

## **Restructuring and Reinventing State Workforce Development Systems**

Employment and Social Services Policy Studies Division

Contact: Jill Hyland, 202/624-5335

January 15, 1997

### **Summary**

In response to changing economic conditions and the demand for more efficient and more responsive government programs, states are initiating systemic reforms to improve their workforce development systems. These comprehensive changes are designed to organize categorical employment and training programs into coherent state systems that are focused on achieving results, using resources efficiently, and ensuring that job seekers, workers, and employers can easily access needed services.

This *StateLine* provides an overview of state systemic workforce development reforms and gives examples of the changes that states are making. The information comes from a survey of Governors' workforce policy advisors conducted by National Governors' Association (NGA) staff in spring and summer 1996. The findings are based on responses from thirty-seven states and one territory.

The survey results indicate that states are both "restructuring" the entities that administer and govern programs and "reinventing" the way government works. Among the most common restructuring efforts are creating a state-level human resource investment council and developing a strategic and multiprogram planning process. A few states are establishing comprehensive regional or local workforce development boards and are restructuring state workforce development-related agencies.

States are also undertaking initiatives that are consistent with reinventing government principles, including activities to make workforce development systems more results-oriented, customer-focused, and market-driven. About half of the states responding to the survey are focusing on systemwide results and are adopting continuous improvement and quality practices. Approximately two thirds of the responding states are using customer satisfaction survey to learn about and respond to the needs of their customers. Many other states are involving the private sector to make their systems more responsive to market forces.

### **Background**

Several recent developments have prompted states to reform their workforce development systems. A consensus has emerged that existing employment and training efforts need to be streamlined to respond effectively to the challenges posed by a rapidly changing and increasingly global economy. Consequently, states are examining ways in which the existing patchwork of federal and state employment and training programs can be brought together to form systems that better meet the labor market needs of employers, job seekers, and workers.

In addition, states are using many of the principles described by David Osborne and Ted Gaebler in their

1992 book *Reinventing Government* to improve the efficiency and effectiveness of state government. These principles include changing the focus of government from tracking processes to measuring results, focusing on the needs of the customer, enhancing public-private partnerships, and developing innovative ways to finance services.

Finally, congressional action on workforce development and welfare reform legislation underscores the need for states to prepare to meet new responsibilities. Although the 104th Congress stopped short of consolidating many federal workforce development programs into state block grants, it provided new authority for the U.S. Department of Labor to grant states waivers of federal job training laws and regulations. States can apply for yearlong waivers of certain laws and regulations under the Job Training Partnership Act (JTPA) and the Wagner-Peyser Act in order to move their system-building efforts forward. In addition, states can apply to become one of up to six states to be selected as "work flex" demonstration states that will be granted even greater waiver flexibility for as long as five years. Meanwhile, the U.S. Department of Labor continues to fund grants to thirty-three states to establish career centers that will provide job seekers, workers, and employers with "one-stop" access to services. The stringent work requirements and time limits on benefits for welfare recipients contained in the recently enacted federal welfare reform law increase the urgency for states to coordinate services so that recipients can find jobs quickly and stay employed through training and support services.

In response to these and other factors, states are pursuing the following restructuring and reinvention reforms:

- coordinating policy through state human resource investment councils and substate councils;
- reorganizing and consolidating state agencies;
- establishing measures of systemwide, outcome-based accountability;
- undertaking continuous improvement and quality practices;
- making the system more market-driven by enhancing private sector involvement and finding new ways to finance training;
- building the capacity of management information systems; and
- forging links to other major state systems, such as economic development, education, and welfare.

The state initiatives described in this *StateLine* reflect information obtained through the NGA survey. Appendix A contains profiles of four states with reform initiatives. Appendix B includes tables summarizing the survey responses of each state.

## **Restructuring Initiatives**

In recent years, many state reform initiatives have focused on changing the structure of governing and administrative entities. Restructuring reforms seek to coordinate multiple employment and training efforts through more comprehensive councils and agencies.

**Human Resource Investment Councils and Substate Councils.** One of the most common restructuring initiatives is establishing a human resource investment council (HRIC) or similar body. HRICs provide state-level coordination, collaboration, and integration among federal and state workforce development programs and policies. Council members, who include both public and private sector representatives,

develop comprehensive approaches to policymaking among components of the workforce development system, such as JTPA, employment service, and vocational and adult education programs. Based on NGA surveys in April and August 1996, as well as other information sources, at least thirty-four states have established HRICs or similar bodies (see Table 1). States with HRICs are heavily represented among the survey respondents.

Many HRICs serve as the lead entity for conducting comprehensive strategic planning processes across agencies and programs. Of the states responding to the August 1996 survey, twenty-eight states have established formal processes for strategic planning across workforce development programs; in

sixteen states, the human resource investment council is leading this process. This process has led to a written strategic plan in sixteen of the states responding to the survey, fourteen of which have established HRICs (see Table 2).

