation of workforce center partners is a critical issue in the implementation and performance of WIA. Without effective partners the workforce centers simply will not have the resources necessary to accomplish their mission. Unfortunately, it seems most workforce centers have taken a compliance approach to forging partnerships, sticking mostly to those partners mandated by WIA. Only a few have built partnerships that go beyond the mandated partners, reflecting an understanding of the need to address the range of barriers workers often face in completing training and getting and keeping a job. Certainly more centers need to be partnering with organizations that can provide workers access to child care, substance abuse treatment, counseling, housing, and transportation, all of which are common employment barriers among low-skilled and low-income workers.

Although the available data on workforce center partnering does not reveal it, local WIBs in Arkansas have struggled with a variety of issues related to working with mandated partners.<sup>14</sup> A recent GAO report suggests that other states are experiencing similar challenges.<sup>15</sup> Given the importance of effective partnering to the success of WIA, this is a critical WIA early implementation issue in Arkansas. Some ideas for addressing this issue are presented in the recommendations section.

Finally, it should be noted that some local WIBs have had significant performance problems with their workforce centers. Two local WIBs had to submit performance improvement plans to the AWIB which included replacing or reorganizing the operating entity of their workforce centers.

### ***Employer Involvement***

Involving employers is key to WIA's success. That is why WIA mandated employer involvement by requiring a 51% or greater employer majority on local WIBs. According to state data, most boards are maintaining their mandated employer representation. However, there has been turnover in representation. Employer involvement is an early implementation issue with WIA everywhere, as the GAO report mentioned above indicates. The GAO report suggests certain WIB practices may be discouraging employer participation and recommends some changes in WIB practices, that are worth noting, that may help facilitate deeper employer involvement.

Employer involvement beyond board representation is mainly a product of the services local workforce centers offer employers. Data from recent monitoring visits to local WIBs by the state provides some description of these activities. Many of the activities involve marketing—developing brochures and other materials, making presentations to local civic groups, holding open houses,

and running ads in the newspaper and on the radio. Other strategies include surveys of employers and meetings or phone calls to local employers and/or their human resource staffs. Services provided to employers include labor market information, resource areas to help with work readiness skills, pre-screening of job applicants, TABE and other testing, WAGE classes, job readiness workshops, workshops at employers' sites for computer training or workplace readiness skills, and development of OJT and customized training contracts. Some local areas seem to take a proactive approach; they sit down with employers, ask them what they need, and then work with them to design a product that meets their needs. Others seem to take a more passive approach; they design products and market them and wait for the employers to take advantage of those products.<sup>16</sup>

A key opportunity for involving employers is the OJT, customized, and incumbent worker training contracts available under WIA. These contracts allow employers to access workforce training that matches their specific needs, which GFF research on community colleges and technical institutes strongly indicates is critical to getting employers involved in workforce training activities.<sup>17</sup> However, as the expenditure data below indicates, Arkansas' local WIBs are doing little OJT and customized training. Although there are probably many reasons for this, part of the problem is likely that many employers are not aware of these options or, if they are, they know these options are not always easy to use. The other part of the problem is likely that some workforce centers have little experience implementing these contracts and therefore are not able to effectively market and use them. Strategies for improving the use of these contracts are discussed in the recommendations section.

### ***Individual Training Accounts***

The intent of WIA is for education and training to be delivered primarily through ITAs. Arkansas left it up to local areas to design policies for how ITAs will be delivered. There are some similarities across local areas, but there are also significant differences. All areas require that WIA funds be used as a last option. Individuals are required to first apply for Pell grants or other federal education grants. Most also require that the training be connected to demand occupations in the area and be tied to a realistic employment goal. Training providers must be on the approved training provider list, and each program of study offered by the training provider must be approved individually. Participants are provided a voucher to give to the training provider who then is paid directly by the local workforce center.<sup>18</sup>

Some early implementation issues for ITAs include dollar limits and what that money can be used for. There are some significant differences on these issues when the policies of all ten local areas are compared. Appendix B provides a quick glance at some of these differences. Dollar limits set by the local areas range from \$3000 to \$10,000. Six of the local areas—Central, Eastern, Northeast, Southwest, West Central, and Western—have set no limits or base their limits on actual costs.

The uses of the ITAs also vary across sites. Half of local areas stick to the basics—tuition, books, fees, and supplies. However, the other half—Central, Eastern, Little Rock, North Central, and Northwest—acknowledge that supportive services such as transportation and child care are critical to many students' success and allow for such services to be covered with ITAs.

Another key implementation issue is eligibility. Local WIBs set policy for eligibility for ITAs, including the requirements for keeping ITAs. Under federal law, there is a requirement that all individuals access at least one core and one intensive service before they access training. Several local WIBs have toughened this standard, requiring an individual to undergo four core services and four intensive services before they can obtain training. Most local areas use assessments, including education, skills, abilities, and work history to determine the need for training. However, there seems to be some variety in terms of how "need for training" is defined. One area states that ITAs must be used for the most expedient means to employment, while another has stated that training is necessary for any individual, even if they are working, who does not have enough income to be self-sufficient.

The consequence of this variation in policy is that certain groups of workers are not able to use ITAs to meet all their varying training-related needs, and certain groups of workers are being excluded from ITAs altogether. These inequities could be addressed by creating more uniformity in ITA policies. This report makes several recommendations for changing ITA policies to achieve greater and more equitable access to training and other services.

Although all of the implementation issues mentioned above are relevant to the performance of WIA because they impact whether or not employer and worker needs are being met, there are some more direct measures of WIA performance. Those include expenditure data, performance indicators, and the customer satisfaction survey, which are presented next.

**Direct Measures of WIA Performance**

The first year of implementation of WIA came to a close on June 30, 2001. Below is an analysis of expenditure data and performance indicator data for the first year, and a summary of the AWIB Customer Satisfaction survey. These are the most direct measures of WIA performance for year one. GFF also surveyed employers and workers across Arkansas about their experience with WIA as a supplemental measure of performance. Summaries of those surveys are provided below.

**WIA Expenditures for PY 2000**

An analysis of expenditures by local Workforce Investment Areas provides some indication as to whether WIA funds are being used to meet the workforce development needs of employers and workers. In Program Year 2000 (July 1, 2000 to June 31, 2001), Arkansas had over \$31 million to spend on WIA activities. This included \$24.96 million in program year 2000 WIA funds and an additional \$6.2 million of unspent Job Training Partnership Act (JTPA) funds that were rolled over from previous years.<sup>18</sup>

Local areas spent 42% of the almost \$25 million in PY 2000 WIA funds during the program year. This was the first year of WIA funding, and many of the new activities were just getting off the ground, which helps explain why no local area was able to spend all of its funds. In addition, all local areas had some JTPA rollover funds to spend. However, there is great variation across the local areas as Table 3 shows. Two local areas—Eastern and Western—had expenditure rates of over 70%. Most

Table 3  
Program Year 2000 Expenditures

	Total Funds Available	Percent Expended
Central	\$1,885,656	55%
Little Rock	\$973,216	54%
Eastern	\$2,499,542	72%
North Central	\$2,474,967	5%
Northeast	\$4,170,627	54%
Northwest	\$1,691,219	59%
Southeast	\$4,374,682	2%
Southwest	\$3,277,141	48%
West Central	\$2,132,099	43%
Western	\$1,482,673	73%
Total	\$24,961,822	42%

Source: Arkansas Employment Security Department.  
Note: Includes only 2000 WIA funds expended through 6/30/01

of the others had expenditures rates of between 40% and 50%. Two local areas seemed to have great difficulty spending their funds: North Central spent only 4.54% of their funds, and Southeast spent only 2.41%. These two areas had the largest rollover of JTPA funds from previous years. Given the great need for workforce education and training across the state, particularly in the Delta, these expenditure trends are not encouraging.

Another way to analyze expenditures is to break them down into dollars spent on core, intensive, and training services. As Table 4 shows, local areas spent on average 30% of their funds on core services, 29% on intensive services, and 37% on training. However, these allocations vary by local area. For example, the percentage of funds spent on training varies from 13% by Western to 62% by Northeast.

Service expenditures also vary by category of worker served (i.e., youth, adults, or dislocated workers). For example, as Table 5 indicates, Eastern spent 53% of its youth funding on training but only 6% of its adult funding on training. On the other end of the spectrum, Southwest spent 7% of youth funds on training and 53% of adult funds on training.

Table 4  
Program Year 2000 Expenditures, By Service Category

Workforce Area	Core	Intensive	Training	Program Administration
Central	21%	38%	42%	0%
Eastern	41%	21%	23%	16%
Little Rock	23%	24%	52%	1%
North Central	17%	52%	31%	0%
Northeast	14%	20%	62%	4%
Northwest	21%	54%	22%	3%
Southeast	58%	18%	22%	3%
Southwest	17%	42%	41%	0%
West Central	35%	10%	50%	5%
Western	63%	24%	13%	0%
Total	30%	29%	37%	4%

Source: Employment Security Department  
Note: Reflects expenditures through 6/30/01

Table 5  
Program Year 2000 Expenditures, By Service Category and Category of Worker

	Youth Worker Category				Adult Worker Category				Dislocated Worker Category			
	Core	Intensive	Train	Admin	Core	Intensive	Train	Admin	Core	Intensive	Train	Admin
Central	19%	28%	53%	0%	26%	52%	23%	0%	7%	33%	50%	0%
Eastern	17%	15%	53%	16%	5%	24%	6%	14%	56%	25%	2%	17%
Little Rock	14%	27%	57%	1%	27%	20%	52%	1%	30%	25%	44%	2%
North Central	0%	100%	0%	0%	22%	45%	33%	0%	14%	19%	67%	0%
Northeast	14%	30%	51%	5%	13%	14%	71%	2%	16%	20%	59%	5%
Northwest	5%	95%	0%	0%	24%	43%	30%	3%	23%	41%	32%	4%
Southeast	45%	30%	20%	6%	60%	15%	22%	3%	61%	15%	22%	2%
Southwest	13%	80%	7%	0%	20%	26%	53%	0%	16%	25%	60%	0%
West Central	21%	6%	65%	8%	51%	15%	28%	7%	33%	9%	54%	4%
Western	62%	33%	5%	0%	68%	18%	14%	0%	59%	20%	20%	0%
Total	20%	40%	36%	5%	34%	26%	37%	3%	33%	24%	40%	4%

Source: Employment Security Department  
Note: Reflects expenditures through 6/30/01

It is very clear that not enough funds are consistently being spent on education and training across all categories of workers. The need for training can no doubt vary somewhat by worker group and region, but large variations are more likely a reflection of local policy and practice than need.

