

**REPORT OF THE
SECRETARY OF EDUCATION
SECRETARY OF COMMERCE AND TRADE
SECRETARY OF HEALTH AND HUMAN RESOURCES ON**

**The Establishment and
Vision of the Workforce
Leadership Council**

**TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA**



HOUSE DOCUMENT NO. 37

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COMMONWEALTH of VIRGINIA

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Karen J. Petersen
Secretary of Education

December 15, 1993

TO: The Honorable L. Douglas Wilder, Governor of Virginia
and Members of the General Assembly

House Joint Resolution 563 requested the Secretaries of Education, Economic Development, and Health and Human Resources to establish a Workforce Leadership Council to produce a coordinated program of workforce development and to submit a progress report to the Governor and the General Assembly. We have the honor of submitting the "Progress Report of the Workforce Leadership Council" in response to House Joint Resolution 563.

Respectfully submitted,

Handwritten signature of Karen J. Petersen in cursive.

Karen J. Petersen
Secretary of Education

Handwritten signature of Cathleen A. Magennis in cursive.

Cathleen A. Magennis
Secretary of Commerce and Trade

Handwritten signature of Howard M. Cullum in cursive.

Howard M. Cullum
Secretary of Health and Human Resources

KJP/CAM/HMC/pfc
Enclosure

PREFACE

In 1993, a report titled "Study of Preparing a Skilled Workforce for the 21st Century" prepared by the State Council of Higher Education and the State Board of Education recommended support for a Workforce Leadership Council, charging the Council "to coordinate the various workforce preparation studies and initiatives to produce a statewide program." This report followed a recommendation of the Governor's Advisory Committee on Workforce Virginia 2000 to establish a single authority with the power to give direction to training and employment activities across various agencies.

Subsequently, House Joint Resolution No. 563 was introduced, supporting establishment of the Workforce Leadership Council, promoting a coordinated program of workforce development, and requesting submission of a progress report to the Governor and the 1994 Session of the General Assembly.

This is the report on the establishment and progress of the Workforce Leadership Council.

EXECUTIVE SUMMARY

As recognized in House Joint Resolution No. 563, a long-standing need to better coordinate and focus the efforts of our diverse education, employment and training programs has become more critical as our economy has become less robust, and our workforce, products and services increasingly compete in a global marketplace.

In order for the Commonwealth to remain competitive in a global marketplace, it should provide for a current and future workforce with strong academic and technical skills. Providing those skills can be accomplished only through a coordinated effort among local schools, colleges and universities, and other education and training providers -- in concert with business and industry so as to meet their emerging needs.

An education and training "system" becomes more complex, however, once that system is opened to those outside the traditional walls of 'K-12' or higher education. Once the needs and demands of the business community are included, as well as the needs of workers already in the workforce, the needs of workers without a job and perhaps without skills, and the needs of individuals with special circumstances -- once the needs of this diverse group of constituents are considered, the "system" becomes much broader and a single mission more difficult to define.

Therefore, as the Workforce Leadership Council was formed, membership was extended to stakeholders at the state level with an interest in or responsibility for components in this system. Initial membership consisted simply of agency heads and cabinet members. It was envisioned that as issues arose committees and task forces to advise the Council would be formed to include relevant constituent groups. But the core membership was kept at a minimum to facilitate cooperation and communication, and to avoid a sense of added bureaucracy or red tape. This group does not add another layer to any organization chart.

Current members and representatives of the Workforce Leadership Council include:

Commissioner, Virginia Employment Commission
Director, State Council of Higher Education
Superintendent of Public Instruction
Commissioner, Department of Labor and Industry
Executive Director, Center for Public/Private Initiatives
Chancellor, Virginia Community College System
Commissioner, Department of Social Services
Executive Director, Governor's Employment and Training Department
Commissioner, Department of Rehabilitative Services
Superintendent, Department of Correctional Education
Director, Department of Economic Development
Deputy Secretaries from the Offices of the Secretaries of Education, Commerce and Trade, Public Safety, and Health and Human Resources

Since the summer of 1992, the Workforce Leadership Council has met monthly. Although an extensive agenda was developed initially, the first focus of the Council was on coordinating services to clients and students with multiple needs extending beyond the resources of a single agency or institution. In deciding on this focus, Council members made the assumption that reform of elementary and secondary education and restructuring of higher education would continue on their own momentum in order to address workforce preparation needs of those students coming through the system for the first time.

The progress seen in improved awareness and communication across the Workforce Leadership Council agencies and programs, as well as within the General Assembly, has been extensive. Change is occurring, but much work remains to be done. A set of pilot programs supported by the Workforce Leadership Council to actually test out new working relationships and commitment has been proposed and should be supported for 1994-96. Further, legislation should be introduced to put the Workforce Leadership Council into the Code of Virginia as a formally established and recognized on-going commitment of the Commonwealth.

