



MORRISON INSTITUTE  
FOR PUBLIC POLICY

**Can't Stand Still:  
Issues and Ideas  
for Workforce  
Governance  
in Arizona**

**Prepared for  
Governor's Council on Workforce Policy**



ARIZONA STATE UNIVERSITY





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# **Can't Stand Still: Issues and Ideas for Workforce Governance in Arizona**

Prepared for  
**Governor's Council on Workforce Policy**

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## EXECUTIVE SUMMARY

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When President Franklin Roosevelt's Secretary of Labor advocated for a program to match workers with employers, she knew the time was right to alleviate the hardships of the Great Depression. Frances Perkins could not have foreseen the issues of the next information age: the specter of software jobs moving offshore or the shortage of skills in a technological workplace. As pundits and publications have explained so often, ideas and technology drive this economy, so the jobs of tomorrow will look nothing like even those of today. It's no wonder then that skills matter more than ever before or that ongoing training has gained prominence as an individual necessity and workforce development has emerged as a collective priority.

Anyone who has ever nodded in agreement when a conference presenter warned of the effects of the speed of economic change, new ways of competing, or brain gains versus brain drains understands the need to bridge the traditional gap between workforce development and economic development and to use the resources at hand to change the fact that, as one Arizona official said, "We don't have the workforce for the jobs we want." The question in 2004 is not what to do, but how to make a coherent, cohesive workforce and economic development package out of what is still largely a jumble of opportunities. With high-wage jobs the common cause and integrating workforce and economic development a matter of common sense, the next step is to determine the best way for Arizona to proceed. And, time is of the essence, considering the pressures of the economy and the reauthorization of key federal workforce statutes.

Because of the urgency of workforce issues and the desire to begin a statewide discussion about workforce goals and choices, the Governor's Council on Workforce Policy wanted to understand if, and how, program governance and organization are hampering progress and what changes might be beneficial. The council asked Morrison Institute for Public Policy (School of Public Affairs, College of Public Programs, Arizona State University) to:

- Explore the strengths and weaknesses of the organization of Arizona's workforce system, particularly at the state level
- Review how other states have revamped their systems and connected workforce and economic development
- Recommend options for improving Arizona's system

During the second half of 2003, Morrison Institute for Public Policy talked with more than 60 workforce professionals, business people,

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### **Truly Changing Work**

The nature of work in the United States is changing dramatically as a result of globalization, increased competition and the transition from an industrial to an information- and service-based economy. Higher levels of education and training are increasingly becoming the prerequisite for not only high-wage jobs but also those that pay just a living wage.

*Source: The Adult Learning Gap, October 2003.*

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**Governor's Priorities for Workforce Development**

**Economic Development** — funding for programs that link workforce development with economic development to make Arizona a state that is prosperous for employers and employees alike

**Education** — funding for programs that use education as a tool to promote economic development and improve workforce development around the state

Source: Governor's Council on Workforce Policy, July 2003.

and workforce board members across Arizona either individually or in small groups, researched other states' approaches through interviews with officials in other states and national organizations, analyzed responses to an online survey of selected local workforce investment board members, and reviewed a wide variety of materials on economic, workforce, and community development.

This report is the first of many steps for Arizona to reflect and act on workforce development governance and its system, because as Thurgood Marshall said, "You can't stand still. You must move, and if you don't move, they will run over you."

Workforce development may be a topic of great interest and importance, but multiple meanings also make it confusing. For example, as noted in the recent volume *A Nation at Work: The Heldrich Guide to the American Workforce*, "the publicly funded patchwork of education and training programs and providers commonly known as the workforce development system" is just one of three "massive clusters of programs and organizations" that "dominate the supply chain for the education and training of America's workforce."

In Arizona that public amalgam of efforts includes programs under the umbrellas of the *Workforce Investment Act*, *Carl Perkins Act* for Career and Technical Education, *Wagner-Peyser Act* (including Job Service and unemployment compensation), Vocational Rehabilitation, the *Personal Responsibility and Work Opportunity Act*, and Arizona's state-funded programs.

Workforce development also refers to the overarching process of creating and improving the local talent pool to serve businesses' present and future needs. Or in the words of one advocate: workforce development is where education, employment, and economic development come together. From that viewpoint, activities are best understood in five interrelated categories: Pipeline, Renewal, Incumbent, Retraining, and Entrepreneurial.

The most prominent part of the publicly supported cluster now is the *Workforce Investment Act* (WIA). Passed in 1998 and up for reauthorization now, WIA is the latest federal statute intended to help states and communities match the labor force's skills and capacities with economic realities. With an emphasis on leadership from governors, the landmark legislation took steps to coordinate a myriad of programs and create systems from far-flung efforts. The statute began to bring together public-sector "partners" to create One-Stop Career Centers to serve all workers, and looked, even more than other statutes, to businesses to identify skills in demand and make coordination and collaboration a reality.

Although Arizona began developing One-Stop centers through demonstration funding in the mid-1990s, formal implementation of

the law's components dates to July 2000. Arizona's WIA structure put the Governor's Council on Workforce Policy in charge of advising the governor on all workforce activities and coordinating programs to create the desired streamlined system. In addition, the state's governing structure set the Arizona Department of Commerce to managing workforce policy and staffing the council, while the Arizona Department of Economic Security played a policy and program development role in addition to fiscal administration and operations. The Arizona Department of Education managed the new list of eligible training providers, in addition to its traditional career and technical education programs and adult education.

The *Workforce Investment Act* came about as Arizona was already revamping workforce development to support the goals and plans made during the community-based process of the Arizona Strategic Plan for Economic Development (later the Governor's Strategic Plan for Economic Development). *Arizona's Workforce Development System Comprehensive Plan* acknowledged the consensus that the time was right to streamline workforce programs and put them in the service of economic development. The document noted the "overriding purpose" to enhance "the economic growth and competitiveness of the state's industry clusters and develop the capacity of the foundations which support them."

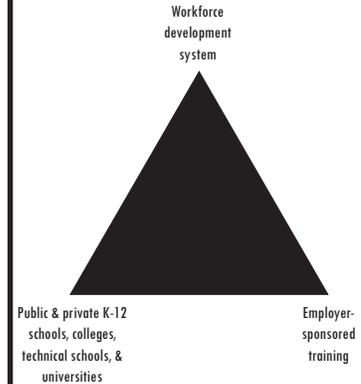
Considering its many players and connections to other issues, workforce development is nothing if not dynamic. In fact, much has taken place just within this project's short span. However, as evident throughout this project, much more remains to be done to fulfill the promise of employment-related programs and the expectation that economic and workforce development truly are, as one economic development administrator said they should be, "two sides of the same coin." Themes drawn from interviews, observations, and materials are presented under the headings **Leadership and Participation** and **Puzzles and Realities**.