To plan and develop policy across programs at the local or regional levels, at least nineteen states have authorized the establishment of councils or boards at the substate level. Similar to councils at the state level, most of these substate bodies are designed to coordinate a broad range of programs. However, the purview of the councils in at least four states—Kentucky, Montana, Ohio, and West Virginia—does not include this broad range of programs but instead focuses on a few initiatives, such as the development of one-stop career centers or school-to-work transition. All but two of the state survey respondents with regional or local workforce development boards also have state-level HRICs. Some of the most common responsibilities of substate councils are developing unified plans for services; identifying workforce needs; overseeing the local workforce programs and the development of one-stop career centers; and evaluating the effectiveness of services.

**Agency Reorganization.** Several states have consolidated multiple agencies administering workforce development programs. Although the goals of agency consolidation vary among states, they usually relate to reducing fragmentation across programs, providing more integrated services, and eliminating administrative duplication. According to the NGA survey, at least thirteen states have initiated major consolidations of their workforce agencies in the past few years—Colorado, Hawaii, Indiana, Iowa, Kentucky, Maine, Nevada, South Dakota, Texas, Utah, Vermont, Wisconsin, and Wyoming.

Some of these reorganizations, in addition to consolidating the agencies with responsibility for employment and training programs, also include programs usually administered by economic development and human services agencies. For example, a new department, Iowa Workforce Development, will incorporate programs from the departments of employment services, economic development, and human rights. Reorganizations in both Utah and Wisconsin consolidate the functions of employment and training agencies and those of state welfare agencies. Some of these consolidations, such as in Indiana, also involve internal reorganizations, with divisions organized according to categorical programs being replaced with divisions organized according to the functions performed (e.g., field support and strategic planning).

Although the goal of agency reorganizations is often to increase the integration of services, some states are integrating services through other means. For example, service integration can be encouraged by joint strategic planning processes across agencies and by formal interagency agreements. Some states also are

focusing their efforts on integrating services at the local level through one-stop career centers, which often require partnerships among several agencies.

## **Reinventing Government Initiatives**

States also are changing the way their workforce development systems operate. In contrast to restructuring initiatives, which alter organizational structures, reforms aimed at reinventing government focus on changing processes. A common element in many state workforce development reform efforts is the focus on results, on the needs of customers, and on making the system more market-driven.

**Focusing on Results: Outcome-Based Accountability.** Outcome-based accountability systems focus management processes on achieving results. They differ from traditional approaches to accountability, which involve tracking inputs and processes. Outcome-based accountability is used to demonstrate the system achievements and provide information to help guide management improvements. Many states are extending their use of these outcome-based measures from individual programs to the entire workforce development system in order to focus all components of the system on achieving common goals.

*One of the more common systemwide accountability initiatives is developing systemwide performance measures and standards.* Performance measures and standards are tied to specific policy areas, such as workforce development, and are used to assess and monitor the performance of the system with an eye toward improving it. Although performance measures and standards have been common in individual job training programs for years, twenty of the responding states report that they are establishing measures and standards that cut across the entire workforce development system (see Table 3). Of the survey respondents with HRICs, approximately half of them report that they are developing systemwide measures and standards.

*Some states are focusing on broad statewide goals and benchmarks.* Statewide goals and benchmarks articulate broad, societal outcomes or conditions to which government, private sector organizations, and individuals can contribute. For example, reducing the state's unemployment rate is a statewide goal. Benchmarks establish baselines for these conditions, which are then tracked over time. Eighteen of the states responding to the NGA survey report that they are developing goals and benchmarks across the workforce development system. Almost all of these states also indicate that they are establishing systemwide performance measures and standards.

*A few state workforce development systems focus on results by using outcome-based and performance-based budgeting.* This type of budgeting differs from traditional budgeting because it ties funding to outcomes and performance. Outcome-based budgeting allocates resources explicitly to meet policy objectives and performance-based budgeting allocates resources using information on the performance of programs and agencies. These approaches to budgeting often are conducted as part of strategic planning. Ten of the responding states—Arizona, Colorado, Florida, Iowa, Montana, North Carolina, North Dakota, Texas, Utah, and Washington—report that they plan to use outcome-based or performance-based budgeting for their workforce development system.

*A few states are developing systemwide evaluation systems.* Evaluation systems are used to assess the

impact of specific programs and systems. They can also be used to determine the cost-effectiveness of programs and systems. Eleven states responding to the survey—Arizona, Colorado, Florida, Iowa, New Jersey, New York, South Dakota, Texas, Vermont, Washington, and Wisconsin—report that they are developing evaluation systems that cut across workforce development programs.

Texas uses these accountability components. Statewide goals and benchmarks were established in the HRIC's strategic plan and the Governor's *Vision Texas* document, which sets goals for state government. Core performance measures cut across workforce development programs and fall into three categories: labor market outcomes, learning outcomes, and customer satisfaction outcomes. Access and equity measures also are being developed. Finally, education and workforce agencies have evaluation systems, and the HRIC is charged with evaluating the state's workforce development system.

**Focusing on the Customer: Continuous Improvement and Quality Practices.** Many state workforce development agencies are embracing the continuous improvement and quality practices used by high-performing companies such as those that win the Malcolm Baldrige National Quality Award. These practices help them make improvements to their organizational effectiveness and to focus on meeting the needs of their customers.