It is also important to understand how local areas spent their training funds. As Table 6 indicates, local areas spent the majority of their funding—75%—for training at public institutions. The next largest category was “other training” at 16%. This includes occupational skills training, adult education, workplace and customized training, and vocational rehabilitation. Little Rock and West Central spent sizable portions, 42% and 32% respectively, of their funds on “other training.” Eastern spent 80% of their training funds on this category. Only 2% of training funds on average were spent on “on-the-job” training and “incumbent worker” training combined.

Table 6  
Program Year 2000 Training Expenditures

	Institutional Training - Public	Institutional Training - Private	On-the-Job Training	Incumbent Worker Training	Other Training
Central	66%	24%	6%	0%	5%
Eastern	11%	1%	0%	7%	80%
Little Rock	13%	45%	0%	0%	42%
North Central	99%	0%	1%	0%	0%
Northeast	100%	0%	0%	0%	0%
Northwest	91%	9%	0%	0%	0%
Southeast	100%	0%	0%	0%	0%
Southwest	100%	0%	0%	0%	0%
West Central	68%	0%	0%	0%	32%
Western	100%	0%	0%	0%	0%
Total	75%	8%	1%	1%	16%

Source: Employment Security Department  
Note: Reflects expenditures through 6/30/01

On average, little money is being spent on customized training, and almost no money is being spent on on-the-job (OJT) training and incumbent worker training. These options for providing training are some of the best ways under WIA to provide training that meets the specific workforce skill needs of particular industries and firms. The lack of funding spent on these activities suggests that much more industry-specific training could be done under WIA, and that WIA could be doing a much better job of meeting the specific workforce needs of employers.

Finally, it is interesting to see how much funding is being spent on ITAs and how many ITAs have been awarded. As part of a state WIB monitoring process, local WIBs were asked to provide such information. In those areas that reported, as shown in Table 7, a little over 1,600 ITAs were awarded during the recent program year. The bulk of these ITAs were given by one workforce area. The total amount of funds spent on ITAs in the areas that reported was about \$1.2 million, about 60% of the total funds spent on training during the program year. The average amount of each ITA was \$778.



Table 7  
Individual Training Accounts

Workforce Area	Number of Accounts	Total Amount Spent	Average Account Amount
Central			
Eastern			
Little Rock	100	\$60,000	\$600
North Central	163	\$170,274	\$1,045
Northeast			
Northwest			
Southeast	160	\$181,817	\$1,136
Southwest	1124	\$720,354	\$641
West Central			
Western	55	\$113,454	\$2,063
Total	1602	\$1,245,899	\$778

Source: State WIB Monitoring Reports

A question raised by the ITA data is why there are huge differences between areas in terms of the number of ITAs awarded. There is almost a twenty-fold difference between the least and most number of ITAs provided by a local area. Like the variations in spending on training in general, this is more likely a reflection of local policy and practice than need. The differences in local policies with regard to ITAs may be the cause of such differences, and if so, the concerns about fairness and groups of workers being excluded may be real.

In summary, the above expenditure data analysis suggests that WIA funds generally are not being fully spent, and that training is not being provided on a consistent basis to all types of workers and in all

local areas. It also suggests that most local WIBs are not using those training options (i.e., OJT, customized and incumbent worker) best-suited for providing industry—or employer-specific training. Most local areas therefore are not taking advantage of a powerful tool for engaging employers.

### **WIA Performance Measures for PY 2000**

The Arkansas Workforce Investment Board submitted the Program Year 2000 performance indicators to the U.S Department of Labor (DOL) in December.<sup>20</sup> To be counted as “acceptable” by DOL, each state performance indicator had to be at 80% or greater of the negotiated benchmark level. In only one area did the state fall below that level—the credential rate for older youth.

An analysis of local area data shows that while most areas met many of their performance indicator benchmarks, there are areas for improvement. While there are performance measures for adults, dislocated workers, and youth, for purposes of this report, the focus is limited to adults and dislocated workers.

Local workforce areas on average met or exceeded 52% of their adult and dislocated worker performance indicator benchmarks. (See Appendix C for a listing of Program Year 2000 performance levels and how they compare to the negotiated benchmark levels for each local area.) As shown in Table 8, Western did the best job of meeting the adult and dislocated worker indicators, meeting 7 of 8 indicators. Southeast Arkansas, on the other hand, met only 1 of 8 indicators.

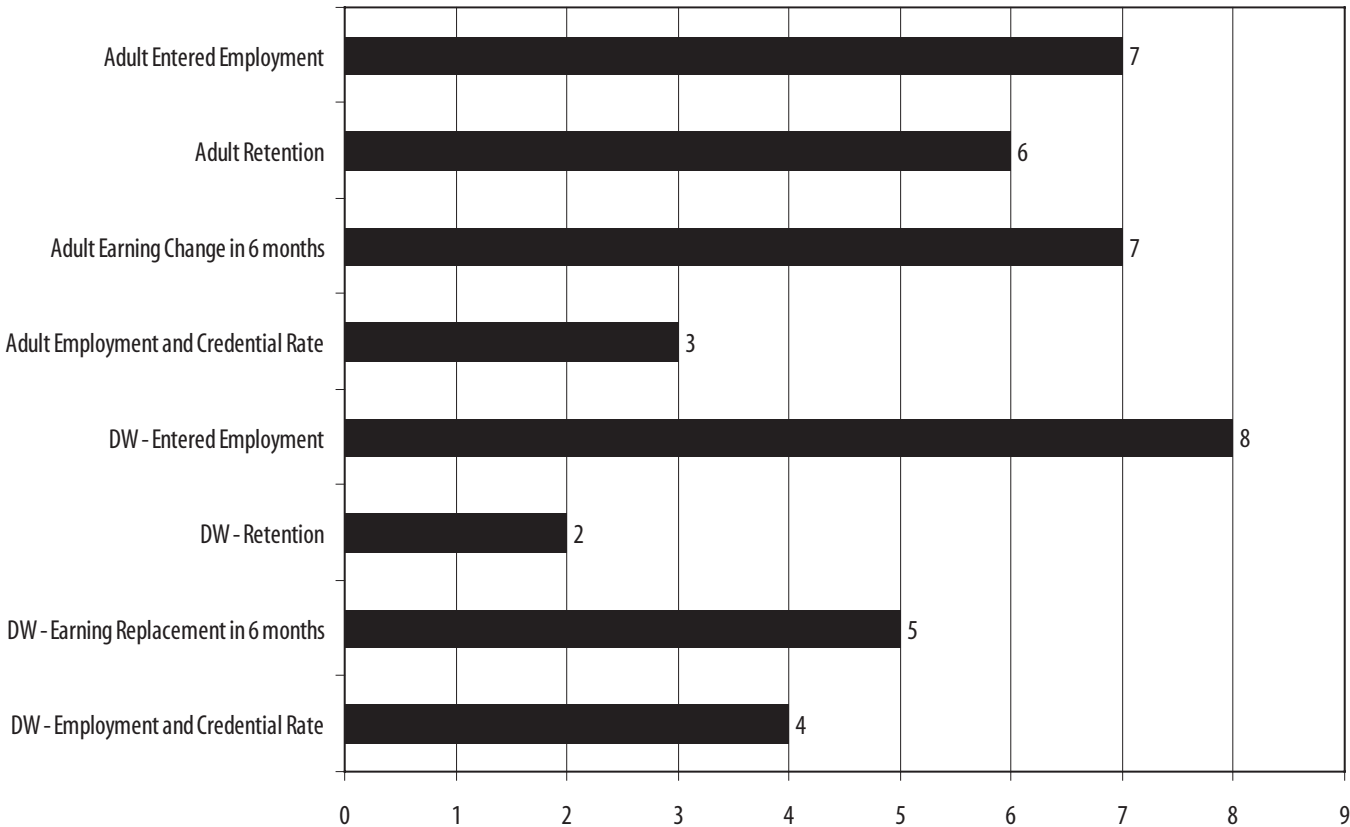
Table 8  
Performance Indicators Met By Local Areas  
for Adult and Dislocated Workers

	Met/Exceeded	Not Met
Central	6	2
Little Rock	1	7
Eastern	4	4
North Central	5	3
Northeast	5	3
Northwest	5	3
Southeast	1	7
Southwest	4	4
West Central	5	3
Western	7	1

Source: Workforce Investment Act Title I-B Annual Report, December 3, 2001

The indicators on which local areas did the best were those related to entering employment. Chart 4 indicates that 7 of 10 areas met the entered employment indicator benchmark for adults, and 8 of 10 met it for dislocated workers. The indicators that seem to present the most problem for the local areas were 1) retention and 2) employment and credential rate.