## Leadership and Participation

### Who's Who at the State Level?

In recent years, the Arizona Department of Economic Security (DES), the Arizona Department of Commerce, and the Arizona Department of Education have been assigned various responsibilities in workforce development that were intended to "take advantage of what the agencies do best." However, the roles and responsibilities of each and the reasons behind the structure are

### Three Major Sources of Education and Training for U.S. Workers



Source: *A Nation at Work*, Heldrich Center for Workforce Development, 2003.

### Workforce Development Can be Understood as Five Categories of Activity

Category	Description
Pipeline	Education, training, and services at public and private schools, colleges, and universities – the P-20* "pipeline"
Renewal	Education, training, and services for those who face skills and employment challenges for any reason
Incumbent	Education, training, and services for current employees
Retraining	Education, training, and services for those who need or want to upgrade skills or change careers
Entrepreneurial	Education, training, and services to support business formation and growth

\*P-20 = education from preschool through graduate school.

Source: Morrison Institute for Public Policy, 2003.

unclear to many who work in or contribute their time to workforce programs.

### **Limited State-Level Leadership**

WIA should be as important at the state level as it is at the local level, according to one long-time administrator. Limited state-level leadership — in addition to lack of visibility and clarity for programs—ranked as one of the most important issues in Arizona. Strong state leadership in such areas as visibility, equity, access, resources, return on investment measures, incentives, technical assistance, and economic benchmarks would be welcomed, according to some, as would assistance with career ladders in targeted clusters and job forecasting. Initiatives for workforce credentials and upgrading, in the minds of some, could be the first steps in building career ladders and should start at the state level.

### **Frustration with Engaging and Serving Business, But Positive Signs Also**

The perceived difficulty of engaging the private sector in using One-Stop services and other programs has been as frustrating for committed business people as it has been for workforce professionals. But, since workforce development is often a greater concern in good economic times, the current poor economic climate was just one explanation given for lackluster levels of business involvement. Other reasons varied from lack of time to being turned off by a still-daunting bureaucracy or the lingering perception that only unskilled and, thus undesirable, workers make use of government programs. A simple lack of awareness, made worse by multiple programs marketing various services, was cited as the most critical problem. Another facet of concern was the type and level of business involvement in governance. In short, not all businesses have the same knowledge of and clout in the economy. If those with the most influence on and strongest ties to economic development pass on or are unaware of opportunities for participation, programs can, according to some, continue only with their traditional activities.

### **Local Governance Has Some Strengths**

Morrison Institute surveyed selected Arizona local workforce investment board members to get their views on how well their boards are doing. The survey underscores the strong possibilities for substantial business leadership while pointing out changes needed for greater efficiency and knowledge on a range of workforce issues. Respondents were generally upbeat about the activities of their boards, but also sometimes felt limited in what they could accomplish.

### **Lack of Vision and Goals Beyond Basic Performance Measures**

Arizona's top-line workforce issues are readily identified. Initiatives of various types are underway to address Arizona's needs in terms of

workforce programs, though many noted that Arizona has not gone far enough. In particular, Arizona has not agreed on measurable goals for its system besides federal items. A number of those interviewed expressed interest in ways to determine Arizona's overall progress and "return on investment" from publicly supported workforce programs. Others simply sought to ensure that programs could be proven, or not, to be addressing the state's workforce ills and supporting its economic progress. In other words, are programs helping to raise education or income levels? Are workers able to certify their skills to employers? Is Arizona using its programs to move steadily toward leadership in a knowledge-based economy? Are workers gaining necessary measures and skills? Arizona has followed the mandates of federal workforce programs rather than devising its own course and then applying federal resources. Given today's economic challenges and the desire for high-wage jobs, many of those interviewed favored a sharper focus on Arizona's needs and how program governance can ensure they are met.

**Arizona Board Members Tend To Be More Positive Than Those Nationally**

	Arizona	National
Agree the board well understands the workforce development needs of the community	59%	33%
Agree the board contributes much to meeting the workforce needs of the community	57%	43%
Agree the board making a unique contribution	60%	60%
Agree it is difficult or very difficult to recruit business members for the board	29%	52%
Agree the board is well known in the community	12%	14%
Agree the board has inadequate resources and funding	50%	ND

Source: Morrison Institute for Public Policy, 2003.

**Puzzles and Realities**

**Significant State Totals May Not Mean a Lot of Money Locally**

The significant dollar totals in workforce programs may not translate to easy use for state initiatives or adequate resources at the local level. At the same time, state-level policies have not emphasized allowing local boards control over more than WIA funds. Many suggested public and private dollars from many sources should augment the workforce system. Real financial stability and innovation will come from requiring that all One-Stop partners share in the cost of operations and then augmenting public funds with other dollars.

### **The Double Edge of Long Experience**

In Arizona, long experience provides valuable continuity, but according to some, it also creates a barrier to change. On the other hand, a history of false starts at the state level has bred deep skepticism among some in the field.

This is not to say that much has not changed notably in recent years. In places large and small, various entities have made substantial progress toward the realization of the One-Stop concept and:

- manage multiple programs well
- deal creatively with people, businesses, and community issues
- bring notable assistance to high tech and other employers
- provide strong models in a variety of areas
- combine efforts with economic development professionals and industry associations

### **Workforce Development is Economic Development: Arizona's Hollow Mantra**

Except for the state's job training program, economic development and workforce development at the state level mostly have functioned independently of one another. Images of workforce programs as mere social services remain current in some quarters, as do perceptions in others of economic development as a process of unwarranted giveaways. The differences in the two fields' cultures are an important issue.

### **Perception of Low Priority for a High-Impact Issue**

"Workforce development has been a stepchild in Arizona." Many of those interviewed echoed this dramatic statement and voiced frustration with the "lip service" given to an issue that is critical to economic competitiveness. The programs and expertise available to improve the labor force reportedly have long been undervalued despite workforce and economic trends that call for attention.

### **Dissatisfaction with Data**

Information about jobs, firms, and skills is fundamental to workforce programs, but widespread dissatisfaction was evident with Arizona's traditional labor market research capacity. In addition, there was frustration about program performance reporting.

### **Stuck With The Status Quo**

Taken as a whole, the state's workforce development system can best be described as stuck in transition. If workforce development is to be the powerful economic tool it needs to be, changes in governance will have to address:

- frustration with what should be compared to what is
- shortcomings of state-level structures
- hunger for innovation

### **Governance Ideas Across the U.S.**

Leaders and workforce professionals wrestled for years with whether workforce development should be organized around services for people or assistance to employers and economic development. Today's economic environment, of course, has laid that debate to rest and put a premium on structures that work like the economy does. However, researchers have noted that no one governance model has emerged as the way. University of Texas labor economist Christopher King, who has written extensively about state structures, notes six current approaches to updating workforce efforts, including:

- **Enhanced Coordination** — Encouraging or requiring greater service coordination (as seen in the 1993 Texas legislation)
- **Institutional Restructuring** — Eliminating agencies and consolidating programs (Florida, Oregon, Texas, and Utah)
- **Consumer-Driven Strategies** — Empowering customers, enhancing market forces, labor market information (Michigan)
- **Blended Strategies** — Restructured agencies, consolidating programs, mandating greater coordination (Florida)
- **Service-Based Strategies** — More seamless, functionally oriented services; web-based, self-directed services (Utah)
- **Other Strategies** — More pro-active, creative use of such options “work-flex” provisions and waivers (Texas)

Arizona long ago chose “enhanced coordination.” Across the country, though, states have implemented a combination of ideas or started with coordination and evolved over time. The experimentation spotlights three questions at the heart of governance:

- What is best for workforce and economic development customers?
- How can programs contribute to employer services and complement other efforts?
- What principles and structures will support high-quality local services that meet employer and community needs and work hand-in-hand with the entire state's economic priorities?