***Several states have instituted continuous improvement processes, which are central to quality practices.*** Continuous improvement processes are continuing cycles of examining the operational processes used in an organization, reviewing data on results, and then making adjustments to improve performance. Nineteen of the states responding to the survey report that they are using continuous improvement processes in workforce development entities (see Table 4).

***States are using customer satisfaction surveys to get feedback from system customers.*** States are surveying system users—job seekers, workers, and employers—to measure their satisfaction and to make improvements to the system, as appropriate. At least twenty-nine states are administering workforce development customer satisfaction surveys, often in connection with the operation of one-stop career centers.

***A few states are benchmarking the best practices of other states and organizations.*** To benchmark best practices, states examine the workforce development systems of other states that achieve desired results and compare the processes used in those states with the processes they use. They gradually adopt the practices of the other states and benchmark their progress until the desired outcomes are realized. Ten state survey respondents report using processes to benchmark best practices; all but one of these states also report using continuous improvement processes.

***States are promoting quality practices by recognizing quality achievements made by government agencies and by the private sector.*** Recognizing employers that use quality practices is a strategy for promoting workforce training because these practices involve making training investments in employees. Recognition also is used as an economic development tool to reward companies that are committed to improving their performance. Sixteen of the survey respondents report that they use strategies to promote quality among employers, and nine of the survey respondents report that they recognize quality achievements by government agencies. According to information collected by the National Institute of Standards and Technology, at least forty states have established state quality awards.

Like the private sector, government agencies are following these quality principles because they help focus efforts on results and on being responsive to customers. It is too early to determine the impact of these initiatives on results, however, because many states have only recently instituted these practices.

**Private Sector Involvement.** The private sector has been involved in the governance of the job training system for many years, as evidenced by employers serving on state HRICs and local private industry councils. To make the system even more responsive to employer needs, states are continuing to search for new ways to leverage private sector expertise and funding. Many strategies are aimed at making training more widely available and encouraging the development of shared responsibility between the public and private sectors.

Some of the most common financing initiatives survey respondents report that they are using are establishing training funds financed by employer taxes collected through the unemployment insurance system and setting aside state-appropriated funds for customized training programs for incumbent workers in specific industries. Indiana uses penalties and interest monies in the unemployment compensation system to fund unemployment prevention projects. To encourage customer choice, New Jersey offers vouchers to dislocated workers who may choose where to seek remedial education and skills training. New York's economic development zones include tax credits for employers who hire individuals in targeted groups. Florida uses financial incentives to reward educational institutions for their success in placing individuals in high-skill and high-wage jobs. Incentive payments are given to community colleges and vocational technical centers that place students who are members of targeted groups, such as dislocated workers, disadvantaged individuals, and students with limited English-speaking ability.

### **Building the Capacity of Information and Case Management Systems**

States are developing enhanced management information and case management systems to help them coordinate and integrate their employment and training services. These systems are used to track progress and outcomes for customers, improve the effectiveness of operations, and integrate information from different programs.

***States are using integrated management information systems and case management systems to improve service delivery.*** Integrated management information systems enable multiple agencies and programs to share and jointly process information. Eight NGA survey respondents report that they are using integrated management information systems, with varying degrees of integration. Similarly, integrated case management systems enable clients to be tracked across multiple programs, facilitating a more holistic service approach and less duplication of effort. For example, Vermont uses an integrated case management system across multiple workforce development programs, including employment service, unemployment insurance, JTPA, apprenticeship, and social welfare programs. Eight states report that they are using integrated case management systems (see Table 5).

***States are using wage record tracking systems to determine outcomes.*** These systems track the earnings of program participants after training and placement to determine how well they do in the labor market. This information enables managers to make modifications to improve results. Wage record tracking can also be used to assess the impact of programs by comparing the wages of program participants with the

wages of nonparticipants. Fourteen states responding to the NGA survey report that they are using wage record tracking systems.

***States are encouraging self-service access to labor market information for some job seekers, workers, and employers.*** One of the more common types of enhanced information systems used by states enables customers to peruse information on the labor market from remote locations. Twenty states indicate that they offer this service to their customers.

Although these information systems enhance states' capacity to manage their workforce development systems, they often are used as a tool for changing other processes.

### **Establishing Links to State Economic Development, Education, and Welfare Systems**

States also are exploring a number of strategies to better connect their workforce development systems to other state systems, especially economic development, education, and welfare. These connections are important. For example, people's dependency on welfare is tied to their ability to secure needed skills and well-paying jobs. Similarly, having pools of qualified workers from which employers can hire is important to meeting states' economic development goals.

Cross-membership on advisory councils is one of the most common mechanisms for achieving cross-system collaboration and coordination. In many states, officials representing economic development, education, and human services serve on the state human resource investment councils that coordinate policies for workforce development. States also report the following kinds of links to other systems.

**Links to Economic Development.** Many states report that their links to economic development involve providing customized workforce training for incumbent workers or new hires of selected businesses or industries. Employment and training and economic development agencies often collaborate to provide workforce training through formal coordination-of-service agreements. For example, Rhode Island provides cross-training to economic development and workforce development staff so that they can provide comprehensive services to job seekers, workers, and employers. In some areas, regional workforce development boards are collocated with regional economic development councils.