Chart 4  
Number of Local Areas Meeting Adult and Dislocated Worker In



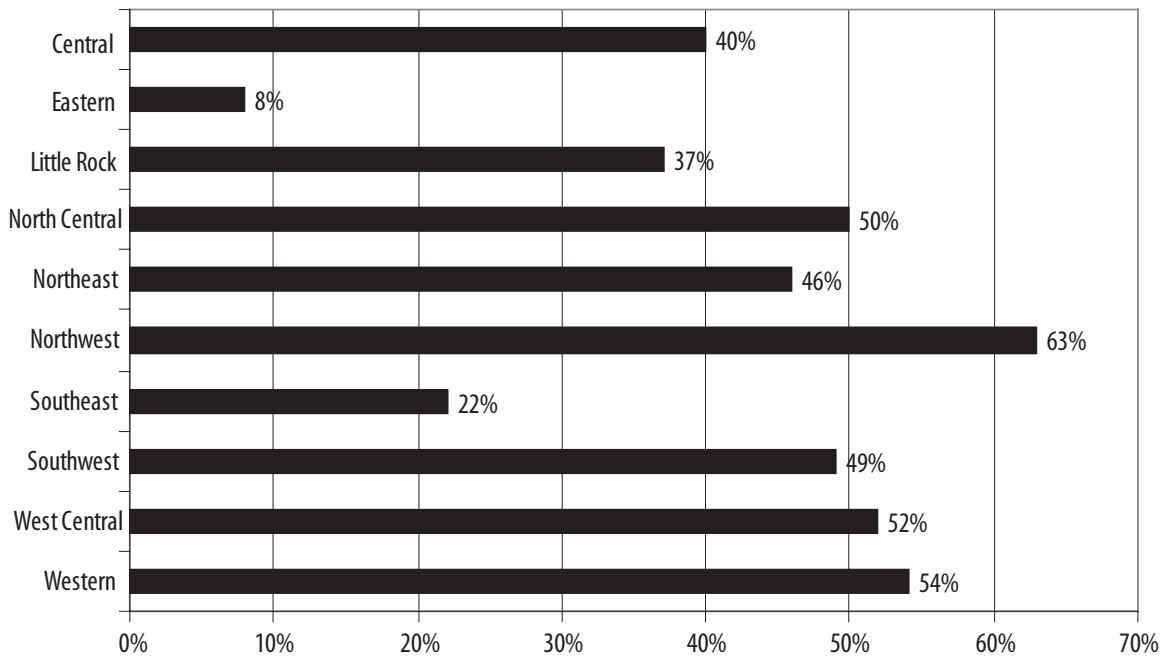
Source: Workforce Investment Act Title I-B Annual Report, December 3, 2001

Only six local areas met the retention indicator for adults, and only two met it for dislocated workers. Given the importance of job retention to the long-term success of WIA, this performance is a concern. The retention problem could be related to the quality of jobs workers are getting under WIA. Workers will not stay in their jobs if they feel they do not pay enough or provide the benefits and other measures of security workers want. Poor job quality could in turn be a reflection of the kind of training workers are receiving or lack thereof. The skills of many workers, even after training, may only qualify them for low-quality jobs. The barriers to employment mentioned above also could be a factor. Many workers may indeed be satisfied with their job but for any variety of reasons they are not able to keep it. Whatever the causes for low retention, local areas need to understand them and address them. If local areas are not required or at least encouraged to try to obtain data on why people leave their jobs, they should be.

The indicator that presented the greatest challenge for local areas overall was the credential and employment indicator. This indicator is a measure of the percentage of WIA participants who completed training and obtained both a credential and employment as a result of the training. Most local areas did not meet their benchmarks on this indicator—only 3 areas met it

for adults, and only 4 met it for dislocated workers. As Chart 5 shows, the highest adult credential and employment rate for any local area was 63% in Northwest. However, on the other end of the scale, Eastern had a credential and employment rate of only 8%, and Southeast's was only 22%.

Chart 5  
Adult Employment and Credential Rates



Source: Workforce Investment Act Title I-B Annual Report, December 3, 2001

Clearly not enough workers are receiving training that leads to credentials and employment. This is a serious concern, particularly for the Delta where the credential and employment indicators are the lowest yet the need for training is the highest. A lack of credentialing could also be indicative of the kinds of training being provided. That is, credentialed training often is, or at least suggests, more substantive training than non-credentialed training. The fact that training is not leading to employment is even more troubling. This suggests the training is not linked to the workforce needs of local employers or certainly to particular jobs at local firms. Again, one of the benefits of customized and on-the-job training contracts, as well as other kinds of industry-specific training, is that they are ways to link training directly to the specific skills needs and jobs of local employers.

Finally, the performance indicator data demonstrate the benefits of training. A breakdown of state level performance indicators by those participants who received training services and those who received only core and intensive services, shows that

Table 9  
Impact of Services on Earnings

	Adults Who Received		Dislocated Workers Who Received	
	Training	Core and Intensive	Training	Core and Intensive
Earnings Change in 6 Months	\$4,375	\$3,788		
Earning Replacement Rate			100%	88%

those who received training services had higher earnings change or earnings replacement (see Table 9).

Source: Workforce Investment Act Title I-B Annual Report, December 3, 2001

In summary, an analysis of PY 2000 performance indicators shows that WIA is helping workers obtain employment but, in several areas, not enough workers are staying in their jobs to meet negotiated benchmark performance levels for retention. When workers are assisted in getting jobs they do not keep, the long-term needs of workers and employers are not being met. The above data also shows that the training being done under WIA is often not leading to credentials or employment, which suggests that the training is not as skill-intensive and directly linked to employers' skill and job needs as WIA intended. Training that does not lead to credentials and, particularly, employment is of limited use as well to both workers and employers.

## **Employer and Worker Perceptions of WIA Performance: State WIB Customer Satisfaction Survey and GFF's Worker and Employer Surveys**

### ***AWIB Customer Satisfaction Survey***

In addition to the above measures of WIA performance, the AWIB, as mandated by WIA, conducted a Customer Satisfaction Survey of workers and employers who had completed services under WIA. In short, satisfaction among participants exceeded negotiated benchmark levels. However, satisfaction among employers did not meet benchmark levels. Using the American Customer Satisfaction Survey Index (ACSI), a widely used methodology in industry for measuring customer satisfaction, the score for participants was 79; the benchmark score was 68. For employers the score was 64 and the benchmark was 68. The survey provided ACSI scores for each local area as well. Four areas did not meet their employer benchmark scores, and two areas did not meet their participant benchmark scores.

The Customer Satisfaction survey suggests that employers are not getting as much satisfaction from WIA as program administrators hoped. GFF's survey of employers suggests a similar but even more fundamental concern: many employers are either not aware of WIA or not using its services to meet their workforce needs.

### ***GFF Employer Survey***

In addition to the AWIB Customer Satisfaction Survey, GFF surveyed employers and workers to further assess their perceptions on how well WIA is meeting their needs. The employer survey included many of the state's larger employers and other employers in key regional industries from across Arkansas.<sup>21</sup> This survey was not intended to produce a statistically valid sample, so its findings cannot be generalized or taken to reflect the experience of employers throughout the state. Nonetheless, it does provide a snapshot or some indication of what employers think about WIA and how well it is meeting their needs.

Of the employers who responded to the survey, 97% agreed that the availability of skilled workers is a key factor in their ability to grow and remain competitive, and 67% said that they have had trouble finding the skilled workers they needed within the past two years. Well over half of these employers, however, had never heard of their local workforce center. Of the less than half that had heard of the Workforce Center, only 36% had used it to obtain workers for their firm. (In contrast, when employers were asked about their experience with the state's community colleges and technical institutes, over 97% were aware of their local college or institute, and of those, 66% had used the school in some way to obtain skilled workers for their firm, most commonly to recruit graduates or develop a customized training program.)

Of those employers that had used the workforce center, none said they used it to recruit skilled workers from a training provider or to develop a customized training program to train workers for their firm. Most of them (80%) used the center to post job openings and receive referrals of job seekers, who may or may not have received training from a center provider. Of the employers who received job applicant referrals, half were satisfied with the skills of the referrals, and half were not satisfied. The common response for those not satisfied was that the referrals were unskilled or lacked experience commensurate with

the requirements of the job. Overall, however, all of the employers who used a center were satisfied with the services they received.

Employers who knew about the workforce center but did not use it offered a variety of reasons for not doing so. Several indicated the center did not have the services they needed, others only recently found out about the center or have not hired since learning about it, and others used alternative resources for finding trained workers.

In summary, GFF's employer survey suggests that the workforce centers are playing a limited role in meeting employers' needs for skilled workers. It suggests that many employers have no knowledge of the centers, and those that do are using them sparingly and mostly to post job openings. The findings raise an important question about how employers view the role or purpose of the workforce centers. Do they view the centers as a referral service for as-is labor? Or do they view the centers as a resource for training and recruiting skilled workers? The answer to this question is critical to the future success of WIA.

The recent advertising campaign funded by the state WIB should make employers more aware of the workforce centers and what they offer. But if the lack of employer involvement is partly a matter of perceived role and purpose, getting employers to use the centers will be more challenging. The centers will have to demonstrate an ability to provide relevant and effective services, particularly training services that match workers' specific skill needs with employers' workforce needs, to achieve greater employer involvement. Some strategies for enabling WIA to provide more employer-driven training are presented in the recommendations section.

### ***GFF Worker Survey***

GFF surveyed workers accessing workforce center services at several sites throughout the state in an attempt to measure worker satisfaction with WIA services. This survey did not use a statistically valid sample either; it too was only intended to provide a supplemental measure of what some users of WIA think about how well the program is meeting their needs.<sup>21</sup>

**Training.** Of those workers who wanted training, only 41% received it. In most cases, the training received was GED and/or some kind of job readiness training. Of the 59% who wanted training but did not receive it, most of them got information on job openings.

Another way to measure the extent to which workers' needs for training are being met is to look at the actual services workers reported receiving. Almost 20% of surveyed workers indicated they received some kind of training, 17% received information about education and training opportunities including help getting into college, 38% received information on job openings, and 6% received help preparing a resume. The remaining services provided included help with financial aid and supportive services including unemployment benefits.

Although only about 20% of the workers surveyed reported receiving training, it is very likely that more workers received training later because some of the surveyed workers were first-time visitors to the center. Of the 20% of workers who reported receiving training, 68% received GED training, 27% received some kind of job training, ranging from Certified Nursing Assistant (CNA) to work skills training, and 9% took classes at a community college or university. Half of these training recipients reported completing the training. Most of the other half were still in training at the time of the survey.

