

Chairman Kline, Ranking Member Miller, and members of the Committee,

I am Norma Noble and it is my honor to testify on behalf the Governor's Council for Workforce and Economic Development. I have the privilege of serving as the Deputy Secretary of Commerce for Workforce Development in the great state of Oklahoma. While this is my current position, I want to share that I previously worked as Director of Operation and Director of a local Workforce Investment Board/Private Industry Council in central Oklahoma.

The Workforce Investment Act is, at its very core, about jobs. It equips states to attract, retain, and create jobs by serving three primary customers: workers, businesses, and the governments that serve them. The nation's workforce system as it currently exists requires real change on these same three fronts. In short, your action is necessary to help better educate and train workers, to anticipate and meet the needs of businesses, and to empower state and regional leaders to be cost-effective, innovative, problem solvers. It has been more than a decade since Congress passed the Workforce Investment Act. Today, new challenges confront our nation and our economic position in the world. Without bold reforms to WIA, such as program and funding consolidation, our workforce system will fall further and further behind in our ability to equip American workers with the skills necessary to remain competitive in the global economy.

Workers

Today's modern economy dictates a shift in the way states approach the primary component of any workforce development system; the worker. States must have the flexibility to implement programs that both serve the individual and meet the demands of emerging markets. In short, we must be able to match the training and education needs of workers with the jobs that actually exist on the ground.

Our jobs picture has changed from a pyramid to an hourglass.

- High Skill Jobs – 35% (was 25%)
- Middle Income Jobs – 27% (was 35%) But – much of this middle skilled work will be done by outsourcing and a contingent workforce)
- Low Skill, Low Wage Jobs 38% (was 40%)
- 82% of manufacturers report a moderate-to-serious skills gap in skilled production.
- 74% of manufacturers report that this skills gap has negatively impacted their company's ability to expand operations.
- 69% of manufacturers expect the skills shortage in skilled production to worsen in the next 3-5 years.

Integrating workforce development and educational opportunities through a governor-led state-regional framework offers the greatest potential for economic expansion and industry competitiveness, while providing job growth, stability and career advancement opportunities for workers. H. R. 4297 is establishing this framework. It provides governors the authority and flexibility to design a delivery system that reflects the economy of the state and neighboring communities including the unique dynamics of industries and the workforce.

Our nation cannot afford to separate education and workforce development as they are truly one in the same. States have taken the lead in developing industry partnerships to educate and train workers critical skills in key sectors like energy, healthcare, and manufacturing.

Congress should support these strong state-led public-private endeavors by providing governors the authority and funds to cultivate these partnerships and engage industry in the delivery and formation of worker education and training. Governors need the discretion to identify targeted industries and the flexibility to expend workforce, education, and economic development assets and resources accordingly, and have done so effectively through the use of statewide discretionary funds.

How do you measure success? The numbers trained or even served look miniscule when compared with the numbers to be served. And because regions within states are as different as states are from each other, impact on populations is difficult to obtain in persuasive longitudinal numbers. I want to be clear; workforce investment is about jobs and job creation. Job creation and growth is about talent development. An ongoing system of learning that results in both degrees and credentials is central to success of both the workforce and employers as we move forward.

Business

I commend the Committee's proposal to consolidate and streamline the delivery and funding of state workforce development programs. Today, the number of workforce programs provides an inefficient framework that is simply too complex for workers and businesses to rely upon.

Businesses are key to any successful state-based workforce development model; that is, just as we must ensure that education and training opportunities are tailored to make all workers employable, in Oklahoma, we are working hard to also ensure that we are serving our businesses. A business-driven approach to workforce development is appropriate and helps guarantee that public workforce dollars are spent efficiently and the ultimate goal, putting people back to work, is attainable.