Governance trends now clearly favor four types of actions:

- Consolidation of agencies and activities
- Development of state measurements of success
- Concentrating on creating systems that increase the skills of the overall workforce *and* serve specific employers and industry sectors
- High-level advisor (usually a governor's assistant) to oversee new efforts and changes

**Summary of Arizona’s Current Workforce System Issues**

Issue	Impact
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**Frustration With What Should Be Compared To What Is**

Workforce Development is Economic Development: Arizona’s Hollow Mantra	<ul style="list-style-type: none"> <li>● Workforce development will be more marginalized</li> <li>● Resources underutilized</li> <li>● Prosperity suffers</li> </ul>
Low Priority for a High-Impact Issue	<ul style="list-style-type: none"> <li>● Workforce not a player in economic growth</li> <li>● Frustration among state and local players</li> <li>● Less collaborative project development</li> </ul>
Frustration Engaging Business	<ul style="list-style-type: none"> <li>● Limits system and services, especially in emerging areas</li> <li>● Limits resource development</li> <li>● Reduces emphasis on workforce programs as economic development</li> <li>● Businesses involved will burn out</li> </ul>

**Hunger for Innovation**

Lack of Vision and Goals Beyond Basic Performance Measures	<ul style="list-style-type: none"> <li>● Arizona needs organizing principles as first step to revamped governance</li> </ul>
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**Shortcomings of State-Level Structure**

Who’s Who at the State Level?	<ul style="list-style-type: none"> <li>● Reduces outcomes for people, businesses, and governments</li> <li>● Time spent relearning instead of innovating</li> </ul>
Limited State-Level Leadership	<ul style="list-style-type: none"> <li>● Opportunities missed</li> <li>● Continuous improvement not a reality</li> <li>● Arizona serves federal programs, not the other way around</li> </ul>
Workforce Regions Not Synonymous with Economic Regions	<ul style="list-style-type: none"> <li>● Workforce areas may be left out of economic development plans</li> <li>● Multiple sets of boundaries create artificial barriers</li> </ul>
Dissatisfaction with Data	<ul style="list-style-type: none"> <li>● Employment trends and opportunities go untapped</li> <li>● Lack of information becomes a barrier</li> </ul>

Source: Morrison Institute for Public Policy, 2003.

**Governance Recommendations for Arizona**

A state’s workforce — its quality, its flexibility, its capacity to learn — now ranks as one of the major sources of competitive advantage or disadvantage. This stark reality establishes workforce development as one of the most powerful tools a state has for promoting economic growth and prosperity.

But, the question remains, what will make this tool operate at peak performance for the greatest number of Arizona workers and businesses? As so many others have noticed, the sprawling workforce field does not lend itself to quick fixes or overnight transformations. There are countless issues that deserve in-depth discussion. This section is intended to add some “big ideas” and “starter” suggestions to that conversation.

Arizona, of course, needs governance that is clear and focused on communication, solving problems, and supporting the state’s economy. And, Arizona’s governance structure must give the private sector a dominant voice and strong role without overwhelming it with arcane administration and without leaving any part of the workforce behind.

In addition, however, three more “organizers” will help Arizona to develop and govern its system.

**Govern to Achieve Economic Growth,  
Organize to Ensure Great Information and Easy Access**

The success of Arizona’s workforce development system should be measured by the degree to which it helps fulfill state, local, and individual economic goals and stimulates economic growth. But, this can only be accomplished on a statewide basis if Arizona has a coherent, up-to-date economic growth strategy based on the most current data and a strong sense of direction for the future. In short, Arizona’s workforce system should be governed to ensure:

- economic growth for individuals, businesses, and the state
- ease of access to programs and services at all ages and stages of business and careers
- timely, in-depth information about the economy and the workforce

**Recommendation: Establish the Arizona Economic Summit Group**

Arizona already has a number of councils and entities that advise the governor on workforce and economic strategy and growth. In addition, economic development organizations across the state have notable strategies and experience that should inform state actions. Bringing all of this expertise together regularly would allow greater coordination across many issues, while making each body more aware of, and perhaps accountable to, the others. For example, this “summit” group could meet bi-annually and include the chairs of: the Governor’s Council for Innovation and Technology, Governor’s Workforce Policy Council, the Arizona Industrial Commission, the Commerce and Economic Development Commission, the Arizona Chamber of Commerce, the Greater Phoenix Economic Council, Greater Tucson Economic Council, Greater Yuma Economic Council, Greater Flagstaff Economic Council, and Arizona Technology Council and the Southern

Arizona Technology Council. This group would help to ensure that Arizona's workforce system matched the state's economic strategy and adapted programs to the needs of businesses and people.

**Governance of Workforce Development: Better Coordination or New Structures?**

Arizona should decide if it wants to continue trying to "coordinate" its way to workforce and economic success, or consider a more dramatic change in governance of its workforce development system.

**Five First Actions for Workforce and Governance Momentum**

1. Agree that the time to move ahead is here.
2. Launch the debate on workforce and economic goals and the choices for an Arizona structure.
3. Adopt the organizing principles.
4. Bridge the gap between workforce and economic development professionals.
5. Determine to bring the benefit of such efforts as the High-Growth Job Training Initiative and others to Arizona.

**Choice: Continue to Improve Coordination Among the Main Workforce Agencies**

Arizona's current structure remains viable and could continue to be improved.

**Choice: Consolidate Programs in an Arizona Department of Employment and Economic Growth**

This choice would bring all career, training, and economic development efforts together.

**Choice: Create an Independent Public-Private Partnership for Workforce and Economic Development**

Arizona has a tradition of public-private solutions. A public-private body closely related to state government would oversee workforce development, economic development, economic research, and career education.

In general, these choices would not require new authority or resources, but they would show how serious Arizona is about change and action. Arizona should wait no longer to create the governance structure and system needed to foster the state's economic growth through workforce development.

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# CAN'T STAND STILL: ISSUES AND IDEAS FOR WORKFORCE GOVERNANCE IN ARIZONA

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When President Franklin Roosevelt's Secretary of Labor advocated for a program to match workers with employers, she knew the time was right to alleviate the hardships of the Great Depression. Frances Perkins could not have foreseen the issues of the next information age: the specter of software jobs moving offshore or the shortage of skills in a technological workplace. The knowledge economy of 2004 is light years from the industrial past and moving farther away all the time. As pundits and publications have explained so often, ideas and technology drive this economy, so the jobs of tomorrow will look nothing like even those of today. It's no wonder then that skills matter more than ever before or that ongoing training has gained prominence as an individual necessity and workforce development has emerged as a collective priority.

