

WORKFORCE DEVELOPMENT

Good Afternoon, Chairman Hinojosa and Members of the Subcommittee.

My name is Yvonne “Bonnie” Gonzalez. I serve as the Chief Executive Officer of Workforce Solutions. Workforce Solutions is the workforce development board serving Hidalgo, Starr and Willacy Counties. Although this Board covers only three counties, it is representative and reflective of the 23 Texas counties along the entirety of the Mexican border. We are 1 of 28 workforce development boards in the state of Texas. We are the 4th largest board in the state behind Houston, Dallas, and San Antonio, receiving a state and federal investment of approximately \$57 million annually for the purpose of connecting business customers with the available workforce.

As CEO, I have recently been named to the Governor’s “Texas Team for Nursing Education Capacity”, serve as a member U.S. Department of Labor’s Initiative for Workforce Transformation, the Texas Association of Workforce Boards and am a member of the Border Trade Alliance. Membership in these committees, councils and initiatives provides me the unique opportunity to contribute, and most importantly, to communicate the critical connection between education, workforce and economic development.

On behalf of Workforce Solutions, and our numerous public/private partners, I would like to thank you for the opportunity to address the Committee. My remarks this afternoon will focus on the adult education/workforce development innovative strategies and best practices that will continue to strengthen Texas’ and the nation’s competitive advantage in the 21st century global marketplace.

Demographics: The following is a snapshot of not only our area, but the Texas-Mexico border. These statistics are however not a secret to this Committee:

- 84% of the people are Hispanic
- 27% of the families live below the poverty level compared to 12% statewide (Texas Workforce Commission data 2006)

- 38% of people 25 years or older have less than a 9th grade education
- The Texas-Mexico border, especially from Webb County to Cameron County has repeatedly ranked amongst the fastest growing areas in the nation in the past 2 years
- National data demonstrate a clear relationship between educational attainment and life-long earning potential
- Educational attainment rates in the LRGV continue to lag behind the nation.
- Roughly two out of every five adults in Hidalgo and Cameron counties do not hold high school credentials.
- While the percentage of adult residents in the two counties with some college experience or an Associate's degree is similar, the percentage completing a 4-year degree or higher is significantly lower than the U.S.
- The Valley has a young workforce, with this trend projected to continue well into the coming decades.
- This means that large numbers of young, inexperienced workers will continue to join the Valley's labor force each year.
- The Lower Rio Grande Valley has a unique historical pattern of faster population growth during and immediately following a recession.
- The Valley tends to draw an influx of migrants from Texas's major metropolitan areas when those cities stop providing jobs (like construction) and people return home to the Valley.
- There's a long data lag, so it may be a couple of years before the current recession shows up in the migration data. But if past experience is a guide, the Valley may already be on the receiving end of an influx of migrants, many of whom are likely to be unemployed.

The daunting nature of these economic and workforce challenges requires a renewed national commitment and new national priorities. The new 21st century workforce development system needs to be locally driven and needs to receive the necessary and enhanced support and resources from federal allocations to enable our workforce to compete successfully in the global economy.

Bold new thinking and drastic shifts in current policy will also be necessary to realize this vision. A new economic era demands a new workforce development system. Projected growth statistics

too numerous to mention points to the Hispanic population concentrated in states along the border as the source of the nation's future workforce.

Concerning employment and unemployment statistics, I would venture to say this Committee is especially aware of the fact unemployment numbers are rising so fast on a daily basis as to render any statistics meaningless; even historical unemployment trends and seasonally adjusted statistics have gone out the window during this economic crisis.

The urgency of the present climate calls for changes in how the current systems operate in order to meet the emergent needs of both workers and business. WIA is no exception.

Texas is a nationally recognized leader in Workforce Development. This recognition was achieved through the strong leadership, vision and fundamental understanding that business was at the core of and the ultimate consumer of the public dollar's investment in human capital. To continue building will require a review of current WIA rules and eligibility, allowable activities, eligible training provider systems and performance measures and their relation and relevance to business.