Chesapeake Energy, based in Oklahoma City and a global leader in energy production, has implemented a revolutionary internship and apprenticeship program. The program equips interns and future employees with the tools, guidance, mentorship, and education they need to be prosperous employees. Chesapeake's program is unique. I have no doubt that this success is a direct product of the company's ability to see the training process from the very beginning all the way through full employment. This company is ensuring that its workers are prepared to thrive in accordance with the demands of this 21st century energy economy. It uses all of the resources available to it including staffing services. Those of us that serve the public workforce development system should take heed. This is a prime example of the success that can be had when workers, business, and state government are empowered with the tools to succeed.

In Georgetown's recent study for the Southern Growth Policy Board, the pressing enigma/conundrum of Oklahoma and similar states is discussed. A majority of workers in our workforce are unskilled. A majority of the jobs in the labor market are unskilled. The need for skilled workers in 2020 will be 57% post-secondary skilled workers. Post-secondary graduates today don't see those jobs now so they leave the state. Companies who are looking to locate in Oklahoma don't see a surplus of post-secondary trained workers now so they are hesitant to come. Hence, we proclaim the need for college graduates infuriating the employers who are looking for skilled/credentialed workers. A unified plan for all workforce/education would show a consolidated assault on the problem.

In my home state of Oklahoma, we've seen this business-driven approach succeed. Specific Oklahoma examples of collaboration creating systemic change, is the way partners are currently working on state policy around the issue of career pathways. The intent is to ensure that every agency has consistent policy to support this effort. This included the education agencies, workforce agencies and social service agencies. This is a true systemic approach that will have lasting effect for the entire state. This type of work must be done at the state level.

Likewise, partners are and have been acquiescing around the use of the Career Readiness Certificate as a base credential. They are all using it in their own agencies and programs - creating a state system of assessment and credentialing that employers are recognizing more and more.

In addition, we have seen the ability to better engage employers when it is done by industry sector. We have had excellent results with industry sector gap analysis in health care and aerospace. As a result, many of our regional areas have also had great success with creating strategic plans and conducting business services around industry sectors.

Most recently, the Governor's Council for Workforce and Economic Development is working on a comprehensive Workforce Portal that includes an enhanced job matching feature. The Governor has endorsed this effort and the partners are working jointly to get it implemented. A joint application design team, representing all of the agencies plus local boards, worked on the format and implementation strategy and it is now being implemented as www.OKJobMatch.com.

Developing this deep level of partnership at the state and local level would not have been possible without a strong business led state board, and flexible funding through the statewide activities funds.

Good Government and Governance

Effective workforce development programs require state and local governments to have the flexibility to provide needed services. Oklahoma embodies this reality. As a state with disparate economic conditions driven by geography, we need the ability to implement regional solutions for regional problems. Today, we do not have that flexibility.

For example, western Oklahoma has experienced extraordinary growth as a result of an abundance of energy resources both renewable and fossil fuel. As a result, the regional unemployment rate is roughly three percent. In southeast Oklahoma, however, poverty is prevalent and unemployment ranges 9 to 12 percent. Fortunately, the Oklahoma Department of Commerce recognizes these differences. Unfortunately, the federal law does not.

A "one size fits all" or "cookie cutter" approach to funding, state board composition, planning areas, and the like are simply untenable. States need more flexibility, not less. In Oklahoma, we heavily relied upon the governor's set-aside to support successful innovation. In fact, many of today's best ideas were germinated through governors' WIA set-aside funds, such as state sector strategies, green jobs programs, and innovations in public-private partnership. The set-aside funds are the only federal funding available at the state level under WIA and comprise the most flexible funding under the statute. Matching funds from other state sources and from the private sector enhance the impact of the set-aside funds and strengthen the ownership and involvement of businesses, industries, and communities in the state workforce development system. Like many of my colleagues across the country, I am deeply concerned about the reduction in the governors' set-aside for statewide activities. This could have a chilling impact on workforce innovations and most importantly, at a time of continuing economic hardship, the reduction in the governors' set-aside for statewide activities will make it more difficult for Americans to get back to work.

Skills the Energy Industry wishes were taught:

- New technical graduates:
Organization skills, platform skills, team management, time management, leadership
- New non-tech graduates:
Math aptitude, finance and economics, leadership, collaboration and conflict management. Simple to fix? Maybe, but it requires industry, education, a convening WIB, and partners to do so.