But two past themes still ring true:

1. The time is always right to focus on skills and jobs, especially high-wage, high-value positions.
2. Public resources, used in conjunction with the private sector, play an important part in helping people and businesses adjust to changing economic times and prepare for the future. Now that workforce talent is considered a "make or break" factor in states' economic growth, few issues are more important, yet as complex and sprawling.

Anyone who has ever nodded in agreement when a conference presenter warned of the effects of the speed of economic change, new ways of competing, or brain gains versus brain drains understands the need to bridge the traditional gap between workforce development and economic development and to use the resources at hand to change the fact that, as one Arizona official said, "We don't have the workforce for the jobs we want." The question in 2004 is not what to do, but how to make a coherent, cohesive workforce and economic development package out of what is still largely a jumble of opportunities. With high-wage jobs the common cause and integrating workforce and economic development a matter of common sense, the next step is to

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## Truly Changing Work

The nature of work in the United States is changing dramatically as a result of globalization, increased competition and the transition from an industrial to an information- and service-based economy. Higher levels of education and training are increasingly becoming the prerequisite for not only high-wage jobs but also those that pay just a living wage.

Source: *The Adult Learning Gap*, October 2003.

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## Governor's Priorities for Workforce Development

**Economic Development** — funding for programs that link workforce development with economic development to make Arizona a state that is prosperous for employers and employees alike

**Education** — funding for programs that use education as a tool to promote economic development and improve workforce development around the state

Source: Governor's Council on Workforce Policy, July 2003.

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determine the best way for Arizona to proceed. And, time is of the essence. As shown in the following pages, reauthorization of core statutes and economic realities are pushing the state to tune up what one expert called the “most powerful tool” for promoting state prosperity: workforce development.

Arizona has started to create the “integrated, high quality workforce development system,”<sup>1</sup> but the state is by no means finished. Because of the urgency of workforce issues, the Governor’s Council on Workforce Policy wanted to understand if, and how, program governance and organization are hampering progress and what changes might be beneficial. In addition, the council sought to help start a statewide discussion about governance and workforce goals and choices. The council asked Morrison Institute for Public Policy (School of Public Affairs, College of Public Programs, Arizona State University) to:

- Explore the strengths and weaknesses of the organization of Arizona’s workforce system, particularly at the state level
- Review how other states have revamped their systems and connected workforce and economic development
- Recommend options for improving Arizona’s system

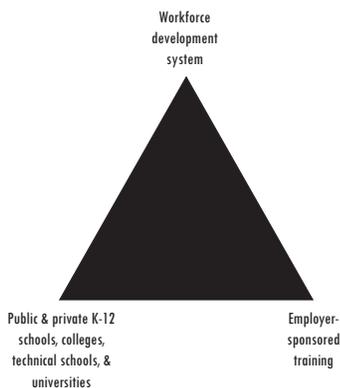
During the second half of 2003, Morrison Institute for Public Policy talked with more than 60 workforce professionals, business people, and workforce board members across Arizona either individually or in small groups, researched other states’ approaches through interviews with officials in other states and national organizations, analyzed responses to an online survey of selected local workforce investment board members, and reviewed a wide variety of materials on economic, workforce, and community development.

The results of the effort are presented in three sections:

- Outlooks and Issues
- Governance Ideas Across the U.S.
- Governance Ideas for Arizona

Arizona is not alone in reexamining how residents are prepared for ever-changing jobs in a churning economy and how businesses can more readily meet their skill needs. Every state’s concern for its workforce and economic growth is on the upswing. The idea is now accepted in nearly every quarter that, far more than a good social idea, workforce development is integral to creating economic opportunity for everyone and supporting a competitive knowledge economy. This report is the first of many steps for Arizona to reflect and act on workforce development and governance because as Thurgood Marshall said, “You can’t stand still. You must move, and if you don’t move, they will run over you.”

**Figure 1.**  
**Three Major Sources of Education and Training for U.S. Workers**



Source: *A Nation at Work*, Heldrich Center for Workforce Development, 2003.

## One Phrase: Multiple Meanings

Workforce development may be a topic of great interest and importance, but multiple meanings also make it confusing. For example, as noted in the recent volume *A Nation at Work: The Heldrich Guide to the American Workforce*, “the publicly funded patchwork of education and training programs and providers commonly known as the workforce development system” is just one of three “massive clusters of programs and organizations” that “dominate the supply chain for the education and training of America’s workforce.”<sup>2</sup>

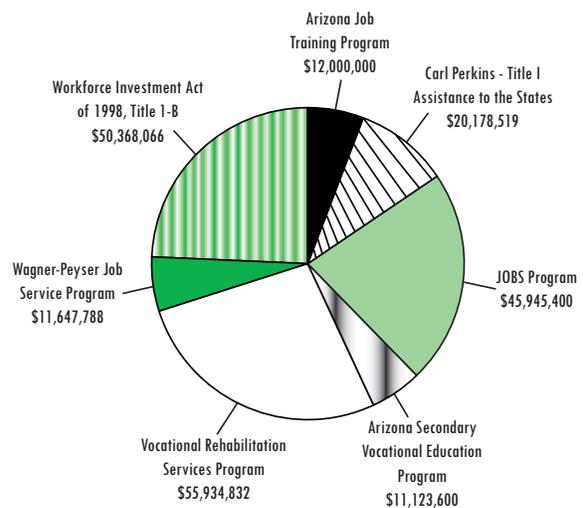
Primarily the subject of this report, in Arizona that public amalgam of efforts includes programs under the umbrellas of the *Workforce Investment Act*, Carl Perkins Act for Career and Technical Education, Wagner-Peyser Act (including Job Service and unemployment compensation), Vocational Rehabilitation, the Personal Responsibility and Work Opportunity Act, and Arizona’s state-funded programs. This complete combination puts at least \$265 million state and federal dollars in play and annually touches nearly as many Arizonans as live in Tempe and Chandler. Leaders and staff in 5 state agencies, 15 counties, all tribes, and most cities, community college districts, and school districts, as well as scores of nonprofit and for-profit service providers, pay close attention to what happens in these deeply rooted programs.

Viewed in this way, the workforce development system can best be characterized as:

- Referring in Arizona to as many as 32 ongoing state or federal programs administered by 5 state agencies, plus 3 federal programs that go to tribes and 13 sources for multi-year, competitive local grants (See Appendices for all programs. See Figure 4 for significant programs in 3 major state agencies.)
- Dependent mostly on federal funds from the U.S. Departments of Education, Labor, and Health and Human Services, although some programs require state funds also (See Appendices.)
- With the federal programs, generally giving the governor authority to provide direction and make decisions, while state programs have been developed with and approved by the legislature

**Figure 2.**

### Major Programs Mean Major Dollars for Arizona



Source: Morrison Institute for Public Policy, 2003.