**Link to Education.** Twenty-three of the states responding to the NGA survey report that their school-to-work and/or tech-prep initiatives provide formal links between their workforce development and education systems. At the state level, these initiatives are commonly planned by a broad range of stakeholders, including representatives of the education and job training systems.

Another example of an education-workforce development link is a professional development strategy developed by the Texas Workforce Commission's Workforce Development Division. Under contract from the Texas Higher Education Coordinating Board, state staff offer workshops on ways to develop and teach competency-based curriculum to educators who work in the tech-prep, community college, and public school systems.

**Links to Welfare.** Although encouraging welfare recipients to work has long been viewed as an important

strategy for reducing welfare dependency, helping welfare recipients find jobs has become more urgent given state and federal reforms imposing work requirements on recipients and time limits on benefits. Arizona, Florida, Iowa, Kentucky, North Dakota, Texas, Vermont, and Washington report that the employment and training agency administers parts of the Job Opportunities and Basic Skills (JOBS) Training program, a federal welfare-to-work program that is being replaced as states begin to implement the new federal welfare reform law. Utah and Wisconsin are consolidating state agencies with responsibilities for welfare cash assistance and workforce development.

Several states, including Florida, Idaho, Iowa, North Carolina, Utah, Washington, and Wisconsin, report that the link between welfare and workforce development will be achieved through one-stop career center systems that enable employers, workers, and job seekers to access a broad range of labor market and career information.

Pennsylvania's Single Point of Contact Program, which provides training services and comprehensive education for hard-to-serve welfare recipients, is another type of formal link between the welfare and workforce development systems. Staff from service delivery areas (SDAs), job centers, and county assistance offices (CAOs) are collocated and provide a variety of services, including intensified case management, designed to reduce major employment barriers. At the local level, the program is jointly managed by a committee composed of representatives of the SDAs, job centers, and CAOs, as well as local education agencies.

## **Embracing New Opportunities**

States continue to explore better ways of meeting the needs of job seekers, workers, and employers in a continuously changing economy. In addition to redesigning policy and administrative structures, they are making their systems more customer-focused, improving systemwide accountability, and adopting continuous improvement practices. Although states are refining their new practices and it is too early to determine the impacts of these reforms on state workforce development systems, many of these approaches nevertheless appear promising.

The new federal waiver authority provides states with even greater opportunities to expand their system-building efforts. States can apply for yearlong waivers of parts of federal employment and training law or apply for "work flex" waivers that will give a few states still more flexibility for up to five years. The experience of states selected for the "work flex" demonstration will hopefully provide more information on successful system-building strategies. Meanwhile, these flexibility tools will enhance the ability of states to build on their progress to date and experiment with new approaches to workforce development reform.

## **Appendix A: State Profiles**

Connecticut, Florida, Iowa, and Texas are among the states that have implemented reforms to their workforce development system. Each of these four states has authorized the establishment of HRICs or similar bodies and substate workforce development boards and has created formal systemwide strategic planning processes. Each is also developing systemwide performance measures and statewide goals and benchmarks.



## Connecticut

Connecticut's efforts in workforce development are similar to the initiatives of other states. It has established a comprehensive state-level advisory council, local workforce development boards, a performance management system that cuts across programs, and connections to the economic development and welfare systems.

**Restructuring.** The Employment and Training Commission has a permanent role as the interagency group responsible for implementing the state's workforce development system. The department of labor is the lead support agency. Other agencies, as members of this commission, are assuming the role of workforce partners by signing memoranda of agreement to establish interagency working relationships. The state is continuing to implement the one-stop career center system, which includes partnerships involving the departments of social services, education, higher education, and economic development. In addition, state statute organizes employer training referrals through the department of labor and community and technical colleges.

On the substate level, regional workforce development boards oversee JTPA, school-to-career transition, partnerships in one-stop career centers, and regional planning and needs assessment. Although the range of their responsibilities varies, the boards generally have policy purview over programs cutting across all workforce development functions and act as managing partners in the implementation of one-stop career centers.

**Outcome-Based Accountability and Quality Initiatives.** The Employment and Training Commission is developing a comprehensive performance measurement system that focuses on system outcomes and customer satisfaction. The performance measurement system uses a five-step process of quality improvement:

- measurement and reporting of performance;
- analysis of data and identification of improvement goals;
- determination of causes of weak performance;
- design of corrective strategies; and
- implementation of corrective strategies.

**Links to the Economic Development and Welfare Systems.** The department of labor formed a working relationship with the newly organized department of economic and community development to develop and implement policy on economic development grants and loans. On the regional level, workforce development boards are linked and, in some cases, colocated with regional economic development councils.

Under the state's welfare reform initiative, the departments of labor and social services collaborate on workforce policies and strategies. Such collaboration includes decisionmaking related to information mergers, for example, between benefit information systems and job bank listings, as well as skill assessment.