Of those who reported completing their training, two-thirds went on to get a job, and most reported the training helped prepare them for a job. However, some of the jobs were either part-time or temporary. And of those who got a job, most reported they were no longer working at the time of the survey.

In summary, what does the survey suggest about WIA meeting the needs of workers and employers? WIA has been criticized as a “work first” strategy, meaning finding any job takes priority over other activities including training. The survey appears to support this criticism as the most common service workers reported receiving was help searching for a job. The survey also suggests that workers may not be getting the training they want or need, although the survey did not determine the training needs of the workers surveyed. However, even if substantially more surveyed workers received training after the survey, say another 20%, that would still be too few—considering 58% of the adult population in Arkansas has a high school diploma or less and the functional levels of many of these adults are even lower. Accordingly, well over half of the adult workforce arguably could benefit from some kind of training.

The other interesting finding of the worker survey is that much of the training workers are receiving is either GED or job readiness training. Although that is presumably the training they need the most or first, it is discouraging to find that only a few workers reported more substantive vocational and college level training. Again, GED and job readiness training are important stepping stones for some individuals, and hopefully the workers reporting receiving these services will go on to more substantive training. But, as this report showed, a high school diploma and/or some job training qualifies one for very few high-growth jobs with Family Income Standard wages.

Another point to be made is that if the survey findings are indeed a fairly accurate reflection of the amount of GED training that is taking place at Arkansas’ workforce centers, the study and implementation of best practices in GED training could potentially be very useful. Some ideas for where to look for best practices on GED training are mentioned in the recommendations section.

**Financial Aid.** The only survey finding related to access to financial aid was that, of those workers who wanted “access to money and/or financial aid for training or education,” only 21% reported getting that kind of help. It must be noted, however, that just because someone wanted financial aid does not mean they are eligible to receive it. Furthermore, eligibility for financial aid, aside from ITAs, is not set by WIA.

## **Recommendations for Helping WIA Meet the Needs of Arkansas Employers and Workers**

The preceding sections on the implementation and performance of WIA raised some issues and concerns that should be given serious consideration by state policymakers and others interested in WIA and the social and economic development of Arkansas in general. Some suggestions on how these issues and concerns might be addressed are provided below. This is not meant as an exhaustive list, but rather something to begin the debate about making WIA in Arkansas a better and potentially model program—a program that is able to fully meet and match the workforce needs of Arkansas’ employers and workers.

### ***Spend the Funding that Is Allocated***

Several local areas had difficulty spending their funding during the 2000 program year. Given the education and training needs of the adult workforce in Arkansas, these funds are needed and must be spent. To encourage local areas to spend their money, the state should consider adopting policies that establish consequences for under-spending. The recapture and reallocation policy the state is considering, which is a mechanism for the AWIB to take back unspent funds and reallocate them to efficient use, is an example of such a policy.

### ***Increase Local Funding for Training***

The amount of funding allocated for training varies dramatically across the local areas. While some areas are spending significant amounts of funding on training, others seem to be more focused on other non-training services. Given the clear need for training across the state, and the clear benefits of training, local areas should be encouraged to consistently spend more

of their funding on training, for all worker categories, so that workers in every part of the state have access to training that will help them advance their careers.

### ***Make Training Easier to Access for Workers and Directed to Those Who Need It Most***

The review of local ITA policies shows that there is variation in the number of activities local WIBs require to access training. The more activities, the harder it can be to access training, especially if those activities are time consuming or difficult to complete. While WIA requires only one core and one intensive service before a worker can access training, some WIBs in Arkansas require as many as four core and four intensive services. On the other end of the spectrum, some WIBs essentially make training available to any individual who does not earn enough to be economically self-sufficient. One WIB considers workers for training if they make less than 150% of the Lower Living Standard Income Level, a self-sufficiency standard set by the DOL.<sup>23</sup> But again the number of required activities is not the only inhibiting factor in terms of access to training. Some WIBs may require only one activity, but that one activity is very time consuming and difficult to complete. Therefore making training easier to access is not just a matter of limiting the number of pre-training activities, but facilitating the completion of those activities.

One way to make training easier to access would be to change current WIA rules with regard to required pre-training activities. Instead of requiring one core and one intensive service before training, WIA could allow local WIBs to enroll individuals directly in any activity based on an individual's needs. A group called the Workforce Alliance, which is a national workforce development policy organization made up of training providers, employers, and workers, has made this a priority for WIA Reauthorization next year. The state and local WIBs could join this group or otherwise help advocate for this policy change.

At the local level, WIBs should establish policies and practices that provide easier access to training and that target training to those workers most in need. To ensure that workers across the state have equitable access to training, local WIBs should also work to establish more uniformity in training eligibility policies and practices across local areas. Although the local right to set policies that fit local interests and needs should be respected, too much variation in policy and practice allows some workers to get less help than others. For example, under current policies, workers of similar need, depending on where they live, may not be eligible for training, or the funding amount they receive or the activities covered by their ITA may vary drastically. The consequence of this variation is that certain groups of workers are not able to use ITAs to meet all their varying training-related needs, and certain groups of workers are being excluded from training altogether. The state could encourage local policy and practice development regarding access to training by studying best policies and practices from local WIBs across the country and sharing the findings with Arkansas' local WIBs.

### ***Adopt Proven Practices for Effective GED and Other Adult Education Services***

Census data indicates, and GFF's worker survey suggests, many workers in Arkansas need a GED and/or other adult education services. This population is not ready for most workforce development training, particularly training at the post-secondary level, until they take the first step of improving their basic skills. For this reason adult education services are a critical component in any workforce development program that intends to serve a broad population of workers including those with very low skills. As a workforce development program WIA must ensure that it is providing these services and, more importantly, doing so in an effective manner.

Three undisputable characteristics of effective adult education training are: speed, thoroughness, and career orientation. Ideally, GED and other adult education training is a quick but thorough first step on a clear career path of employment or continuing education. Certain providers have incorporated these characteristics into their adult education programs. They have developed practices that are extraordinarily successful in teaching requisite basic skills in a relatively short period of time, and that link this first-step training to specific occupations or advanced training so that students are encouraged to start a career or continue their education.

For example, Capital IDEA, a training and employment program in Texas, has worked with its local community college to develop a successful GED program as a first step on a training continuum that ends with a post-secondary certification or degree. GFF also developed a successful GED program that is linked to several post-secondary certificate programs.

For workers who have their high school diploma or GED but still need basic skills training, the Arkansas Department of Workforce Education has a program called WAGE (Workforce Alliance for Growth in the Economy) which provides basic skills training tailored to several occupational categories: clerical, industrial and basic employability. WAGE graduates receive a 12.9 grade level basic skills competency certification, and those graduates that are not currently employed are offered job search assistance. Targeted at this same worker population, Capital IDEA and its predecessor, Project QUEST in San Antonio, have developed a Workforce Development Academy that provides expedited basic skills remediation to students preparing for college level training. The Academy brings students to a 12th grade functional level in 10 weeks, preparing them to pass the Texas post-secondary institution entrance exam. Students enrolled in the Academy also have access to supportive services such as child care and transportation, which program administrators believe significantly improves student retention. <sup>24</sup>

And there are no doubt other successful adult education providers that local WIBs in Arkansas could learn from and possibly replicate some of the practices of.

Because adult education services are key to a comprehensive workforce development program that is able to serve a range of workers with varying skill levels, local WIBs must ensure that they can provide these services effectively. To improve the effectiveness of their GED and other adult education services (i.e., make them quicker to complete and a first step on a career path), local WIBs should work with their adult education partners to encourage the design of adult education programs based on proven practices for delivering effective adult education services. As a start, every local WIB should at least make the WAGE program available.

### ***Create Greater Access to Supportive Services***

Because supportive services are key to providing successful training and job placement services to low-income workers, local WIBs must create access to supportive services. Low-income workers, especially those with small children, have many expenses, and they often take on more expenses when they enroll in education and training. In addition, students often have to cut back on work hours to enroll in and complete training. Even if the education and training is free or students can qualify for financial aid, expenses such as child care or transportation must be met if students are to be successful in school and on the job.

WIA mandates that local WIBs at least provide “accurate information about the availability of supportive services in the local area” as part of the core services provided at workforce centers. But local WIBs have the option of going beyond this mandate by providing supportive services themselves. One way to do this is to allow ITAs to be used for supportive services, which WIA permits. This would expand access to supportive services for workers receiving training services under WIA. Only a few local WIBs allow ITAs to be used for supportive services. All local WIBs should be encouraged to do so. WIA also allows local WIBs to establish policies for “needs related payments” for workers enrolled in training services.

WIA also allows for local WIBs to establish policies for providing supportive services to workers receiving core and intensive services. Data on whether or not such policies have been adopted by local WIBs was not available. But Local WIBs should consider such policies, particularly to help very low-income workers successfully complete WIA services.

Another way to provide greater access to supportive services is for the workforce centers to formally partner with public programs and community-based organizations that provide supportive services. Workforce centers in other states partner with TANF, and in some states the administration of both TANF and WIA are under the jurisdiction of local WIBs. Partnering with



programs that provide supportive services can be a deliberate strategy for freeing up more WIA resources to be used for direct education and training services.

### ***Study Best Practices for Workforce Center Partnering***

Effective workforce center partnering among not only required partners but other partners is absolutely fundamental to a good WIA program, as this report has emphasized. But effective partnering is not easy, as the previously mentioned GAO report indicates. Many local WIBs in Arkansas have struggled with the issue of workforce center partnering, particularly the administration and funding of partner participation. Other states have helped address these issues through state policy guidance that establishes procedures and rules for partnering. Arkansas should study these efforts and consider adopting those that make sense for Arkansas. For example, Oklahoma has a workforce center partners Memorandum of Understanding Tool Kit that facilitates partner funding and service coordination. According to Oklahoma WIA officials, the MOU has been very helpful with coordinating funding in particular. To more directly address the integration of services and other particular performance issues, Oklahoma is providing guidance on workforce center “charters,” which essentially are a mechanism for establishing workforce center performance standards which can be tied to benchmarks such as the Baldrige Award. Other states have encouraged chartering, and some local workforce centers in San Diego, Indianapolis, and Philadelphia have successfully used them. These local innovative practices need to be studied and disseminated as well.