THE FOUNDATION OF THE WORKFORCE LEADERSHIP COUNCIL

The "Virginia Plan for Strengthening the Commonwealth's 21st Century Workforce" provided the context for change in order to prepare Virginia to face the economic challenges of the 21st century. The "Virginia Plan" stated that "Virginia must set higher educational and productivity standards for its workforce or risk being unprepared to compete in the international arena, losing ground to countries with less-educated but less-expensive workforces as well as to those with better-educated and more productive workforces." It further stated that "with an already strong educational system, an innovative business community and responsive public sector, Virginia is in a position to develop a new structure for effective 'partnerships for excellence' among education, business, labor, and government that will lead to higher productivity and greater prosperity for citizens of the Commonwealth."

Within this context, the "Virginia Plan" provided nine recommendations. The changes highlighted in the report focus on restructuring our classrooms to better prepare our students, encouraging business-education partnerships to facilitate education reform, and improving our training and employment system to position the Commonwealth competitively in the emerging international high-productivity, high-performance workforce.

One particular recommendation stated that "the Commonwealth should establish a single authority with the power to give direction to training and employment activities across various agencies pursuant to the Commonwealth's training and employment policy". Rather than develop a separate new "mega-board" as some suggested, a group was formed that consisted simply of agency heads from the 11 agencies that have primary responsibility for education, employment and training efforts in the Commonwealth. In addition, representatives of the related cabinet offices were considered essential to the group in order to serve as the link between the agencies and the Governor.

The group began to meet regularly and was chaired by the Deputy Secretary of Education. Eventually the name "Workforce Leadership Council" (WLC) was adopted by the group.

THE WORKFORCE LEADERSHIP COUNCIL VISION

The first order of business for the Workforce Leadership Council became development of a mission statement and identification of issues. When the Council first came together members thought the primary mission was to "streamline" their individual agencies and programs. Even when the discussions moved toward streamlining the "system" of programs, the members were not satisfied yet. Finally they came to realize that as a group:

"We could work better together and be more efficient in providing our services, but we would be misguided if we really thought that we were improving the lives of citizens of Virginia simply by doing so. Much more needs to be done."

With that in mind, the Council members began to develop a comprehensive statement of a vision their agencies should strive to accomplish. Their vision became that:

Our education, employment and training systems should strive to:

Recognize and build on the strengths and potential of each person that can be served by the system;

Maximize each person's sense of self-reliance as well as the desire and ability to be economically independent without government assistance; and

Develop within each person an understanding of and a desire to exercise responsible citizenship within our society.

With a vision before them, the Workforce Leadership Council began to identify a workplan.

AN INITIAL AGENDA FOR THE WORKFORCE LEADERSHIP COUNCIL

The workplan agreed to by the Workforce Leadership Council proposed to accomplish the following:

1. Identify the inherent structural problems across and among the Council systems that are hindering achievement of the system goals.
2. Explore each set of problems to identify roadblocks that can be changed in Virginia and those that require intervention at a national level.
3. Implement changes through Council agencies where appropriate, and through legislation where needed, to remove the roadblocks, coordinate services, and address issues.

An initial set of nine comprehensive issues was identified for consideration by the Council. The issues included welfare reform; economic development and workforce training; inmate education and training; business productivity; world class education; streamlining delivery of state and federal education, employment and training programs; and the aging population. Several concept papers were drafted on the issues to provide background information and to serve as a stepping stone to an action plan. After much discussion, the focus of the several initial action plans was narrowed in order to facilitate progress.

PROGRESS OF THE WORKFORCE LEADERSHIP COUNCIL

The following represent the primary issues focused on by the Workforce Leadership Council and the progress made on each:

ISSUE #1: *Currently, public assistance and service program participants who receive earnings from employment or resources for job training and education risk losing assistance or services due to program income and resource limitations. In order to maximize each person's ability to be economically independent, our programs of public assistance should include realistic incentives for such persons to pursue education and training opportunities. At the same time, disincentives should be eliminated.*

On November 23, 1993, Governor Wilder announced that the Commonwealth had received federal approval to launch its Welfare Reform Demonstration Project, a project which the state believes will save taxpayers \$11.4 million. This project initially will move at least 600 recipients off the welfare rolls and into the workforce. The purpose is to permanently and fundamentally change the system from one contributing to chronic dependency to one that promotes self-sufficiency by making work pay.

Funds to accomplish this goal will come from existing federal and state dollars already in the state budget. Approval of the welfare reform project allows current programs to be managed more efficiently by changing priorities, policies and funding to break the welfare cycle.

Incentives for businesses form the keystone of this reform effort. Businesses will receive job-ready workers, trained specifically to the needs of the job. Participating employers will be eligible for a state rebate of 20 percent of the employee's gross salary during the first year and 10 percent during the second year. Employers may also be eligible for the federal Targeted Jobs Tax Credit.

This project builds on Virginia's reputation of innovation and collaboration among state and local agencies and Virginia businesses. The Workforce Leadership Council will continue to support implementation of this project and assist in coordinating various related efforts.