**Contact:** John Saunders, deputy commissioner, Connecticut Department of Labor, 860/566-4388.

## Florida

A 1995 executive order and 1996 state legislation initiated changes to Florida's workforce development system that incorporate many principles of reinventing government. The purpose of these reforms is to make the system "market-driven, placement-based, community-managed, and customer-focused."<sup>6</sup>

**Restructuring.** Florida's Jobs and Education Partnership (JEP) is the state's recently designated HRIC and is composed of members of the public and private sectors. The council is staffed by Enterprise Florida, a nonprofit entity that oversees economic development activities. JEP has chartered regional workforce development boards that are responsible for reviewing local plans, providing oversight, and designating all local service providers. However, the boards are not permitted to provide direct services. Under the chartering process, regional boards are required to address Florida's four major workforce development components: one-stop career centers, school-to-work transition, welfare-to-work, and high-skill and high-wage jobs. They also are required to analyze local delivery systems to eliminate duplication and reduce administrative costs.

**Outcome-Based Accountability and Quality Initiatives.** According to the new law, JEP is charged with developing procedures for awarding resources and incentives to regional workforce development boards based on job placements and other performance measures. Uniform measures and standards will be developed to assess outcomes in three tiers:

- benchmarks for systemwide outcomes, such as employment in occupations with growing wages, retention, reduction in public assistance receipt, and employer satisfaction;
- benchmarks for outcomes in the four components of Florida's workforce development strategy: school-to-work, welfare-to-work, one-stop career centers, and high-skill and high-wage jobs; and
- operational and output measures to be used by program implementers.

The new law also requires JEP to develop a training program for regional workforce development boards that emphasizes the state's workforce development goals and strategies.

**Links to the Education, Economic Development, and Welfare Systems.** The education and economic development systems are linked through initiatives such as the high-skill and high-wage jobs program, which gives financial rewards to education institutions based on student completion and job placement. In the welfare-to-work area, the department of children and families and the department of labor and employment security are involved in developing one-stop career centers. At the local level, regional workforce development boards will have primary responsibility for welfare-to-work training and employer incentives.

**Contact:** Lanny Larson, executive director, Enterprise Florida Jobs and Education Partnership, 904/222-3227.

## **Iowa**

Recent systemic reform initiatives in Iowa involve organizational restructuring, performance management efforts, information technology, and innovative funding mechanisms.

**Restructuring.** In 1994 Governor Terry E. Branstad established the Workforce Development Council to make recommendations to improve system coordination. Legislation enacted in July 1996 creates a cabinet council on workforce development and consolidates multiple programs into a new agency, Iowa

Workforce Development. The new agency houses programs formerly in the department of employment services, as well as several programs from the department of economic development and human rights. Iowa Workforce Development performs case management functions, moving welfare clients to self-sufficiency under a contract with the Iowa Department of Human Services.

New regional workforce development boards will also be created as a result of the recent legislation. Board members will be appointed by the Governor, and their responsibilities will include identifying workforce needs, writing plans for the delivery of services, assisting the state in awarding grants and contracts, and monitoring grants and contracts.

**Performance Management and Quality Initiatives.** Iowa uses many measures in its performance management system, which was developed to promote shared accountability among the various partners in geographic regions. In addition, statewide goals and benchmarks established by the Council on Human Investment track outcomes across state government. These goals and benchmarks measure broad economic and social conditions over time. Iowa, like other states that are building one-stop career center systems, is using customer satisfaction surveys as well as regional training and capacity building for the state partners involved in the one-stop centers in order to promote quality in the workforce development system.

**Information Systems and Funding Mechanisms.** Iowa uses wage record tracking, integrated management information systems, integrated case management systems, and automated client records. Locally authorized general obligation bonds are sold to finance training for employees through community colleges. The bonds are paid back through wage withholding. In addition, state funds are used to broker employer consortia and supplier networks that eventually are funded by the private sector.

**Contact:** Dennis Guffey, Workforce Development Administrative Center, 515/281-9036.

## **Texas**

The Texas workforce development system is being dramatically restructured because of the enactment in 1995 of comprehensive reform legislation. Texas is also continuing to refine its outcome-based accountability system and quality initiatives. A block grant funding strategy is a central feature of the new system.

**Restructuring.** In 1995 the administration of twenty-three workforce programs was consolidated into the umbrella Texas Workforce Commission (TWC). Programs that merged into TWC include JTPA, JOBS, Food Stamp employment and training, child care services, the employment service, and model programs under one-stop career centers. TWC's five-year plan focuses on meeting the needs of the system's customers—employers and businesses, workers and future workers, and communities and local workforce development boards. Toward this end, the state is planning to develop a statewide, integrated eligibility and application system for a wide range of programs.

Local officials have the option of forming local workforce development boards that will decide how to spend funds from a broad array of workforce development programs, including planning and overseeing service delivery, JTPA, Wagner-Peyser, and child care programs. Responsibilities of the boards include providing services, ensuring service outcomes that are consistent with statewide standards, serving as a point of contact for businesses, acting as a private industry council under JTPA, developing a local workforce plan, and creating and monitoring the progress of career development centers.

The Texas Council on Workforce and Economic Competitiveness, the state's HRIC, has oversight responsibility for all state and federal workforce education and workforce training and service programs. It also is responsible for planning and local workforce development area designation, advocacy and promotion, policy and program development, and performance evaluation and oversight.

***Outcome-Based Accountability and Quality Initiatives.*** Texas established core performance measures that cut across all programs and fall into three categories: labor market outcomes, learning outcomes, and customer satisfaction outcomes. Other measures, such as the training-relatedness of placement and program cost-effectiveness, are being considered for future use.