- Complex and multi-faceted with services provided by a wide variety of collaborative and contractual relationships
- Descended from continuing “labor exchange” and later “employment and training” efforts, which often targeted disadvantaged adults and youth for assistance
- Driven by data in terms of dollars, performance, and economics
- Dependent on a wide variety of public and private sector inputs and actions
- Providing similar services such as job search, skill training, labor market information, and support services to different types of people, i.e. youth, older workers, veterans, public assistance recipients
- Walking a fine line between human services and business services

**Table 1.**

**Publicly Supported Programs Relate to People and Businesses**

Purposes	Examples of Public Programs
<b>Supporting People as Workers and Entrepreneurs</b>	
<ul style="list-style-type: none"> <li>● Help people acquire skills and credentials.</li> <li>● Connect people with jobs.</li> <li>● Increase individuals’ knowledge to make positive job choices.</li> <li>● Expand access to job opportunities.</li> <li>● Identify economic and employment trends.</li> <li>● Provide workplace foundations.                             <ul style="list-style-type: none"> <li>• Learning to learn</li> <li>• Capacity and commitment to reskill</li> <li>• Technological literacy and competencies</li> <li>• Work habits and soft skills</li> </ul> </li> </ul>	Arizona Workforce Connection One-Stops Career and Technical Education Community colleges’ Skill Centers and degree programs Virtual One Stop Job Service JOBS Arizona Workforce Informer Job Corps Adult Education Pima County High Wage High Skill Initiative Vocational Rehabilitation Veterans’ Programs
<b>“Growing” Businesses and Expanding the Economy</b>	
<ul style="list-style-type: none"> <li>● Help employers enhance their competitiveness by matching people and services such as hiring, retention, screening, and training to their needs.</li> <li>● Support the development of industry clusters.</li> <li>● Develop training and upgrading programs.</li> <li>● Communicate skills needed by employers to education and training institutions.</li> <li>● Administer incentives for recruitment and retention of high-wage jobs.</li> </ul>	Arizona Workforce Connection One-Stops H-1B Grants Maricopa Community Colleges Center for Workforce Development Arizona State Job Training Program Information Technology Tax Credit Phoenix Information Technology Training Grant

Source: Morrison Institute for Public Policy, 2003.

- Evolving into employer-driven, market-ready players in economic growth, instead of only sources of social support and second chances

As shown in Table 1, the publicly supported workforce development system is intended to benefit individuals, businesses, and, indirectly, Arizona.

**A Broader View**

Workforce development also refers to the overarching process of creating and improving the state’s talent pool to serve businesses’ present and future needs. Or in the words of one advocate: workforce development is where education, employment, and economic development come together. For those who see the topic from this broader perspective, the phrase workforce development encompasses all three of the Heldrich Center’s clusters. From that viewpoint, activities are best understood in five interrelated categories: Pipeline, Renewal, Incumbent, Retraining, and Entrepreneurial (See Table 2). These five categories acknowledge that workforce development has both to do with the ages and stages of careers and how they apply to jobs in one sector or another. Workforce development provides the skills, access, and options primarily to support “growth” jobs in targeted high-wage sectors, but also those throughout the economy. Even if every worker does not have a strictly “high tech” job, each needs the support and capacity to adjust to technological and economic changes.

**Table 2.**

**Workforce Development Can be Understood as Five Categories of Activity**

Category	Description
Pipeline	Education, training, and services at public and private schools, colleges, and universities – the P-20* “pipeline”
Renewal	Education, training, and services for those who face skills and employment challenges for any reason
Incumbent	Education, training, and services for current employees
Retraining	Education, training, and services for those who need or want to upgrade skills or change careers
Entrepreneurial	Education, training, and services to support business formation and growth

\*P-20 = education from preschool through graduate school.  
 Source: Morrison Institute for Public Policy, 2003.

**Proof Positive for Workforce and Economic Change**

Nanotechnology, microscale medicine, virtual manufacturing — these rapidly expanding frontiers are proof positive that Arizona is competing in an era in which great wealth comes to those who innovate, especially in science and technology. Arizona’s “traditional industries” will certainly continue to matter to the state’s economy, but if we want to win our fair share of “new economy” prosperity and high-wage jobs, our economic portfolio must be reconfigured. It needs to feature brave new knowledge industries.<sup>a</sup>

High-technology activities accounted for 22% of employment, 25% of value added (gross state product), and 28% of earnings in Maricopa County in 2001. In Pima County, high tech accounted for 19% of employment, 23% of value added and 27% of earnings.” However, in other counties, such activity is not more than 6% of employment or 8% of earnings.<sup>b</sup>

a. *Seeds of Prosperity: Public Investment in Science and Technology Research*, Morrison Institute for Public Policy, April 2003.

b. *High Technology Activities in Arizona*, ASU Center for Business Research, November 2003.

**Workforce Investment Act**

**Partner Programs**

- WIA — Adults
- WIA — Youth
- WIA — Dislocated Workers
- Job Corps
- Migrant and Seasonal Farmworkers Programs
- Native American Programs
- Veterans' Programs
- Wagner-Peyser Employment Security Programs
- Adult Education and Literacy
- Carl Perkins Act Post-Secondary Career and Technical Education
- Vocational Rehabilitation
- Welfare to Work
- Older Workers Programs
- HUD Employment and Training
- Community Services Block Grant
- Employment and Training

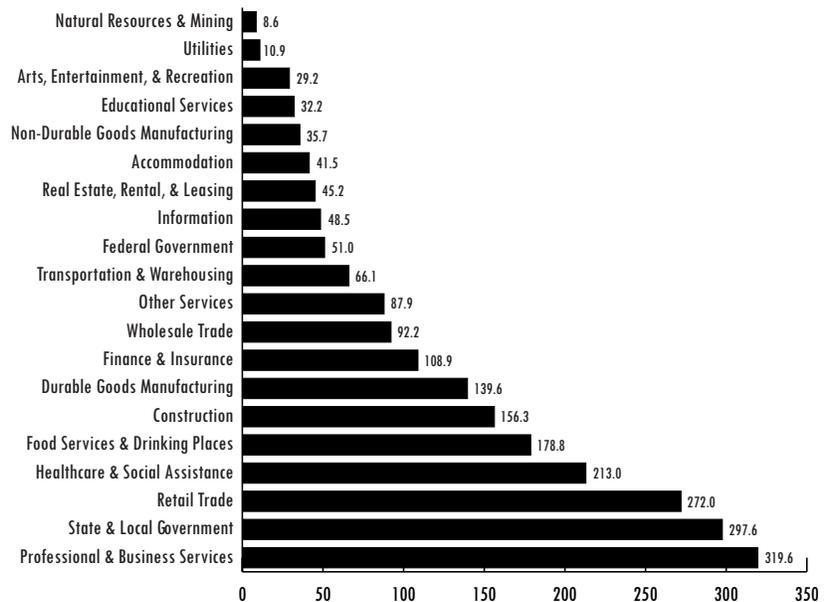
**Workforce Investment Act Now Front and Center**

The most prominent part of the publicly supported cluster now is the *Workforce Investment Act* (WIA). Passed in 1998 and up for reauthorization now, WIA is the latest federal statute intended to help states and communities match the labor force's skills and capacities with economic realities. With an emphasis on leadership from governors, the landmark legislation took steps to coordinate a myriad of programs and create systems from far-flung efforts. The statute began to bring together public-sector "partners" to create One-Stop Career Centers to serve all workers, and looked, even more than previous statutes, to businesses to identify skills in demand and make coordination and collaboration a reality.