Flexibility at the state and local level is needed to best provide services to unemployed and underemployed workers and others in the talent pipeline. We must help them get back to work quickly and fill the workforce needs of industries that are in demand in our state. This is a K-20 connection to industry and economic development. It is our belief that HR 4297 takes a good step in that direction.

Conclusion

Workforce development is complex. The driving question for those of us who work in the workforce development arena everyday must always be, “what does it take to get everyone employable and a good paying job?” In the same vein, we also hear the very real concerns of business, which asks “why does it take so long for the pieces to come together and for us to find talent?” Oklahoma has seen success in the state’s private sector, and the nationwide public workforce development system should take note.

In closing, the Workforce Investment Act, at its core, is about jobs. If there was ever a time for a “must pass” piece of legislation, now would be that time to fix America’s workforce system and get America back to work. The Workforce Investment Improvement Act like its predecessor is in fact the only federal legislation that provides a formal mechanism to put all of the players at the table: employers, workforce-related agencies, community partners and citizen representatives to design a talent development system for its state and regions.

If we don’t get it right, we cannot realize Thomas Jefferson’s dream. Mr. Jefferson had been through the Revolutionary War, the framing of the Declaration of Independence and the United States Constitution, served as President of the United States and Ambassador to other nations. But, at the end of his life, he said, “*I look to the diffusion of light and education as the resource most to be relied on for ameliorating the condition, promoting the virtue and advancing the happiness of man*”. (1822)

The Need for Funding Statewide Activities

We have hard questions: What is ready to work? How can employer credentials pair with education, common core, STEM requirements and new legislation for workforce agencies? How can we achieve the American Dream: A Job! 5% unemployed in Oklahoma is really 15%. Fourteen percent unemployment for Veterans is really 25% and if you are between 18-25 it is as high as 50%. How can we restore HOPE to these Americans that they will get a job to our businesses that we can supply them with quality workers.

In Oklahoma we have used statewide funding to provide planning tools (i.e., EMSI) and consultants for local areas, Industry Sector Reports, evaluations, regional planning, Certified Work Ready Communities, Regional Industry Sector Partnerships, support Career Pathway pilots, establish Business Service teams, incent OJT and internships, enhance infrastructure, statewide licenses for WorkKeys and KeyTrain to increase baseline credentialing for Oklahomans. Other states have carried out similar projects that make their citizens more employable and their economies more viable.

Without statewide funding the potential is to have duplicative infrastructures in each WIB area. Local WIB representation is at both our State Council and our inter-agency staff team. We have a shared outcome system. The attached Strategic Plan of the Governor's Council for Workforce and Economic Development further illustrates this structure and shared-outcome system.

We have some of the partnerships but we also have barriers. We ask that you remove the legislative barriers to innovation, efficient service delivery, employer validated credentials and career pathways. H. R. 4297 is great step toward achieving this end.

GOVERNOR'S COUNCIL FOR WORKFORCE AND ECONOMIC DEVELOPMENT

STRATEGIC PLAN

The Governor's Council for Workforce and Economic Development has developed a strategic plan. As you can see WIA is not the only work of the Council. We are working to develop systemic policies that bridge economic development, education and workforce programs/services.

The Council's plan is the result of employer focus groups, Game Changer committee work and other stakeholder group participation.

Overarching Issue: Workforce/ Talent Development is complex and convoluted. There are many players with sometimes competing agendas. But, at the end of the day, we need talent that meets Oklahoma employer skill/ credential needs now and into the future.

Overarching Theme/ Vision:

1. Oklahoma employers can expect that graduates of Oklahoma education/ training programs have the skills and credentials they need and are work ready.
2. Oklahoma will be able to supply the workforce needs of current and future Oklahoma employers.