As part of the strategic planning of the Council on Workforce and Economic Competitiveness, Texas developed statewide goals and baseline benchmarks for all workforce development programs. In addition, the Governor's Office prescribes strategic planning within state agencies to link agency planning to the state's integrated performance-based budgeting system. The council also evaluates the state's entire workforce and workforce-related education systems, subject to additional legislative evaluation and oversight outside the council.

The interagency state-local Quality Systems Development Workgroup is helping to develop a system of standards and measures for superior performance, customer satisfaction, continuous improvement, and quality practices. The group also supports one-stop initiatives, including the creation of standards and measures of universality, customer choice, systems integration, client outcomes, and management and administration. Through the one-stop initiative, the state created a customer satisfaction survey and developed frontline staff training. In addition, Texas instituted a statewide employee incentive program that rewards employees from state agencies who recommend changes to improve the efficiency, effectiveness, and costs of government services.

***Links to the Education and Economic Development Systems.*** In a partnership between the education and workforce development systems, the Higher Education Coordinating Board contracted with TWC to develop a professional development strategy for educators. As part of this strategy, TWC staff lead workshops on developing and teaching curriculum using competencies based on the Secretary's Commission on Achieving Necessary Skills. TWC also created a new department of education initiatives to further integrate workforce development and education in areas such as school-to-work, apprenticeship, communities in schools, and proprietary schools. The state-funded Skills Development Fund provides community and technical colleges with startup capital for customized training programs for businesses and trade unions, as well as for the sponsorship of business networks and consortia.

***Contact:*** Ara Merjianian, Governor's Office of Budget and Planning, 512/463-1744.

## Appendix B: State Survey Responses

<i>State</i>	<i>Established Human Resource Investment Council or Similar Body<sup>1</sup></i>	<i>Implemented or Planning to Implement Consolidation of Workforce Development Agencies</i>	<i>Established or Authorized the Establishment of Substate Councils for Planning Across Workforce Development Programs<sup>2</sup></i>	<i>Programs to</i>
Alabama				
Arizona	X			
California				
Colorado	X	X		
Connecticut	X		X	JTPA; school-to-regional planning
Delaware	X			
Florida	X		X	JTPA; school-to-work and high-skill areas
Guam				
Hawaii		X		
Idaho	X			
Illinois	X			
Indiana	X	X		
Iowa	X	X	X	Grants, program Iowa Department of Workforce Development
Kentucky		X	X <sup>3</sup>	School-to-work

## StateLine (January 15, 1997): Restructuring and Reinventing State Workforce Development Systems

Maine	X	X		
Minnesota	X		X	JTPA; employment insurance; dislocation rehabilitation services; and others
Mississippi	X		X	Adult basic education; development; and preemployment training
Montana	X		X <sup>4</sup>	School-to-work training and placement
Nevada	X	X	5	
New Jersey	X		X	All education, employment, and training delivered at the state level
New Mexico	X		6	
New York				
North Carolina	X		X	JTPA and, even though housed in career center, also provides training
North Dakota	X		X	Governor's Employment JTPA Titles II and III
Ohio	X	7	X	One-stop career service; unemployment programs; senior training; JOBS; education; and public works
Oklahoma				
<i>State</i>	<i>Established Human Resource Investment Council or Similar Body<sup>1</sup></i>	<i>Implemented or Planning to Implement Consolidation of Workforce Development Agencies</i>	<i>Established or Authorized the Establishment of Substate Councils for Planning Across Workforce Development</i>	<i>Programs that are not JTPA-funded</i>

StateLine (January 15, 1997): Restructuring and Reinventing State Workforce Development Systems

			<i>Programs<sup>2</sup></i>	
Oregon	X <sup>8</sup>		X	All regional emp job placement se service; unempl education; JTPA school-to-work
Pennsylvania				
Rhode Island	X	<sup>9</sup>	X	JTPA; incumber competitiveness
South Dakota	X	X		
Texas	X	X	X	JTPA; JOBS; F training; child c employment ser
Utah	X <sup>10</sup>	X	X	JTPA; placeme programs under Families.
Vermont	X	X	X	Same programs vocational educ literacy; appren
Virginia				
Washington	X			
West Virginia			X	One-stop career education reform
Wisconsin	X	X		
Wyoming	X	X	<sup>11</sup>	
<b>Total</b>	<b>28</b>	<b>13</b>	<b>19</b>	

**Notes:** 1. Human resource investment councils (HRICs) coordinate workforce development policies and programs at the state level. Similar bodies include councils that do not necessarily meet the definition of HRICs in federal statute but are similar in terms of membership and responsibilities. Some of this information is drawn from a separate survey conducted by NGA staff on these councils in April 1996. Details of the

survey's findings are described in the NGA report, *Forging Partnerships Through Human Resource Investment Councils* (Washington, D.C.: National Governors' Association, 1996).