ISSUE #2: *As stated in the report of the Governor's Workforce 2000 Advisory Council, 92 percent of the workforce of the year 2000 is already on the job. In order for businesses to remain competitive, it will be necessary for them to continuously train and retrain their workers (both front-line and management). For small and medium-sized businesses particularly, current costs of such education and training may be a barrier to accomplishing this objective. The Commonwealth should pursue making access to such education and training a priority.*

In response to House Joint Resolution 600 and Senate Joint Resolution 330, the Secretary of Education and the Secretary of Commerce and Trade prepared a "Feasibility Study and Implementation Plan for the Virginia Quality Confederation and the Virginia Quality Institute. This study, focusing on Virginia's need to improve the productivity and skills of its workforce and establish high performance work organizations, examined ways of providing such services. Because of funding limitations, a proposal to create the Virginia Quality Confederation and the Virginia Quality Institute was the primary response as a dual approach to help Virginia's organizations achieve world-class performance through quality and productivity improvement.

The issues raised in the study mirror several of those included in the Workforce Leadership Council agenda and will continue to be monitored and implemented by the Council as directed by the Governor and General Assembly.

ISSUE #3: *The attainment of basic skills is crucial to the success of our young people. Young people either master these basic skills or face almost certain dependency upon the welfare system, or worse, end up increasing the population of our prisons. Without these skills, they cannot pursue further education, and they cannot get work that will keep them above the poverty level.*

The state Board of Education has embarked on a bold initiative to provide Virginia's children with the quality education they need -- an educational system second to none. The initiative is part of a ten-year plan to

give all Virginia students a world-class education by the year 2000. The Department of Education is committed to revising the state's educational objectives, setting higher standards and revising assessment methods.

Although initial efforts to establish performance standards and assessments were not universally well-received, the difficult work of finding a way to define what we want our children to know and to be able to do must continue, as well as our work to find better ways of measuring progress against such standards.

The challenge remains to develop a new set of standards that focuses on high academic achievement and that can be easily understood by parents as well as educators. Developing such standards and the related assessments will continue to be a high priority of the Board of Education. The role of the Workforce Leadership Council has been to assist in communicating the need for such standards and to weave development of all education and training efforts into a single system.

Historically the emphasis of our schools has been on preparing students for further education, usually in a college or university, with little emphasis made on providing employment skills or on programs that help students make the transition from school to work. Opportunities for students to learn specific skills needed for a trade or occupation have been limited. The national School-to-Work Opportunities Act of 1993, pending congressional action, will create a national framework within which all states can create school-to-work opportunities that integrate work-based and school-based learning, occupational and academic learning, and secondary and post-secondary education. Such programs will result in students attaining a high school diploma, a portable skills certificate, and, if appropriate, post-secondary education. Federal funding is currently available for demonstration grants to assist states in creating the framework to develop statewide systems. Virginia is participating in this opportunity, and an innovative grant proposal has been submitted. Key components of the proposal include development of regional partnerships and a statewide school-to-work structure based on local community ideas and recommendations. Planning funds will be available for nine months, and if approved by Congress, funding will be available in federal fiscal year 1995 for competitively-reviewed, five-year implementation grants.

The Workforce Leadership Council was responsible for coordinating development of the grant proposal and will be responsible for overseeing implementation of the grant.

ISSUE #4: *Agencies and institutions do not now work within a system that rationalizes placement of individuals in appropriate training and educational settings, nor is the system organized to prevent loss of self-reliance and self-sufficiency. In addition, the current system of education, employment and training often lacks a coherent direction which results in a less efficient, less flexible, and less responsive set of services provided to citizens and employers of the Commonwealth.*

In cooperation with the Poverty Commission, the Workforce Leadership Council will select and evaluate six projects demonstrating a collaborative approach to education, training and employment. These programs will be governed locally by a team comprised of employers, consumers, and public providers of education, training and employment services. The Workforce Leadership Council will use its Workforce Management Team to provide state administrative, technical and training support.

Components of the pilot projects will include the following:

- A statewide information system with multiple input and access points
- A uniform self-sufficiency profile/assessment
- Uniform customer tracking and data system's support
- An individual self-sufficiency plan and social contract between the customer and the system
- Collaborative and intensive case management
- Personalized job development
- Post employment support
- Transitional plan and assistance
- Support for the "working poor"
- A local governance structure involving agencies, customers and employers
- Guidelines for evaluation criteria

If funding is provided, the pilot sites will be recruited by the Workforce Leadership Council. Each model will embrace the same principles, premises and components, but may be delivered differently depending on the pilot site's design. Each local pilot will be asked to research, design, test, and participate in the evaluation of its model.

NEXT STEPS

The Workforce Leadership Council will continue to work on its agenda. Its presence is becoming more widely known and other groups are looking to the Council to provide leadership in implementing comprehensive initiatives and facilitating change.

It is recommended by the Secretaries submitting this report that the Council be formally established in the Code of Virginia.