However, differences in measuring "the effectiveness of the workforce investment activities" still separate boards and the "grantor". To quote the old cliché "that which gets measured gets done" has become "operational" and drives the current workforce development system. Unfortunately, what is currently being measured and how it is measured clashes with private sector workforce plans.

Just as the daily headlines are capturing rapid historic changes in the nation's economy, so have the demographics.

- Our Workforce Centers are now reporting more and more people seeking employment who report a 12th grade education or higher. These new job seekers do not fit "pre-unemployment crises" profile; those with extremely low education levels and poor work history. This new "job seeker" will require expedited workforce services that do not fit the "traditional" model

of adult-literacy/work experience/employment, but rather short term technical training in the emerging industry sectors with specific job skill portable credentials for entry into new job opportunities.

- The return of our troops from Iraq and Afghanistan will require extremely specialized services in conjunction with the Department of Vocational Rehabilitation Services to re-adjust into the workforce
- With Veterans as a priority a resource of skills and leadership will become available, but must be met with rapid re-training in these transferable skills into new industries

The current WIA system requires a delicate balancing act in order to meet both regulatory program compliance and the results businesses expect based on the plans developed from their input. The limited allowable activities (i.e. use of WIA funds) forces WIBs to innovate, to “think outside the box” while remaining physically “in the box”. Through partnerships and collaboration, Workforce Solutions has been able to:

- Implement a Customer/Staffing Solutions and Business Consultative Approach that bridges job seeker and employer without references to governmental forms and policies
- Established Fee for Service to business in order to provide workforce expertise in the areas of human resources, job screening and assessments
- Established Workforce Solutions as an equal partner in economic development via Business Intelligence (data)
- Created linkages between emerging high technology jobs and preparation of the local workforce through competitive grants
- Implemented Read Right – a tutoring program for reading comprehension which has demonstrated significant impact
- Convened leading business and industry leaders to map the future of the workforce for investments of training funds

Workforce Development's future resides not in the delivery of services to targeted populations, but in "job creation" with business at the forefront, and the delivery of services at the speed that business demands. In order for WIA to remain "in business" it must return to its original intent of serving business.

Given the time allotted by the Committee, the following rules and regulations governing WIA must be re-visited with "business results" as the measures to be achieved.

- WIBs in Texas are awarded block grants which include TANF funds. Boards are measured on their ability to meet the "participation" hours of the TANF participant. This is not a workforce development program, but rather a "public assistance continuing eligibility requirement". Failure to keep the TANF recipient "participating" leads to sanctions
- Title II of WIA – Adult Basic Education and Literacy must be addressed and brought into Workforce Development as a provider. Currently WIA funds must be spent on Adult Basic Education and Literacy because administration of Title II funds do not prepare the job seeker for employment
- Program Eligibility – access to WIA training services are built on employment inhibiting requirements. An individual must document low income, dislocation from work or receipt of public assistance to qualify. These requirements limit the working poor, employed workers seeking training for higher skills and employed/incumbent workers from being able to progress in the workforce
- Time Limitations on training activities – allows only for those who are best prepared to complete training while leaving those who can most benefit without
- Efficiencies and Accountability – WIBs are in effect penalized for implementing efficiencies in the delivery of their services and documentation thereof.

A shift to a knowledge based economy increases the educational requirements of many industries and occupations. Higher education means increased capacity and productivity of a workforce, decreased need for social services, and finally an enhanced pace for innovation and increased competitiveness.

In summary, strategic and sustainable partnerships between education, workforce and economic development entities are critical. Together, building and deploying local talent is the key to maintaining a competitive advantage in the Rio Grande Valley, South Texas and the Nation. This type of innovative and strategic alignment will bring our nation's economy to a new level.

Your challenge and mine, is to secure the development and fostering of skilled talent for the nation.