1. Some of this information is drawn from a separate survey conducted by NGA staff on these councils in April 1996. See *Forging Partnerships Through Human Resource Investment Councils*.
2. Kentucky's local labor market area councils focus primarily on school-to-work and one-stop initiatives.
3. Montana reports that it has two groups of councils: school-to-work advisory councils and department of public health and human services regional advisory councils.
4. Nevada was planning to establish councils at the time of the survey.
5. New Mexico established one local workforce development board on a pilot basis.
6. Ohio Governor George V. Voinovich has appointed a cabinet-level workgroup to develop a plan for consolidating a number of workforce development programs into a single state agency.
7. Oregon's Workforce Quality Council is scheduled to sunset by July 31, 1997.
8. Efforts are currently underway to consolidate all programs under one agency.
9. Utah passed legislation creating a council effective July 1997.
10. Wyoming is establishing local boards.

**Source:** National Governors' Association Survey, August 1996.

<i>State</i>	<i>Has a Written Vision Statement or Guiding Principles for Workforce Development System</i>	<i>Has Formal Strategic Planning Process for Workforce Development System</i>	<i>Has a Written Strategic Plan for Workforce Development System</i>	<i>Strategic Plan Includes Outcome-Based Goals</i>	<i>State Has a System for Tracking Progress in Achieving Goals in Strategic Plan</i>
Alabama					
Arizona	X	X			
California	X				
Colorado	X	X	X	1	
Connecticut	X	X	X		
Delaware	X	X			
Florida	X	X	X	X	X



StateLine (January 15, 1997): Restructuring and Reinventing State Workforce Development Systems

Guam	X				
Hawaii	X	X	X	X	2
Idaho					
Illinois	X				
Indiana	X	X			
Iowa	X	X			
Kentucky		3			
Maine	4	5			
Minnesota	X	X	X	X	X
Mississippi					
Montana	X	X			
Nevada	X	X	X	X	X
New Jersey	X	X	X	X	X
New Mexico		X			
New York	X	6		6	6
North Carolina	X	X	X		
North Dakota	X				
Ohio	X	X			
Oklahoma	X	X			
Oregon	X	X	X	X	X
Pennsylvania		X			
Rhode Island	X	X	X		

StateLine (January 15, 1997): Restructuring and Reinventing State Workforce Development Systems

South Dakota	X	X			
Texas	X	X	X	X	X
Utah	X	X	X	X	
Vermont	X	X	X	X	X
Virginia	X	X	X		
Washington	X	X	X	X	X
West Virginia		X			
Wisconsin	X	X	X	X	X
Wyoming	X	X			
<b>Total</b>	<b>30</b>	<b>28</b>	<b>16</b>	<b>11</b>	<b>9</b>

**Terms:** A *vision statement* articulates what the workforce development system should look like and what broad objectives it should accomplish.

A *strategic planning process* is used to develop long-term plans for achieving specific goals and objectives.

*Outcome-based goals* specify desired achievements, focusing on results rather than processes.

**Notes:** 1. Although Colorado's strategic plan does not include outcome-based goals, the Workforce Coordinating Council has established a performance management committee to define outcomes for the workforce development system.

1. Hawaii's system for tracking progress on the goals in its strategic plan is not yet operational.
2. Although Kentucky's strategic planning does not involve the comprehensive workforce development system, the Kentucky Cabinet for Workforce Development has a formal strategic planning process for its programs.
2. Maine's vision statement is in draft.
1. Although the Maine Department of Labor is developing a strategic plan using performance-based budgeting principles, the plan will not cover the entire workforce development system.
1. New York's strategic planning process is under development.

**Source:** National Governors' Association Survey, August 1996.

<i>State</i>	<i>Developing Performance Measures and Standards Across Workforce Development Programs</i>	<i>Developing Statewide Goals and Benchmarks Across Workforce Development Programs</i>	<i>Developing Outcome-Based or Performance-Based Budgeting Across Workforce Development Programs</i>	<i>Developing Evaluation Systems Across Workforce Development Programs</i>
Alabama				
Arizona	X	X	X	X
California	X			
Colorado	X <sup>1</sup>	X	X	X
Connecticut	X	X		
Delaware				
Florida	X	X	X	X
Guam				
Hawaii	X			
Idaho				
Illinois	X	X		
Indiana				
Iowa	X	X	X	X
Kentucky				
Maine				
Minnesota	X	X		
Mississippi				

StateLine (January 15, 1997): Restructuring and Reinventing State Workforce Development Systems

Montana	X	X	X	
Nevada	X	X		
New Jersey	X	X		X
New Mexico				
New York	X	X		X
North Carolina	X	X	X	
North Dakota	X	X	X	
Ohio				
Oklahoma				
Oregon	X	X		
Pennsylvania				
Rhode Island				
South Carolina				
South Dakota				X
Texas	X	X	X	X
Utah			X	
Vermont	X	X		X
Virginia		X		
Washington	X		X	X
West Virginia				
Wisconsin	X	X		X

StateLine (January 15, 1997): Restructuring and Reinventing State Workforce Development Systems

Wyoming				
<b>Total</b>	<b>20</b>	<b>18</b>	<b>10</b>	<b>11</b>

**Terms:** *Performance measures and standards* are tied to specific policy areas, such as workforce development, and are used to assess and monitor the performance of the system with the intention of improving results.

*Statewide goals and benchmarks* articulate broad, societal outcomes or conditions to which government, the private sector, and individuals can contribute.