Although Arizona began developing One-Stop centers through demonstration funding in the mid-1990s, formal implementation of the law's components dates to July 2000. As developed by the Interagency Working Team with input from across the state, Arizona's WIA structure put the Governor's Council on Workforce

**Figure 3.**

**More Arizona Employees Work in Professional and Business Services Than In Any Other Sector**  
**Arizona Employees on Nonagricultural Payrolls, July 2003 (000's)**



Source: Arizona's Economy, Fall 2003.

Policy in charge of advising the governor on all workforce activities and coordinating programs to create the desired streamlined system. In addition, the state's governing structure set the Arizona Department of Commerce to managing workforce policy and staffing the council, while the Arizona Department of Economic Security headed fiscal administration and operations and the Arizona Department of Education managed the new list of eligible training providers, in addition to its traditional career and technical education programs and adult education. Arizona approved 16 Local Workforce Investment Boards to continue to develop the fledgling One-Stop concept. These boards, whose territories mirrored the *Job Training Partnership Act's* service delivery areas, accepted the challenge of creating comprehensive local workforce systems capable of meeting businesses' needs for workers and coordinating with the state's separate economic development system. The required five-year state plan, which focused on supporting Arizona's economic development strategy of industry "clusters," sought to put into practice ideas that had circulated for some time.

**Workforce Investment Act Principles**

- Streamlined services
- Individual empowerment
- Universal access
- Increased accountability
- A strengthened role for workforce boards and the private sector
- Enhanced state and local flexibility
- Improved youth programs

Source: Rockefeller Institute of Government

**Workforce Movements Prior to WIA**

The *Workforce Investment Act* came about as Arizona was already revamping workforce development to support the goals and plans made during the community-based process of the Arizona Strategic Plan for Economic Development (later the Governor's Strategic Plan for Economic Development). *Arizona's Workforce Development System Comprehensive Plan* acknowledged the consensus that the time was right to streamline workforce programs and put them in the service of economic development. The document noted the "overriding purpose" to enhance "the economic growth and competitiveness of the state's industry clusters and develop the capacity of the foundations which support them." The comprehensive plan voiced support for *old* employment and training programs — which served their purposes well in the past — while transitioning to and creating *new* workforce investment systems — which will serve new purposes in the future.<sup>3</sup> Arizona's comprehensive plan, and hence the state's WIA plan, called for:

**Common Perceptions of Roles of Major Arizona Workforce Agencies**

Education serves students.  
 Economic Security serves people.  
 Commerce serves business.

This shorthand view is incomplete, however. Each agency deals with employers and residents in a variety of ways. They are responding to different programs with different purposes.

- Enhancing existing and/or developing new training programs and service delivery systems to better meet industry's short, intermediate, and long-term needs
- Forecasting labor market demand by Governor's Strategic Plan for Economic Development clusters and foundations at state and regional/county levels
- Streamlining access to and/or administration of workforce development programs
- Providing a self-sustaining system of governance, management, and oversight for Arizona's Workforce Development System

**Community Colleges for Arizona's Workforce**

In Arizona, community colleges serve as a major source of workforce information, advice, and education for employers and workers. For example, the Maricopa district's Center for Workforce Development uses the ten colleges and two skill centers to meet job-training needs throughout metro Phoenix. Today's effort is rooted in the district's Center for Occupational Education, established in 1980. Over time the colleges developed agreements with numerous large and small firms to train and certify prospective employees. The colleges are the largest provider of such training in Arizona, and one of the largest in the country. Deeply involved in Arizona Workforce Connection, the colleges' Center for Workforce Development is focusing efforts on five widely-recognized priority industry clusters that will drive regional economic development: aerospace; bioindustry; advanced business and financial services; high-tech; and software. Additional priority areas identified by the center are public safety; plastics; transportation, warehousing and logistics; and tourism. The Center for Workforce Development also spearheaded preparation of the recent Arizona Biosciences Workforce Strategy.

Source: Center for Workforce Development.

**Not a New Interest in Workforce – Economic Development**

Some readers will see this information as history that need not be revisited. However, the background reflects Arizona's long-standing, state-level interest in workforce and economic development coordination. In fact, even as far back as the late 1970s, the Governor's Manpower Office, which administered the Governor's Comprehensive Employment and Training Act set-aside fund from the Office of Economic Planning and Development (the precursor of the Arizona Department of Commerce), had begun to act on the notion that workforce programs should support economic priorities. Again in 1993, then-Governor Fife Symington looked to update workforce development in line with the trends of the day by creating a new office for workforce leadership. With members from business, state agencies, the Arizona Legislature, and economic development, education, and employment and training organizations, an Implementation Task Force laid out its best suggestions for a workforce system that would see programs and services as "the means to the end" of helping "customers," whether workers or employers. This office evolved into the Office of Workforce Development in the Arizona Department of Commerce. Most recently, the Governor's Council on Workforce Policy restated its desire for a strong, integrated workforce system capable of serving the state's economic interests. (See Table 3.)

**But A New Context of Urgency**

While interest in joining workforce and economic development is not new, the current context for the combination of the two fields is different. In even the short time since WIA implementation, much has happened in Arizona and across the country that affects attitudes towards the workforce and the economy. Most important, the economy has become ever-more global, skill-driven, and competitive. In addition, recession and budget shortfalls have rocked the state and refocused attention on: 1) making the best use of increasingly scarce resources; 2) coping with reemployment as well as addressing skill shortages; 3) keeping and creating high-wage jobs; and 4) diversifying the economy. In 2000, Arizona voters approved a monumental investment in the state's economic future. Proceeds from Proposition 301, which authorized an increase in the state sales tax for 20 years, will be spent on improving K-12 education, fostering science and technology research at public universities, and augmenting community colleges' already substantial capacity for workforce training. A once-per-decade study of Arizona's economy showed an uneven, often lagging economy across the state, while high-profile public and private biotech investments were launched with great fanfare. Against the backdrop of a combination of biotech energy, bad economic news, and unflattering comparisons between Arizona and other states, leaders in a variety of local and state institutions reenergized the sense of possibility for Arizona, encouraging new calls for early