Goals:

1. Improve the outcome of Oklahoma skill development systems through the use of on-line tools and data bases that will improve efficiency and measure effectiveness.
2. Increase credentials, certificates and skills by deepening the public/private partnerships that will improve the match between employer-demanded skills and the skills of job applicants through the use of Career Pathways and Career Readiness Certificates.

Strategies for Achieving these Goals:

1. **Develop common outcomes:** Joint planning/ development of a business plan that includes outcomes and metrics that all partners play a part in meeting - for the good of the state of Oklahoma's business retention, expansion and attraction efforts:

Examples:

- a. What is Work Ready? Common definition and metric
 - b. More direct & systemic involvement by employers in P-20- Adult/ education and training issues and in establishing desired outcomes.
 - c. % increase in employer validated credentials and degrees obtained
2. **Implement/ expand on-line/ virtual systems and processes:** In order to provide efficient and effective service delivery, and to link and leverage various programs, we MUST have common virtual tools **and** a linked longitudinal data system. This includes a portal that will provide a single access to talent and services available to employers and a "data base" or some process that will more readily provide information, including real time information, on talent supply and demand.

3. **Develop and implement career pathways:** Career Pathways is an organizing process that can link employer validated credential and degree needs to the education and training supply chain. This would involve public/ private regional partnerships between employers and service providers. This will ensure that the workforce pipeline will support business retention and attraction.
4. **Re-invent workforce investment boards and one-stop career centers:** Defining their role, enhancing their efforts to engage employers by sector within regions. Involving all system partners and creating WIN-WIN and value added regional planning and service delivery system. Workforce boards include a majority of employer members. If properly constituted and functioning, these employers can provide a great foundation for regional partnerships. Certified one-stops will ensure that a standard of service exist and partners are connected within a region in order to provide coordinated service delivery.

Action steps being taken/ Recommended through Committees:

Data/ Portal Committee:

1. **Fully implement OKJobMatch.com.** Replace the current Job Link system with OK Job Match in order for OK Job Match to become the new state labor exchange system.

Current Status

- a. Job seeker portal fully up and operational. Resume numbers are increasing. Currently, total accounts are at 5,000. Thanks to all partners for promoting this, and using the posters, business cards and other education and outreach materials.
 - i. OESC and ODOC staff are working with the vendor to convert and use Job Match in place of Job Link and open up the employer module.
- b. Test version available to OESC/ODOC by May 1, 2012
- c. INITIAL TEST: Small pilot group (5-10 companies/employers+OESC+ODOC) performs initial testing for 7-10 days
- d. RE-DEVELOPMENT: Vendor makes changes pursuant to test (2-5 days)
- e. BETA-TEST: Small pilot group (same as above) retests the system for 7-10 days
- f. FINAL DEVELOPMENT: Vendor makes changes pursuant to beta-test
- g. MODULE DEPLOYMENT: Mid-Late May 2012; Focus will be on self-service employers; Employers can tap OK talent pool; Added ability to search for those with military experience

CONTINGENCY:

- h. Legislation signed that allows OESC Data to be shared with a private entity.
 - i. Talent pool (job seeker resumes) is closer to a critical mass recommended at 30,000 (this will occur when current Job Link resumes are quality checked and included in OKJobMatch.com system.)
 - j. As needed, a “stand alone” version of the employer portal may be implemented for the Veterans connection project. (Assisting returning veterans and connecting them to jobs.)
2. **Establish a state workforce portal.** This portal will ultimately provide on-line one-stop information and access to workforce programs and services across agencies and program lines. This will incorporate the current OKCareerPlanner.com site. It will also include the menu of Workforce employer services requested by employers in the employer focus group/ survey report *“Building Blocks for an Employer-Responsive Workforce System”*.

Current Status

- a. OKWorks.org (www.okworks.org). Has been established as the state workforce portal. While it is now live - it is just the beginning and will be continuously improved. It will take users to OKJobMatch.com for job search help.
 - b. OKMilitaryConnection.com (www.okmilitaryconnection.com) has been established to provide military specific information and services to our returning military personnel. OKMilitaryConnection.com will take people to OKJobMatch.com for job matching.
3. **Develop plan and cost estimates for an enterprise system***. This would include connecting to the P-20 data system. (This is probably a 2 year+ process. The expectation for 2012 is to develop the plan, including cost estimates and develop the needed agency agreements.)