Furthermore, states can and should encourage non-mandated partners to participate, including TANF, Food Stamps, and community colleges, to mention only a few. Florida, Texas, Utah and other states have included TANF as center partners, and South Carolina has been innovative in linking WIA to the community colleges. A forthcoming report by the Center on Law and Social Policy (CLASP) will examine the lessons learned from several state efforts to link TANF and WIA. Combining these programs in particular makes sense in a variety of ways, and the state needs to begin thinking about this issue.

Arkansas could set aside state money for studying or conducting demonstrations of best practices in workforce center partnering. The AWIB could add this responsibility to the duties of the recently created Arkansas Workforce Center Evaluation and Cost Allocation subcommittee which was created to begin addressing workforce center issues.

### ***Study and Improve Job Retention Rates and Other Performance Indicators Not Being Met***

Some local areas are having difficulty meeting their negotiated job retention rates, and the reasons for this need to be understood and addressed. Poor job quality, which could be an indication of the kinds of training being provided or lack thereof, and employment barriers such as transportation and child care are likely part of the explanation. However, the causes and their precise contribution need to be determined and subsequently addressed. To that end, the state should encourage or require the local WIBs to collect data on the causes of low retention and begin developing strategies to improve retention.

GFF’s Industry Partners program offers a possible model for addressing retention. Staff who are specifically dedicated to retention work with students and graduates to identify and resolve problems that might cause a worker to quit training or a job, such as a lack of transportation, child care, or even difficulty with a supervisor. If local WIBs determine such barriers to be the causes of low retention, local WIBs could adopt a similar approach by assigning staff to work with trainees during and after training to identify and address the special needs of workers as they transition to full employment.

Likewise, local WIBs have struggled to meet their “credential and employment” indicator, and the reasons for that need to be studied and addressed. Underperformance in this area indicates the training workers are getting under WIA is not leading to credentials and, more importantly, employment, which suggests the training is not closely linked to specific employers and job opportunities. Strategies for better linking training to employers and jobs are discussed below.

## **Specific Strategies for Making WIA a More Employer-Driven Program**

The remaining recommendations fall under the general theme of making WIA a more employer-driven program, because employer involvement is perhaps the most critical issue in the long-term success of WIA. Linking workforce training in general to employers is a proven way to fundamentally restructure how workforce development is practiced. Traditionally, training programs have taken a supply-driven approach—train more workers and hope they are useful to local business and industry. In contrast, linking training to employers creates a demand-driven or market-driven approach—train people for specific businesses and specific jobs and thereby virtually guarantee that training is useful to both employers and workers. For these reasons and others WIA must develop innovative strategies for involving more employers.

### ***Reach Out to Employers More Proactively***

Local WIB strategies to involve employers could be more proactive and better designed to provide services that meet the individual needs of local employers. Most local WIBs report designing presentations and marketing materials about the services they have to offer employers. While these are good basic outreach activities, some local WIBs take a more proactive approach. They realize that services need to be developed with the employer, so they meet with employers to identify their specific workforce needs. With this knowledge, the WIB and local employers can work together to design training and employment services that meet the specific needs of employers.

To be more proactive in reaching out to employers, some local WIBs are establishing designated employer relations staff, and other WIBs are pursuing partnering relationships with local chambers of commerce who will serve as a liaison to employers. These efforts are new and not yet proven, but they are steps in the right direction. More WIBs should try these and other innovative actions to reach out to employers and provide services that meet their specific needs.

Making employers more aware of the training options under WIA for on-the-job, customized, and incumbent worker training contracts, particularly by telling success stories, has to be part of any proactive strategy. These contracts are well-suited to providing training services that meet employers' specific skill and job needs, and therefore are an excellent opportunity for engaging more employers in WIA. Making these options and other training options easier to use by streamlining relevant local policies and practices, which is discussed further in the next recommendation, will help increase the appeal of these options to employers, and help generate more success stories to further enhance that appeal.

In an encouraging development, the state WIB has created an Incumbent Worker Training Program Committee to undertake what is essentially an employer outreach effort around industry incumbent worker training. This program should help market WIA's potential as a resource for doing employer- or industry-specific training. And hopefully it will encourage, either directly or indirectly, local WIB experimentation with such training, because local WIB involvement is key to achieving any scale with using WIA for such purposes.

But to ensure a broad range of WIA-eligible workers benefit from WIA-sponsored industry-training, the state needs to place an equal emphasis on encouraging experimentation with industry training that targets all kinds of incumbent workers and the unemployed. Incumbent worker can mean any employed worker, as it does under WIA. Or it can mean only workers employed with the particular firm(s) sponsoring the incumbent worker training, as it does with the state's Existing Workforce Training Program (EWTP). Unemployed workers, of course, are categorically excluded from any kind of incumbent worker training. Industry training targeting the unemployed and workers that are employed but not necessarily by the firm sponsoring the incumbent worker training, is often referred to as pre-employment training. The state already invests less in industry pre-employment training than it does industry incumbent worker training, because of EWTP, and that disparity need not grow larger by WIA's involvement in industry training that largely or exclusively focuses on incumbent workers, particularly as EWTP defines them.

Because WIA's definition of incumbent worker is any worker with a job, the state's incumbent worker training program, as well as any incumbent worker training under WIA, can include some pre-employment training. That is, employed workers who want or need a better job and career, and are not currently employed with the firm(s) sponsoring the incumbent worker training, could be targeted to participate in pre-employment training for the industries participating in the state's program, provided, of course, these industries are in need of new employees. This kind of pre-employment training would at least create opportunities for the overwhelming majority of the state's so-called "underemployed" workers.<sup>25</sup> Accordingly the state should encourage the inclusion of this kind of pre-employment training in its program.

Finally, because the state does currently invest in industry incumbent worker training through the EWTP, a Arkansas Department of Economic Development (ADED) program, the state should make sure that its program compliments rather than duplicates what EWTP is already doing. One way to avoid duplication is to focus on those industries EWTP currently is precluded from serving, including key industries such as health care, hospitality, financial services, and construction trades.

### ***Make Training Easier to Access for Employers***

Employers want workforce training that can accommodate their particular needs, including specific occupational and skill needs. If WIA can find ways to provide this kind of market-driven workforce training, employer involvement in WIA will increase as more and more employers find its services useful. But a market-driven approach requires programmatic flexibility that can accommodate the varying training-related needs of employers.

A recent study, titled *Everybody WINS*, provides some proof that there often is not enough flexibility in publicly-funded workforce training programs. The study surveyed employers and found that inflexibility, particularly with regard to program rules, was the single most common complaint among employers about publicly-funded workforce training programs. One of the conclusions of the study is that substantial involvement of employers in workforce development programs will only occur when these programs adopt "dual customer" program and system designs that treat employers and job seekers as equals.<sup>26</sup> This is a key insight because WIA does currently operate primarily from a worker-as-customer perspective.

One key way WIA can begin to establish a better employer-as-customer perspective is to create the necessary programmatic flexibility to enable market-driven or employer-driven training. To that end, local WIBs should simplify the use of the customized, incumbent worker, and on-the-job training contracts WIA permits. This report indicated that most local WIBs in Arkansas are not taking advantage of these contracts, which are perhaps the best way to provide employer-specific training services under WIA. Part of the problem may be a lack of understanding about and practice with using these contracts both on behalf of local WIBs and employers. But part of the problem may be that WIA rules and local policies make the use of these contracts difficult. To begin using these contracts more effectively, local WIBs not only have to market them better, but they need to implement local policies and practices that make the process for using these contracts and other training services as easy as possible for employers.

For example, streamlining local policies with regard to worker eligibility for training services is particularly important as such policies can be a key bottleneck in implementing these contracts and other employer-specific training under WIA. Determining training service eligibility for large numbers of workers in a relatively short period of time can be difficult unless policies are in place to facilitate that. Accordingly, local WIBs should develop policies and practices that enable workers to obtain training service eligibility as a cohort. Local WIBs might even consider adopting policies and practices exclusive to workers connected to industry-specific training projects. A cohort process should speed up training service procurement, and it certainly would better mirror the process most employers use for industry training. The Little Rock WIB successfully used a cohort process for an incumbent worker training contract, and their strategy should be shared with other local WIBs.

In addition, more uniformity in worker eligibility policies for training services across local WIBs would benefit employers. Some employers have plants or offices in several different local WIB areas, and varying local WIB training service eligibility

policies can restrict access to regional pools of labor and create confusion and a perception of unnecessary complication and red tape.

Another potential policy bottleneck for incumbent worker training contracts in particular, is the self-sufficiency income definitions that local WIBs have the option of establishing for determining worker eligibility for such contracts. These policies can prevent certain groups of workers that employers may want to target for training from being eligible to receive training under WIA. Although local WIBs do not want to spend all of their training contracts on relatively high income workers, they do not want to set policies that preclude large groups of workers from participating in such contracts. This will only frustrate employers and further alienate them. Local WIBs need to find a way to delicately balance the populations they serve under incumbent worker training contracts so that employers can get more of the training they need and a broad range of workers can benefit from this training.

WIA performance measures, including tracking and reporting, are another potential bottleneck for implementing training contracts under WIA. Although WIA does not permit much flexibility on what has to be measured, perhaps local WIBs can create some flexibility in how things are measured.

And surely there are other local WIB policy and practice changes that would make these contracts and other employer-specific training strategies easier to implement under WIA. One idea would be to create a contract training application form, something similar to the EWTP application. The EWTP application is simple for employers—it makes project eligibility determination easy and facilitates quick approval and procurement of funding. For these reasons employers generally find EWTP easy to use.