*Outcome-based and performance-based budgeting* focuses on the amount of funds needed to achieve a policy outcome, with flexibility built-in for achieving the outcome.

*Evaluation systems* are used to assess the impacts of specific programs and systems.

**Notes:** 1. Colorado's Workforce Coordinating Council has established a performance management committee to define outcomes for the workforce development system.

**Source:** National Governors' Association Survey, August 1996.

<i>State</i>	<i>Uses Customer Satisfaction Surveys</i>	<i>Uses Professional Development Activities</i>	<i>Has Instituted Continuous Improvement Processes</i>	<i>Has Instituted Processes to Benchmark Best Practices</i>	<i>Provides Recognition and Awards for Government Agencies</i>	<i>Uses Strategies to Promote Quality Practices by Employers</i>
Alabama						
Arizona	X	X	X			X
California	X	X				
Colorado						
Connecticut	X	X	X	X		
Delaware						X
Florida	X	X	X	X	X	X

StateLine (January 15, 1997): Restructuring and Reinventing State Workforce Development Systems

Guam						
Hawaii	X	X	X			
Idaho	X	X				
Illinois	X	X	X			
Indiana	X	X	X			
Iowa	X	X			X	
Kentucky	X	X	X			X
Maine	X	X	X	X	X	X
Minnesota	X	X	X	X	X	X
Mississippi	X				X	X
Nevada	X	X				
New Hampshire	X					
New York	X	X				
North Carolina	X	X	X		X	X
North Dakota	X	X	X			
Ohio	X	X	X	X		
Oklahoma						
Oregon	X	X	X	X	X	X
Pennsylvania						
Rhode Island	X	X	X	X		X
South						

StateLine (January 15, 1997): Restructuring and Reinventing State Workforce Development Systems

Carolina						
South Dakota	X					
Texas	X	X	X	X	X	X
Utah	X					
Vermont	X <sup>1</sup>					X <sup>1</sup>
Virginia	X		X			X
Washington	X	X	X	X		
West Virginia						
Wisconsin	X	X				
Wyoming	X		X			X
<b>Total</b>	<b>29</b>	<b>23</b>	<b>19</b>	<b>10</b>	<b>9</b>	<b>16</b>

**Terms:** *Continuous improvement processes* are continuing cycles of examining operational processes used in an organization, reviewing data on results, and then making adjustments to improve performance.

*Benchmarking best practices* involves examining the processes of other states that achieve desired results and compare the processes used on those states with the processes they use. States adopt components of the best practices and benchmark their progress until desired outcomes are realized.

*Quality practices* are used by organizations to make improvements to their effectiveness and to focus efforts on meeting customers needs.

**Note:** 1. Under development.

**Source:** National Governors' Association Survey, August 1996.

<i>State</i>	<i>Wage Record Tracking System</i>	<i>Integrated Management Information Systems</i>	<i>Integrated Case Management Systems</i>	<i>Automated Client Records</i>	<i>Customer Access to Labor Market Information</i>
Alabama					

StateLine (January 15, 1997): Restructuring and Reinventing State Workforce Development Systems

Arizona					
California					
Colorado					X
Connecticut					X
Delaware		X			
Florida	X			X	
Guam					
Hawaii	X			X	X
Idaho		X	X	X	X
Illinois	X	X	X	X	X
Indiana					
Iowa	X	X	X	X	X
Kentucky					
Maine			X	X	
Minnesota					
Mississippi					
Montana	X				
Nevada	X			X	X
New Jersey	X				X
New Mexico					X
New York	X				X
North Carolina	X				X



StateLine (January 15, 1997): Restructuring and Reinventing State Workforce Development Systems

Ohio	X	X		X	X
Oklahoma					
Oregon	X	X			X
Pennsylvania					
Rhode Island					
South Dakota			X	X	X
Texas	X	X	X	X	X
Utah			X	X	X
Vermont	X	X	X	X	X
Virginia					X
Washington					
West Virginia					
Wisconsin			1	X	X
Wyoming	X				X
<b>Total</b>	<b>14</b>	<b>8</b>	<b>8</b>	<b>13</b>	<b>20</b>

**Terms:** A *wage record tracking system* tracks the earnings of program participants after training and placement to determine how well they do in the labor market.

*Integrated management information systems* link information among different sources (e.g., different programs, and agencies).

*Integrated case management systems* organize information according to participants and track participants across programs and services.

*Automated client records* provide computerized access to participant information.

*Automated customer access to labor market information* enables job seekers and employers to peruse information on the labor market.

**Note:** 1. Wisconsin is piloting an integrated case management system.

**Source:** National Governors' Association Survey, August 1996.

---

\* This *StateLine* was prepared by Jill Hyland and is based on a survey of states developed by David Brown, Evelyn Ganzglass, Martin Jensen, and Martin Simon of NGA. Katherine Dinn and Laurie Thornton, undergraduate interns from Indiana University, provided research assistance. Josh Pepin, a master's degree candidate at the Terry Sanford Institute of Public Policy at Duke University, made contributions in researching and writing the state profiles. This project was funded by a grant from the U.S. Department of Labor.

## Endnotes