*(An enterprise system = an on-line integrated program information system. It would connect workforce data with education data for better decision making, provide a common data pool and more efficiently deliver on-line services via use of KIOSK. It would provide clients a tool to help them determine what programs/ services they might be eligible for and how and where to apply.

Current Status

- a. A \$6 million DOL grant proposal for a longitudinal data system has been submitted that would include most of these efforts. Also, a \$1 million DOL grant proposal for a Workforce Innovation fund grant has

also been submitted. It would help support some of this effort as well.

Career Pathways Committee:

1. A statewide framework for career pathways is adopted.
2. Career pathways are formally integrated into the K-20 education system.
3. Effective career pathways practices are part of every student's education, beginning with career awareness and career exploration in K-8. Before a student enters the 9th grade, all students and their parents/guardians in every school receive career counseling assistance that leads to a meaningful individual career and education plan, including requirements needed for post-secondary education.
4. Trained career navigators are available in every partner agency to help clients, dislocated workers, and other adults seeking workforce assistance make training and education decisions based on a career pathway model.
5. An effective messaging plan is in place to help create awareness and buy-in.
6. All regions are working on at least one career pathway,
7. In workforce-related state agencies, including all levels of education, policies that support the integration of career pathways are in place and are reviewed on a regular basis.
8. Provide technical assistance and support to regions in their career pathways efforts (i.e., tool kits, process guides, best practices, etc.)
9. The National Association of Manufacturing (NAM) Skills Certification System is the basis for all manufacturing career pathway initiatives, including the National Career Readiness Certificate (NCRC).
10. Pilot the manufacturing pathways initiative in one or more regions.

Communications Committee:

1. Develop and distribute talking points through the State Chamber to encourage employers to contact legislators regarding funding for Career Readiness Certificates (WorkKeys) and KeyTrain.

Key Messages to Stress:

- a. CRC is about job creation;
- b. CRC demonstrates ROI for employers in terms of retention, reduced training/re-training, and finding, hiring, and promoting qualified employees;
- c. Job seekers receive a credential now endorsed nationally by the National Association of Manufacturers, National Institute of Metalworking Skills, the Manufacturing Institute, and by local employers and

education/training providers; the CRC is a foundational credential for manufacturing and aerospace programs and required for employment in these sectors.

- d. CRC is being used as an alternative to End of Instruction tests; Shawnee example (small school district) 15 students, who would have failed to receive a high school degree, have a diploma and a CRC because of the use of KeyTrain and WorkKeys at their school.
2. Talking points will be used as a blog entry discussing the importance of the CRC for SHRM (Society for Human Resources Management).
3. Prepare an information packet for the SHRM-sponsored Ready to Work Conference, stressing how the CRC can help employers improve retention and find qualified employees.
4. Update the Communications Plan with a new focus on use of social media, blogs and other current communications strategies.
5. The updated plan will be a living document that will guide the communications activities, products and deliverables.

Workforce Systems Oversight Committee:

1. Re-certify Workforce Investment Boards based on revised policy
2. Initiate a one-stop evaluation process including survey and on-site visits to help inform certification, continuous improvement and one-stop certification processes.
3. Initiate a one-stop certification process. One-stop certification intended to be a joint effort of all partners, to provide one-stop standards for consistency, and to help provide stakeholder buy-in, and create service delivery efficiency.
4. Identify and conduct service delivery efficiency pilot projects - to see what works.
5. Continue to research and identify operational and organizational strategies that will help make Workforce Boards stronger and service delivery better (in conjunction with Data/ Portal committee work).
6. Revise the State Plan that is due this year to the Department of Labor using the Council's plan of work as a guide.
7. Work with regional areas to develop regional planning documents - in conjunction with regional partners.