Finally, given that streamlining or simplifying local policies and practices can be a limited strategy because WIA has certain basic rules, another way to facilitate the use of contracts and other employer-specific training strategies is to research best practices for implementing them. There are WIBs in Arkansas, as previously mentioned, and WIBs in other states that are having success doing contracts and other employer-specific training.

In summary, to help local WIBs adopt best policies and practices for simplifying employer access to training services under WIA, the state should study and disseminate those policies and practices that local WIBs from across the country are having success using. To help establish easier access for employers equally across the state, the state WIB should encourage local areas to adopt similar best policies and practices.

### ***Better Connect WIA and the Two-Year Colleges and Technical Institutes***

Another way to involve more employers in WIA is to better connect WIA to Arkansas' thirty-three two-year colleges and technical institutes, who are the focal point for the state's industry training activities. Employers are using these schools extensively to meet their workforce training needs, and if WIA could build a stronger connection to the schools it could tap into this employer base. This would enable WIA to immediately begin playing a larger role in the state's industry training efforts and to begin building a better rapport with state employers, including overcoming any negative perceptions they may have of WIA.<sup>27</sup> To the extent that WIA can partner with the schools and play a role in the state's industry training activities, WIA increasingly will be viewed as an education and training institution that is helping prepare skilled workers for state businesses, which is the way community colleges and technical institutes are perceived by employers and explains the positive perception employers have of the schools.<sup>28</sup>

The schools also would benefit from a better connection to WIA. They are using what state money is available for industry training and are in need of other funding to meet the growing workforce training needs of state employers. State funding for industry pre-employment training—training targeting potential new hires instead of incumbent workers—is particularly limited, and WIA could play a valuable role in helping fill this gap. State funding currently is available for pre-employment training for new and expanding existing industries, through ADED's Business and Industry Training Program (BITP), but the bulk of the

state's existing industries have no access to funding for pre-employment training. WIA funds could be coordinated to target pre-employment training for these industries. To fully implement this strategy, WIA and the schools should encourage the development of regional consortiums of employers and build upon those regional consortiums that already exist, which developed in large part to participate in the state's industry training programs particularly EWTP. Consortiums ideally include a variety of industries and employers, which is key to making pre-employment training feasible or cost-effective for employers since individually they often do not consistently need enough new workers to sustain a pre-employment training program.

Likewise, because WIA can be used for customized incumbent worker training, WIA funds could supplement the limited state funding being provided for incumbent worker training through EWTP, which the schools are fully using.<sup>29</sup> EWTP is restricted to certain industries as well, mainly manufacturing, and WIA funds could be coordinated to target those industries EWTP cannot currently serve. In addition, WIA and EWTP or BITP funds could be combined or leveraged to fund big projects that neither program alone could fund, which is what the Little Rock WIB and EWTP recently did on a relatively large incumbent worker training project. Or WIA funds could substitute for EWTP or BITP funds when the target worker populations are relatively low-income, saving EWTP and BITP money for higher-income worker populations and thereby stretching the resources of those programs. Given these potential dynamics, a better connection between WIA and the two-year colleges and technical institutes could significantly help both institutions better serve the workforce needs of Arkansas' employers and workers. A forthcoming GFF *Policy Points* brief will examine in detail this issue of using WIA to expand state industry training efforts.

One way this connection between WIA and post-secondary institutions can be and has been facilitated is physically locating the local workforce center on a college or institute campus. This has helped at least one workforce center better partner with a two-year college to provide WIA-sponsored industry training.

Another way to facilitate this connection is to simplify or streamline, as mentioned above, local WIB policies relevant to using WIA for industry training, particularly policies for implementing customized and on-the-job training contracts. Simple and streamlined rules of this kind will facilitate partnering with the schools on employer-specific training projects by making WIA funds easier to use for such projects. Beyond these rules, however, local WIB policies applicable to training providers also need to be examined and simplified if possible. The GAO report indicates that WIA performance measures have frustrated community colleges and may be dissuading them from participating as WIA training providers. In Arkansas, anecdotal information suggests criteria for maintaining status as a WIA training provider, including student retention rates, are frustrating some community colleges.

A third way to make this connection happen, and perhaps the most feasible, is to encourage better communication between the local WIBs and the schools. If both could simply communicate about potential industry training projects, that in itself would enable more collaboration on industry training activities. Another entity that needs to be included in this communication, however, are ADED's regional industry training coordinators who work closely at the local level with employers and the schools and other training providers to coordinate EWTP and BITP training activities. They could be invaluable in steering employers to WIA or other appropriate training programs depending upon the specifics of a given training project.

Finally, from the perspective of serving very low-skilled, low-income populations through industry training efforts, it will be important for local WIBs and the schools to partner with key local community-based organizations (CBOs) or other entities that have experience working successfully with this population. Typically this population is not ready for college level training. And it takes a comprehensive strategy of remediation and supportive services, which often WIA and the schools cannot provide, to get this group prepared for and through this level of training. GFF has successfully served this "bridge to college" role for several community colleges and many employers in the Delta that have partnered with GFF on its health care and manufacturing training programs. And there are other organizations that are successfully serving this role, or schools with their own successful strategies for serving this role. A recent report titled *The Best of Both* examines successful collaborations between CBOs and community colleges to improve the education and training of low-income workers.<sup>30</sup>

To facilitate better partnering between WIA, the state's community colleges and technical institutes, and appropriate CBO's on industry training activities, best policies and practices for such partnering need to be studied and disseminated. Some local areas in Arkansas have had success partnering in some capacity, and their experiences and lessons learned need to be gathered and shared. Also states such as South Carolina are recognized as pioneers in linking community colleges and WIA, and what they are doing and how well it is working should be studied. There are likely many benefits to linking WIA and colleges beyond improving the industry-specific training activities of both institutions. For example, ITAs could serve as a last source of free tuition money, as well as supportive services such as child care, to more eligible low-income students.

### ***Encourage Sectoral Employment Strategies***

Another way to involve employers is to encourage the development of what are often called sectoral training and employment strategies. Such strategies are workforce development efforts that target a particular business or industry sector, typically one with a large local presence, growth potential, and specific jobs that employers within that sector need filled. Sectoral strategies are similar to the industry training being done at the community colleges and technical institutes, in that both target specific employers and jobs, but there are significant differences. Most notably, sectoral strategies are usually continuing or permanent programs, they typically involve multiple employers within a sector and relatively deeper relationships with those employers, and they address career path development and retention issues more comprehensively. For these reasons, sectoral strategies are perhaps best described as an advanced form of industry training.

Recent evaluations by the Aspen Institute and Public Private Ventures have shown the effectiveness of sectoral strategies in varying locations and sectors and with various worker populations.<sup>31</sup> These strategies or programs have been successful on several key indicators: employment and retention, increased earnings, and better job quality. In a recent Aspen Institute series, the outcomes of sectoral strategies have been shown to significantly exceed those of several traditional job training programs including JTPA.<sup>32</sup>

GFF's Industry Partners program is an example of a sectoral training and employment strategy. GFF identified two industry sectors in the local economy that were expected to continue growing and provide jobs with career potential for some time—health care and manufacturing. GFF established relationships with key employers in each sector to design training programs specific to their skill needs and to help address barriers to retention such as transportation and child care. For example, GFF worked with one employer to reconfigure several local public bus routes so workers could get to and from work. It is a deliberate part of GFF's strategy to get its employer partners to help address post-training issues that can affect successful employment. GFF's strategy also encourages continuing education and career development through partnerships with several local community colleges. The colleges provide certain components of GFF training curriculum, and as a result GFF graduates earn college credit hours that can be applied to any advanced training or degree. As a result, so far approximately 20% of GFF graduates have gone or plan to go on to college technical programs.

To encourage more sectoral strategies, the state could create a sectoral demonstration program. Although DOL has a sectoral demonstration grant program that local WIBs can apply for, and the state should encourage local WIBs to apply, the state can ensure that sectoral strategy experimentation happens in Arkansas by creating its own demonstration program. The AWIB has set aside funds that could be used for such a program. Or the state could use its recently created incumbent worker training program to promote sectoral strategies. One industry sector that seems well-suited for a pilot sectoral strategy is health care. There is a great need, which is likely to continue for some time, for health care professionals throughout the state, particularly nurses and other direct care workers. Furthermore, many people familiar with this need recognize that retention is as important as training to addressing it.<sup>33</sup>

Finally, local WIBs should be proactive about partnering with any successful local sectoral employment strategies. There are proven sectoral strategies in the state, and WIA should be supporting the continued success and growth of such programs.

GFF, as one of the state's most successful sectoral strategies, is beginning to get support from its local WIBs. GFF is working with its community college partners to get GFF's programs on the eligible training provider lists of several local WIBs. And GFF is exploring other creative ways in which to partner with its local WIBs, including customized training contracts. Aside from GFF, there are likely other sectoral strategies local WIBs could and should support.

### ***Encourage Community Audits and Other Strategic Planning at the Local WIB Level***

Key to involving more employers in WIA is figuring out which employers to involve. One tool for helping local WIBs do research on employers, as well as other kinds of strategic planning research, is called a "community audit", a term used by DOL in a grant program it recently created to fund local WIB research projects. Community audits can be useful for achieving a variety of workforce and economic development goals.

Industry sector analysis is one kind of community audit that examines a local economies employer base. This kind of audit can be very useful for developing training or promoting sectoral training and employment strategies. Most WIBs have identified the major employers in their area and local occupational needs, but few have done the kind of research that identifies those industries and employers with the greatest strategic advantage in terms of achieving WIA's mission and workforce development's broader social and economic goals. Industry sectoral analysis can do that by identifying those employers in sectors with high-growth potential and a concentration of good employment opportunities, and by identifying the specific occupational and skill needs and career ladder opportunities within those sectors.