**Table 3.**

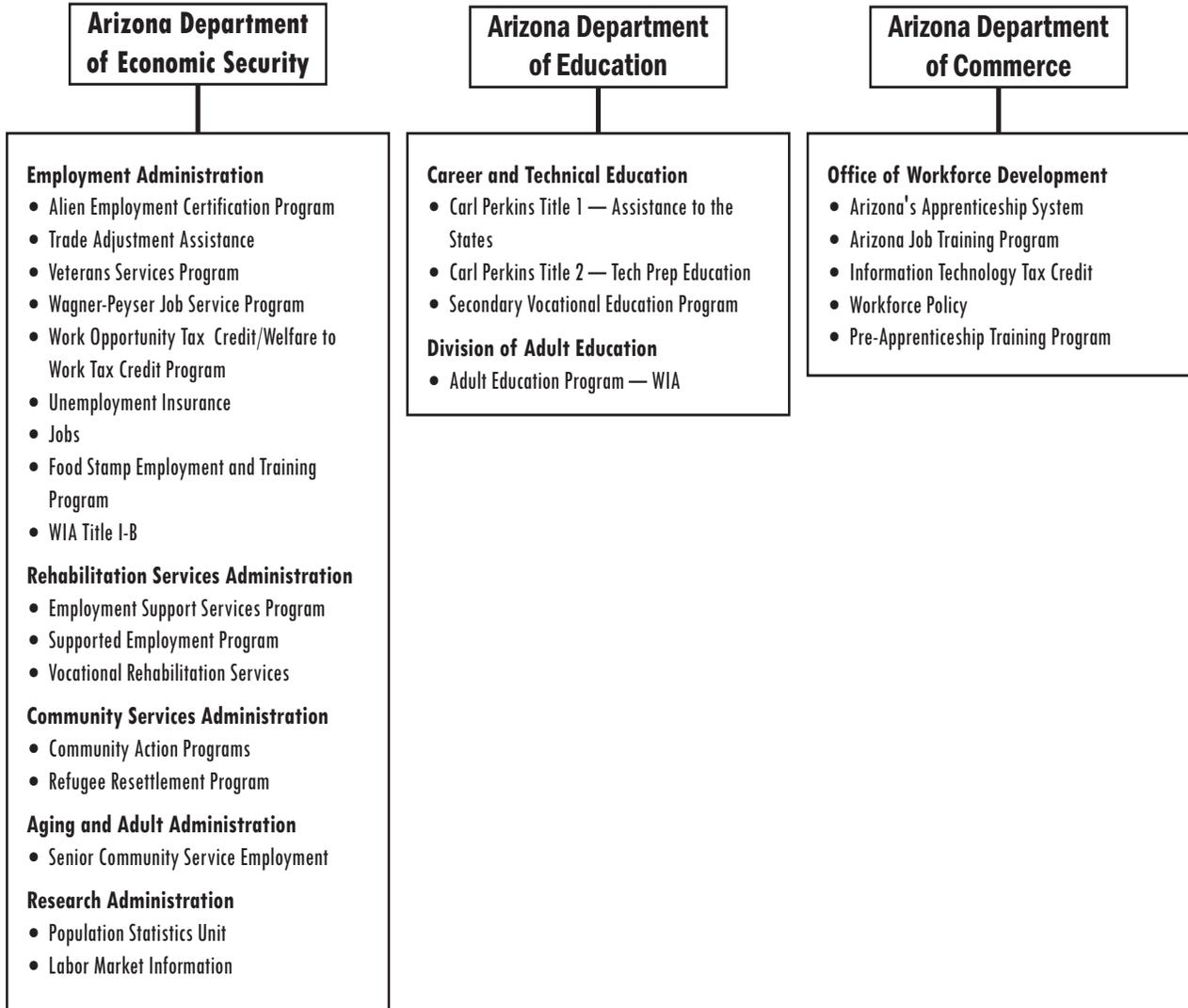
**Arizona Has a Long-standing, Interest in Enhancing Workforce Programs and Connecting to Economic Development**

Purposes and Goals from Three Documents, 1993-2001

Creating the Governor's Office of Employment and Training August 1993	Arizona Strategic Five-Year State Workforce Investment Plan July 2000	Governor's Council on Workforce Policy Resolution 24 November 2001
<p>"With the decision to create the Governor's Office of Employment and Training, Arizona joins the ranks of states that are committed to workforce development now and in the future."</p>	<p>"Arizona's vision over the next five years is to prepare quality workers whose skills match those in demand created as a result of economic development."</p>	<p>"The passing of GCWP resolution #24 by the Governor of Arizona marks our State's conscious decision to enter a phase of stabilization and continuous improvement. This phase will be marked with: efforts to align planning with key business processes and outcome measures, organizational self-assessment, customer service improvements, and better and faster access to services, real or virtual."</p>
<ul style="list-style-type: none"> <li>● Concentrate on streamlining and integrating programs and services</li> </ul>	<ul style="list-style-type: none"> <li>● Enhancing existing and/or developing new training programs and service delivery systems to better meet industry's short, intermediate, and long-term needs</li> </ul>	<ul style="list-style-type: none"> <li>● Requirements include the integrated system:                             <ul style="list-style-type: none"> <li>• Be customer-driven</li> <li>• Measure results and be accountable throughout</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>● Focus on programs and a "system" only as they serve Arizona's citizens and employers</li> </ul>	<ul style="list-style-type: none"> <li>● Forecasting labor market demand by Governor's Strategic Plan for Economic Development clusters and foundations at state and regional/county levels</li> </ul>	<ul style="list-style-type: none"> <li>● Simplify governance and operation of programs</li> <li>● Be state-based with local input on design and delivery</li> </ul>
<ul style="list-style-type: none"> <li>● Emphasize the continuous improvement of the state's workforce</li> </ul>	<ul style="list-style-type: none"> <li>● Streamlining access to and/or administration of workforce development programs</li> </ul>	<ul style="list-style-type: none"> <li>● [Promote] Private sector leadership and direct involvement at all levels</li> <li>● [Have] Continuous improvement</li> </ul>
<ul style="list-style-type: none"> <li>● Understand Arizona's current and future employment and training needs</li> </ul>	<ul style="list-style-type: none"> <li>● Providing a self-sustaining system of governance, management, and oversight for Arizona's Workforce Development System</li> </ul>	<ul style="list-style-type: none"> <li>● [Insist] Training and education be market-driven</li> <li>● [Supply] Funding levels commensurate with need</li> </ul>

Source: *Creating the Governor's Office of Employment and Training: Report of the Implementation Task Force*, August 1993. *Arizona Strategic Five-Year State Workforce Investment Plan* July 2000. Arizona Workforce Connection Draft.

**Figure 4.**  
**The Arizona Department of Economic Security Today**  
**Administers the Lion's Share of Workforce Programs**  
**Location of State and Federal Public Employment-related and Workforce Programs**



childhood education, decreasing the number of school drop outs, and enhancing "P-20" learning. Workforce development, of course, fits right in. At once, optimism about economic momentum and fear about a lack of competitiveness have heightened awareness of the inter-relationships of education, employment, and economic development and the urgency to do more and do it better.

