

**Testimony Submitted to:** **Subcommittee on Higher Education, Lifelong Learning and Competitiveness: *The Workforce Investment Act - Ideas to Improve the Workforce Development System***

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As Congress addresses reauthorization of the Workforce Investment Act and recommendations to improve the overall effectiveness of job training programs, innovations currently underway in the State of Indiana are worthy of consideration.

In July 2006, Indiana implemented a comprehensive restructuring of its workforce development system – it is now characterized by new, higher profile and more accountable Regional Workforce Boards that oversee all local workforce programs, and a new overall system designed to move Indiana to a demand driven workforce system that effectively serves employers and employees.

The new structure provides greater flexibility to the Regional Workforce Boards, making the Northeast Indiana region better able to address our unique, demand-driven issues. An important element of the new board structure is that the boards now range in size from seven to sixteen members. The Northeast Indiana Workforce Board is now composed of sixteen high profile leaders of business, economic development, education, labor, and community based organizations, each appointed by locally elected officials. And, these board members now reflect the region's high growth, high wage industries. Their knowledge and understanding of these industry sectors is fundamental to effective planning for workforce development in the region. In the past, Indiana's Boards ranged in size from 35 to 100 members - Northeast Indiana's board had 45 members. This unwieldy number created a condition that was nearly impossible to get business accomplished. Securing a quorum at any given meeting was an arduous proposition, thus bogging down the board's ability to meet its responsibility for overseeing the region's workforce system and strategically investing the public and private dollars entrusted to it. In addition, the board composition historically included contracted service providers, causing conflict of interest issues. Nearly a third of our board members had to recuse themselves from discussion and vote on significant matters, which again jeopardized effective planning and decision making.

Through its Strategic Skills Initiative (SSI) Indiana Department of Workforce Development, in effect, forced our region to consider its training needs and subsequently transform its programs and service delivery to a demand-driven process and to strategically focus our WIA dollars in areas of greatest need. The SSI initiative drove our region's transformation by enhancing our capacity to collect and analyze workforce and economic data, to identify workforce trends and skills gaps, to work closely with businesses and other key constituents throughout the region, and to develop viable solutions aimed at the root causes of regional issues. After an intensive research and planning phase, Northeast Indiana received \$1,768,000 in funds from the state (in *addition* to our WIA formula funds), as well as more than \$500,000 in local matching funds, to implement sustainable projects that will result in industry-recognized skills certifications that address shortages in our high growth, high wage jobs. Examples and of the SSI projects include:

- Fast Track Nursing Program – SSI investigation revealed a projected shortage of 220 RNs in the region's hospitals and indicated that minorities are under-represented in this profession. We expect the shortage to grow by 48 each year. The Fast Track Nursing program targets minorities to enter the nursing profession and is training a stand alone cohort of 48 students to obtain their RN degrees. Each student is employed by a hospital at a maximum of twenty hours per week, but receives full time benefits and works in an environment supportive of their studies. Upon completion of their RN degree, they move into nursing positions in their current place of employment.
- Center of Excellence in Advanced Manufacturing – Manufacturing is still the region's life blood, accounting for 26 percent of northeast Indiana's base employment. At risk due to global

competition, these companies must transform to technology driven production processes. SSI established the Center of Excellence to train and certify 110 workers in leading edge high tech manufacturing processes. Certified workers further allow us to demonstrate to new or expanding companies that the skilled workforce they need exists in the region.

These are just two examples of demand-driven strategies and investments of public funds having impact on the region's economy. Indiana Workforce Development and the Regional Workforce Board are continuing to use the demand driven SSI process for investing local formula dollars and to measure the investment's economic impact.

Northeast Indiana has fully embraced the state's new structure and expectations. The previous structure was cumbersome and unwieldy. WIB staff spent copious amounts of time managing board meetings and board members rather than accomplishing the employment and training goals of the Workforce Investment Act. The Board's Service Provider contractors heavily screened individuals before registering them to receive WIA services – our region was justly criticized for “creaming” for those who would ensure meeting federal performance metrics. WIA and other regional workforce resources were invested in projects and programs that were based largely on anecdotal evidence of need, rather than being driven by data analysis and truly engaging businesses in decision making. And, the complexity of our former system was confusing to our WIB board members, our education partners, and most certainly to our business partners. This confounded our businesses and made them reluctant to engage with the workforce system seeing it as “government” with many encumbrances.

In July, 2007, the Northeast Indiana Regional Workforce Board launched a new model for service delivery in its One-Stop (WorkOne) Career Centers. The model aims to reduce and, in many cases eliminate, duplication while at the same time increasing the service quality and the numbers of individuals served. The model is focused on enhancing Hoosiers' skills in demand driven occupations. Even though jobs go away – skills do not. Northeast Indiana's system is predicated on skills improvement - each person entering the WorkOne Career Centers now has the opportunity to know his skills, to enhance his skills and to get the best job possible with his skills. The new model of service delivery will dramatically increase the numbers served with WIA funds. **The total number of individuals registered and served through WIA in 2006 was 2,201. Already, within the first four weeks of the new service delivery model, 1,095 were registered in WIA.** Based on current preliminary expenditure rates, estimates indicate that the cost per participant in the new model (Program Year 2007) will be reduced by 65 percent compared to Program Year 2006.

Indiana's new structure, system and service delivery methodology have allowed Northeast Indiana to transform to a demand-driven system by gaining the confidence of individuals, businesses, local economic development officials, and education and training partners throughout the region. We've also gained significant alignment with economic development. If asked, many of the regional partners would attest to the Strategic Skills Initiative being the catalyst for this alignment. The Northeast Indiana Regional Economic Development Plan, for example, identified key growth industries targets for the region and made workforce recommendations. The Regional Workforce Board is now tying its resources to these targets; the Community College and Universities are developing curricula to address the training and education needs of business, extensive partnerships have been established between and among organizations, and most importantly Hoosiers are tooling or retooling their skills to meet the demands of high growth businesses – all in the promise of enhancing the economic vitality of Northeast Indiana.

The workforce innovations developed by the Indiana Department of Workforce Development and now underway in the region are and will continue to help Northeast Indiana regain its position as a great place to work, live and do business.