Another kind of community audit is referred to as asset identification or mapping. This kind of audit identifies the resources of a community that are currently available to support workforce development activities for local employers, including local training providers, providers of supportive services and other non-direct training services, and even relevant local, state, and federal policies and funding resources that can be leveraged. This includes detailing the rules for using these resources and the potential for coordinating or combining them to create systematic support for workforce development activities. In this way a community audit can serve as a kind of action plan for further strategic planning—the creation of a workforce development system that actually connects available resources and coordinates their use.

The coordination of resources has been a theme throughout this report and it cannot be emphasized enough. Linking WIA to TANF and other supportive service programs, to successful providers such as GFF that offer training and supportive services, to the community colleges and other providers, as mentioned throughout this report, is absolutely critical to the success of WIA. In short, there are many resources that could be leveraged and partnerships that could be formed to support and enhance local workforce development activities. Local WIBs need to figure out how to better leverage these resources if they are going to succeed in creating a highly effective workforce development system. And in reality, the work of leveraging outside resources is not optional for local WIBs. They are mandated by WIA to begin using outside resources to support and enhance their activities. So in one way or another, local WIBs will have to do some kind of community audit and strategic planning.

It should be noted that resources not obviously related to workforce development need to be leveraged as well. State and local economic development efforts are one important example. WIA, by working more closely with economic development entities, can gain access to employers and help create more competitive industries and therefore more local jobs, both of which in turn help workforce development achieve its long-term goals. Job creation, often forgotten by workforce development practitioners, is key to ensuring that education and training can be effectively provided to all those job seekers needing or wanting a better job, particularly in economically depressed areas like the Delta where jobs are scarce. One concrete example of how WIA could collaborate more closely with economic development efforts is the aforementioned idea of using WIA to supplement EWTP and BITP funds, which would enhance the overall expansion and location incentives the state can offer eligible firms. Also, packaging WIA-provided training with business technical and process support programs would significantly

enhance the effectiveness of those services and provide a more powerful competitive boost to recipient employers. There are numerous examples of training providers partnering with SBA small business development centers, federal manufacturing modernization centers, technology transfer and university business incubator programs, financial service and venture capital programs, and other business development support programs to develop the productive capacities of employers. These are only a few examples. And each local area will have its particular opportunities for partnering. Nonetheless local WIBs need to start leveraging these not-so-obvious resources.

The U.S. Department of Labor has encouraged the use of community audits as a local WIB strategic planning tool by providing pilot grants to several WIBs around the country to conduct local community audit projects. DOL is sponsoring a website to provide technical assistance to its grantees, and it includes some good background information on the uses of community audits.<sup>34</sup> Local WIBs should be encouraged to explore the potential of such audits for their community. The state WIB could even help fund local audits with its set-side funds.

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## End Notes

- 1 This finding is based on ITA data for five of the ten local WIBs in Arkansas. Unfortunately, ITA data was not available for all ten local WIBs.
- 2 For a more detailed discussion of these needs see *Policy Points*, Vol. 14, October 2001 on the Good Faith Fund website, [www.arenteprise.org](http://www.arenteprise.org), soon to be [www.goodfaithfund.org](http://www.goodfaithfund.org).
- 3 National Federation of Independent Business, "The Changing Search for Employees," *National Small Business Poll*, Volume 1, Issue 1, August 2001.
- 4 National Alliance of Business, "A Workforce in Transition: Changing Demographics, Job Growth and New Skills," *Workforce Economics*, Volume 6, Issue 2, February 2000.
- 5 The employer partners of GFF, all of whom are in the Delta region of Arkansas, have been describing their need for workers with these soft skills to GFF staff since the beginning of our workforce programs.
- 6 GFF has learned that employers appreciate a workforce development approach that limits the amount of "red tape" and time away from core business activities. At GFF, employer participation includes the identification of skill sets required by their industry, occasional work on curriculum design, regularly scheduled program evaluation meetings, and employer-satisfaction surveys.
- 7 This figure is based on an analysis of 1990 and 2000 U.S. Census data.
- 8 The Family Income Standard is an estimate of how much a family in Arkansas has to make to meet basic daily living needs. For a complete definition see: Arkansas Advocates for Children and Families, "Making It Day-to-Day: A New Family Income Standard for Arkansas," August 1999.
- 9 Estimate based on analysis of 2000 Census American Community Survey labor force participation data. The estimate assumes no significant change in 1) future labor force participation rates over the next 20 years and 2) population growth rates over the next four years.
- 10 Arkansas Department of Higher Education, "Student Success: Graduation and Retention in Arkansas," July 2001.
- 11 For example, GFF helped an employer partner understand that the reason GFF-trained workers were having difficulty making it to work consistently was because the public bus routes did not have a stop near the employer's facility. GFF and the employer then worked with local public transportation officials to reconfigure the bus routes to provide a stop near the facility.
- 12 The data in Chart 3 is based on the 232 students who enrolled in GFF's Careers in Health Care (CHC) employment program from January 2000 to April 2001. The data does not include all CHC enrollees since the inception of the program.
- 13 Information from this section taken from the Arkansas Workforce Center web site, [www.arworks.org](http://www.arworks.org) and from monitoring reports of local WIBs by the state WIB conducted in the fall of 2001. Partners listed on the web site may not reflect all partners affiliated with Workforce Centers around the state.
- 14 In the past year the Arkansas Workforce Investment Board has devoted considerable amounts of time at various committee meetings discussing issues related to the administration of workforce center partnering.
- 15 U.S. General Accounting Office, "Workforce Investment Act: Better Guidance Needed to Address Concerns Over New Requirements," Report to Congressional Requesters, October 2001.

End Notes Continued On Page 39



## Appendix A

### 13 Top 100 Growth Occupations paying \$8.90 to \$10.58 per hour:

School Bus Drivers  
Electrical and Electronic Assemblers  
Emergency Medical Technicians and Paramedics  
Helpers, Construction Trades  
Interviewing Clerks  
Medical Assistants  
Medical Records and Health Info Technicians  
Office Clerks  
Packaging & Filling Machine Operators  
Plastic Molding Machine Setters & Operators  
Receptionists & Info Clerks  
Residential Counselors  
Social & Human Service Assistants

### 10 Top 100 Growth Occupations paying \$10.59 to \$11.75 per hour:

Adjustment Clerks  
Bill and Account Collectors  
Dental Assistants  
Industrial Truck and Tractor Operators  
Instructors & Coaches, Sports and Physical Training  
Maintenance Repairers, General Utility  
Pest Control Workers  
Secretaries (except legal and medical)  
Shipping, Receiving & Traffic Clerks  
Truck Drivers

### 9 Top 100 Growth Occupations paying \$11.76 to \$13.50 per hour:

Automotive Mechanics and Service Technicians  
Court Reporters, Medical Transcriptionists, Stenographers  
Directors of Religious Activities and Education  
Food Service & Lodging Managers  
Licensed Practical and Vocational Nurses  
Painters and Paperhangers  
Surgical Technologists  
Welders and Cutters  
Welding Machine Operators

### 45 Top 100 Growth Occupations paying \$13.51 or more per hour:

Accountants & Auditors  
Administrative Services Managers

Advertising, Marketing, PR and Sales Managers  
Artists and Commercial Artists  
Blue-collar Worker Supervisors  
Bus and Truck Mechanics  
Carpenters  
Chemical Equipment Controllers & Operators  
Clergy  
Clinical Laboratory Technologists & Technicians  
College & University Faculty  
Computer Engineers  
Computer Programmers  
Computer Support Specialists  
Construction Managers  
Correctional Officers  
Counselors  
Database Administrators  
Designers (except interior designers)  
Education Administrators  
Engineering, Natural Science & Computer and Info Systems  
Mangers  
Financial Managers  
General Managers and Top Executives  
Heating, AC & Refrigeration Mechanics and Installers  
Human Resources, Training, & Labor Relations Specialists  
Lawyers  
Loan Counselors and Officers  
Marketing & Sales Worker Supervisors  
Mechanical Engineers  
Office Administrative Support Supervisors and Managers  
Paralegals and Legal Assistants  
Physicians  
Police Patrol Officers  
Radiologic Technologists & Technicians  
Registered Nurses  
Respiratory Therapists  
Stock and Bond Brokers  
Social Workers  
Systems Analysts  
Teachers, vocational education  
Teachers, elementary  
Teachers, kindergarten  
Teachers, secondary  
Teachers, special education  
Writers

Source: 1998-2008 Employment Projections Data (DOL) and Making it Day to Day (AACF).

Appendix B

**Local WIB Individual Training Account Policies**

<b>Workforce Area</b>	<b>Dollar Limits</b>	<b>Time Limits</b>
Central	Determined on a case by case basis	Up to 6 months, renewal no more than 3 times  Individuals with substantial barriers to employment may have more time
Eastern	Limits determined by needs in Individual Employment Plan  Cannot exceed the highest tuition paid to an Arkansas post-secondary institution for a full-time student enrolled in a two-year course of study	
Little Rock	Community Colleges/Technical Institutes/Private Non- and For-Profit Institutions: \$3000  Four year state or private colleges: \$4000  Additional funding of up to \$1500 per year available under extenuating circumstances	2 years  2 years
North Central	\$7000 per year per individual, may be exceeded on a case by case basis  Cannot exceed the highest tuition paid to an Arkansas post-secondary institution for a full-time student enrolled in a two-year course of study	
Northeast	Automatic cap each semester for tuition, required books, and required supplies until completion of certificate, degree, etc.	Until completion of certificate, degree, etc.

Source: Local WIB Five-Year Plans for the period July 1, 2000 to June 30, 2005, as submitted to the State WIB; local WIB ITA policies; and conversations with local WIB staff.

\* The Lower Living Standard Income Level (LLSIL) is determined by the U.S. Department of Labor. For metro areas in the South, 150% of the LLSIL is \$40,350. For non-metro areas, it is \$38,070.

<b>Uses</b>	<b>Eligibility Restrictions</b>	<b>Requirements for Keeping ITA</b>
Tuition, books, fees, educational materials, and supportive services, on a case by case basis	<p>Meet eligibility for intensive services and receive at least one intensive service</p> <p>Determined by assessment to be in need of and can successfully complete training</p> <p>Employed workers considered for training if they earn less than 150% of the lower living standard income level*</p> <p>Dislocated workers eligible if working for less than 85% of layoff wage</p>	<p>Maintain C average</p> <p>Miss no more than 10% of classes</p>
Tuition, fees, equipment, tools, books, transportation or other costs that raise the probability of successful completion of training		
Tuition, fees, equipment, tools, books, transportation, or other costs that raise the probability of successful completion of training	<p>Individuals “most in need” include those who do not have work experience 4 of the last 5 years in a targeted demand occupation or who have an AA degree, certificate, or license that is more than 5 years old in a targeted demand occupation.</p> <p>“Limited-need” individuals have a bachelor’s, master’s or Ph.D. in a targeted demand occupation that is more than 5 years old, have an AA, certificate, or license that is not in a demand occupation, or have 4 of the last 5 years of experience in a targeted demand occupation without a license, certificate, or degree</p>	
Required supportive services paid in addition to the ITA amount	Needs determined by assessment of education, skills, abilities, and work history	
Tuition, required approved books, required approved supplies		<p>Maintain GPA required to receive certificate, degree, etc.</p> <p>Nonattendance, withdrawing from classes, etc. may prevent issuance of ITA for the next semester</p>

Appendix B, continued **Local WIB Individual Training Account Policies**

<b>Workforce Area</b>	<b>Dollar Limits</b>	<b>Time Limits</b>
Northwest	<p>\$8000</p> <p>May be exceeded in extreme circumstances with written approval from Operations Manager</p>	<p>Up to 2 years</p> <p>Same exception as for dollar limit</p>
Southeast	\$10,000	2 years
Southwest	<p>Determined by the actual cost of the program provided by the training provider less other identified financial assistance</p> <p>The amount should not exceed the Federal guidelines used to determine the cost of attendance</p>	
West Central	Based on “off the shelf” cost of tuition, fees, books, required supplies, and training length	
Western	<p>Determined by costs of tuition, fees, books, and class related supplies.</p> <p>No limits at this point</p>	Based on requirements of training providers

<b>Uses</b>	<b>Eligibility Restrictions</b>	<b>Requirements for Keeping ITA</b>
<p>Tuition, fees, books, and other required items</p> <p>Supportive services such as child care and transportation may be met through a voucher system</p>	<p>Meet eligibility for intensive services and receive at least one service</p> <p>Determined to be in need of and can successfully complete training</p>	
		<p>Must be full-time student if working less than 29 hours a week or must carry 9 hours if working 30 hours a week or more</p> <p>ITAs for lesser class loads are allowed with justification in the case file</p>
<p>Tuition, fees, books, class-related supplies</p>	<p>Must exhaust other options for employment</p> <p>Require four core services and four intensive services before training</p> <p>Assessment must show need for training</p> <p>Must be used for the most expedient means to employment</p>	<p>Maintain 2.0 gpa</p> <p>If ITA is terminated negatively, cannot get another ITA for up to one year unless there are extenuating circumstances such as medical conditions, personal barriers, transportation or child care issues that can't be resolved</p>
<p>Tuition, fees, books, required supplies</p>		
	<p>Require four core services and four intensive services before training</p>	<p>Maintain 2.0 gpa</p> <p>If ITA is terminated negatively, cannot get another ITA for up to one year</p>

Appendix C

**Adult and Dislocated Workers Performance Levels for Program Year 2000**

	CAR	LR	EAR	NCAR	NEAR	NWAR	SEAR	SWAR	WCAR	WAR
<b>Actual Performance Level</b>										
<b>Adult</b>										
Entered Employment	78%	69%	67%	84%	81%	76%	72%	70%	88%	87%
Retention	83%	83%	70%	84%	80%	84%	78%	71%	86%	84%
Earning Change in 6 months	\$4,092	\$4,002	\$2,959	\$5,514	\$4,030	\$4,360	\$3,689	\$4,435	\$3,440	\$3,930
Employment and Credential Rate	40%	37%	8%	50%	46%	63%	22%	49%	52%	54%
<b>Dislocated Worker</b>										
Entered Employment	90%	85%	72%	95%	90%	89%	81%	82%	89%	86%
Retention	91%	82%	85%	92%	85%	83%	86%	77%	88%	91%
Earning Replacement in 6 months	93%	98%	109%	83%	100%	93%	98%	112%	124%	100%
Employment and Credential Rate	37%	18%	0%	74%	58%	59%	14%	38%	47%	59%
<b>Difference From Negotiated Level</b>										
<b>Adult</b>										
Entered Employment	6%	-15%	12%	9%	9%	-13%	-1%	7%	20%	23%
Retention	4%	-5%	-4%	6%	0%	4%	-6%	-8%	4%	1%
Earning Change in 6 months	\$592	-\$298	-\$41	\$3,114	\$430	\$60	\$989	\$1,735	-\$60	\$630
Employment and Credential Rate	-12%	-15%	-44%	-1%	-5%	11%	-29%	-3%	0%	3%
<b>Dislocated Worker</b>										
Entered Employment	6%	-1%	10%	10%	15%	12%	-5%	3%	4%	9%
Retention	0%	-14%	2%	-4%	-9%	-13%	-6%	-10%	-3%	-2%
Earning Replacement in 6 months	1%	13%	-8%	-11%	-5%	-5%	-11%	3%	34%	2%
Employment and Credential Rate	-15%	-34%	-52%	23%	7%	8%	-37%	-14%	-5%	8%
<b>Performance Levels Exceeded</b>	6	1	4	5	4	5	1	4	5	7
<b>Performance Levels Met</b>	1	0	0	0	1	0	0	0	0	0
<b>Performance Levels Not Met</b>	2	7	4	3	3	3	7	4	3	1

Source: Workforce Investment Act Title I-B Annual Report, December 3, 2001

**End Notes, continued from page 32**

- 16 Arkansas Workforce Investment Board, Local WIB Monitoring Reports, Fall 2001.
- 17 In a recent GFF survey of all 33 Arkansas community colleges and technical institutes, the ability to provide training that met an employer's specific workforce skill needs was the most common reason schools believed employers participated in workforce training activities with the schools.
- 18 Local WIB Five-Year Plans for the period July 1, 2000 to June 30, 2005, as submitted to the State WIB, local WIB ITA policies and procedures, and phone conversations with local WIB staff.
- 19 Arkansas Employment Security Department calculations.
- 20 Arkansas Workforce Investment Board, "Workforce Investment Act Title II-B Annual Report: Program Year 2000," December 3, 2001.
- 21 The survey of employers was fielded in the fall of 2001. Surveys were sent to over 100 of the state's largest employers listed in the *Arkansas Business Book of Lists 2002 Edition*. The employers were selected from all regions of the state and a wide range of industries, particularly industries with a large presence in their respective areas of the state. About 30% of the surveyed employers responded. The survey was not intended to produce a statistically valid sample. However, it does provide some measure of employer's perceptions of WIA.
- 22 The survey of workers was fielded in the fall of 2001. Almost 90 individuals who had visited several workforce centers in the state were surveyed, some after their visit to a center and others who had been to a center in the past year. The survey was not intended to produce a statistically valid sample. However, it does provide some measure of worker's perceptions of WIA.
- 23 The Lower Living Standard Income Level (LLSIL) is determined by the U.S. Department of Labor. For metro areas in the South, 150% of the LLSIL is \$40,350. For non-metro areas, it is \$38,070.
- 24 Ida Rademacher et al, "Project QUEST: A Case Study of a Sectoral Employment Development Approach," Washington, D.C.: The Aspen Institute, August 2001.
- 25 Underemployed is a term used to describe a broad range of the working population that is currently not satisfied with their current job for any variety of reasons. It can include workers that are part-time but want full-time work, workers who are temporary but want to be permanent, workers that are over-qualified for their current job and want something more appropriate, and workers who simply want a better job with better pay.
- 26 Jobs for the Future, "Everybody WINS: Effectively Involving Business in Workforce Development," A Report by Jobs for the Future for Workforce Innovation Networks—WINS, June 2001.
- 27 Both the GFF Employer Survey and a separate community college and technical institute survey conducted by GFF indicate that a significant number of employers are using the colleges and institutes for workforce training.
- 28 64% of the employers responding to the GFF Employer Survey indicated that they think their local college or technical institute is "effective at meeting local employers' needs for skilled workers."
- 29 The aforementioned GFF survey of all 33 Arkansas community colleges and technical institutes indicated that the schools are using what EWTP funds are available and would use more funds if provided.
- 30 Brandon Roberts, "The Best of Both: Community Colleges and Community-Based Organizations Partner to Better Serve Low-Income Workers and Employers," Philadelphia: Public/Private Ventures, January 2002.
- 31 Lily Zandniapour and Maureen Conway, "Closing the Gap: How Sectoral Workforce Development Programs Benefit the Working Poor," Washington, D.C.: The Aspen Institute, July 2001; Mark Elliot et al, "Gearing Up: An Interim Report on the Sectoral Employment Initiative," Philadelphia: Public Private Ventures, September 2001.
- 32 The Aspen Institute, "Measure for Measure: Assessing Traditional and Sectoral Strategies for Workforce Development," Sector Policy Project, Executive Summary No.2, September 2001.
- 33 The Legislative Nursing Commission, which was created by legislation passed by the 2001 Arkansas General Assembly, is charged with examining the need for health care professionals across the state and developing strategies to meet that need. In addition to strategies for providing nurse training, the commission has given considerable amount of attention to strategies related to the retention of nurses already in the profession.
- 34 Contact the Good Faith Fund's Public Policy Program at 501.661.0322 to find out how to access this website.

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