### The Reauthorization Variable

As with the passage of WIA, Arizona is once more considering its workforce governance while Washington debates legislation that could affect the flow and requirements of federal funds. Major pieces of employment-related legislation, including *Workforce Investment Act*, *Personal Responsibility and Work Opportunity Act* (the source of funds for public assistance recipients), and the *Carl D. Perkins Vocational and Technical Education Act* (aka Perkins III) are now in the process of being reauthorized. The U.S. House and Senate have each passed a WIA bill. Congressional observers expect a conference committee to take up the legislation early in 2004. The important messages thus far from the deliberations include: continuing gubernatorial leadership; ongoing business input with the possibility of even greater private-sector influence; stronger emphasis on matching workforce development to economic development; increased opportunities for "out-of-school" youth and incumbent workers; and renewed commitment to the collaborative actions needed to strengthen the One-Stop network. Arguments about the extent of required "consolidation" and youth guidelines appear to be sticking points now.

For the Perkins legislation, the traditional roles of secondary and post-secondary career and vocational education could be changed substantially by two directions: 1) To connect Perkins more to *No Child Left Behind*; and 2) To integrate services better with business. Action is expected on Perkins and the *Personal Responsibility and Work Opportunity Act* in 2004.

Without question, the reauthorization of WIA and Perkins will force all states to change their systems and redirect their efforts. The question is how Arizona can turn this uncertain time to its advantage. One answer is by seeing how the state can use such efforts as the U.S. Department of Labor's High-Growth Job Training Initiative, as a vehicle for trying new ideas. While negotiating reauthorization, the U.S. Department of Labor also has created a High-Growth Job Training Initiative and other business-oriented programs to provide examples of "market-driven" systems. Together, these processes and programs will push change and provide opportunities for pilot programs for Arizona. One long-time Congressional tracker noted that today's uncertainty makes this period conducive to experimentation and consideration of new state-level initiatives and structures.

### U.S. Department of Labor Initiatives Target High-Growth Industries

Business and workforce officials agree that the demands of the 21<sup>st</sup> century economy require a market-driven approach to workforce development. This means focusing on job and skill needs articulated by executives in high-growth fields. Nationally the U.S. Department of Labor's Employment and Training Administration (ETA) provides an example with its High-Growth Job Training Initiative. This strategic effort to improve the public workforce system's responsiveness is building collaborations among employers, industry leaders, business associations, educators, trainers, community colleges, and the entire workforce development system. The networks will then create models that demonstrate how a demand-driven workforce system can better serve both businesses and workers. Targeted industries include: Automotive, Biotechnology, Health Care, Information Technology, and Geospatial.

Source: U.S. Department of Labor.



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## OUTLOOKS AND ISSUES

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Considering its many players, plans, and connections, workforce development is nothing if not dynamic. In fact, much has taken place just within this project's short span. For example:

- The Governor's Council on Workforce Policy reorganized its committee structure to further its vision of "a quality workforce system through the Arizona Workforce Connection." The committees include a Technology Steering Committee, plus others for Performance Measures, Workforce System Building, Economic Development, Apprenticeship, and Education.
- The Virtual One Stop system, the online Arizona Workforce Connections portal for One-Stop program operations, is operating and tracking WIA client services. By July 2004, the "labor exchange" information currently held in the Job Service system will be integrated into Arizona's Virtual One Stop. Under discussion and development over the past five years, Virtual One Stop began in Pima County. In operation in Maricopa County as well, the package is viewed as the way to make the promise of technology a reality.
- The Arizona Workforce Informer, a web site which centralizes information, analysis, and data from a wide variety of research programs on the economy and employers, made its debut. The site is part of a multi-state collaborative development effort.
- The administrator of the Arizona Department of Economic Security's Division of Employment and Rehabilitation Services announced the consolidation of the Jobs (employment service for public assistance recipients) Administration, the Employment Security Administration, and the Workforce Development Administration into one Employment Administration. The first priority for this substantial change is to bring Jobs programs and Job Service together. With this reorganization, the department has made "co-location" in One-Stop Centers a priority. "We want to be with One-Stop partners whenever we can," according to the DES administrator. But how that comes about will be determined "town by town, county by county as opportunities come up." <sup>4</sup>
- Arizona met all of the 17 federal performance standards under WIA for the current reporting year. Worries had been

**Training As An Economic Development Incentive in Arizona**

Aerospace, optics, plastics, and software — these and other Arizona industries are demanding skilled employees, and the Arizona Job Training Program is helping supply them. Created as an economic development incentive by the Arizona Legislature in 1993, the program grants money to qualified businesses to help train new and existing employees. The funds must be matched and spread among large and small businesses in urban and rural areas. Today a small portion of the unemployment tax generates the training dollars.

Thus, Mesa Airlines receives \$620,000 — and contributes its own \$356,000 — to create 580 net new jobs and train 148 existing employees. Cascade Tissue Group in Kingman gets \$282,857 — and adds \$94,286 — to create 60 new jobs. The program awarded 67 grants in fiscal year 2003, totaling more than \$12 million, to train a projected 20,654 new and existing workers. New employees averaged \$32,175 a year, while existing employees earned an average of \$43,953.

Source: Arizona Department of Commerce.

high about the possibility of a second consecutive year of not measuring up, and, thus, a reduction in future funds.

- New streamlined reporting and planning rules have been proposed for the Arizona Job Training Program in response to businesses' concerns and suggestions. While the guidelines are under the required administrative review, expanded marketing and communication efforts will get underway, particularly in the state's rural counties.
- The Arizona Bioscience Workforce Strategy was announced with the proposition that "Arizona has an opportunity to establish a next generation workforce development approach that aligns, in a more fundamental and sustainable manner, the demand for bioscience workers across the spectrum of educational and training providers."<sup>5</sup>
- Arizona's Career and Technical Education system has been reviewing its future as well. Results from a study of how to improve that delivery system were presented in summer 2003. Recommendations encouraged action on vision, mission, and highlighting industry-determined skill and learning competencies that span grade levels into postsecondary education.
- The Arizona Department of Commerce hired economic developers for "job-poor" rural areas of the state. This action may provide more focus to the workforce development in these areas.

However, as evident throughout this project, much more remains to be done to fulfill the promise of employment-related programs and the expectation that economic and workforce development truly are, as one economic development administrator said they should be, "two sides of the same coin." Themes drawn from interviews, observations, and materials are presented below under the headings **Leadership and Participation** and **Puzzles and Realities**. Opinions touch on organization as well as aspects of service delivery that governance will have to address.

**Leadership and Participation**

**Who's Who at the State Level?**

In recent years, the Arizona Department of Economic Security (DES), the Arizona Department of Commerce, and the Arizona Department of Education have been assigned various responsibilities in workforce development that were intended to "take advantage of what the agencies do best." However, the roles and responsibilities of each and the reasons behind the structure are unclear to many who work in or contribute their time to workforce programs. Economic Security's and Commerce's activities were described as seeming "duplicative," while Education's influence appears to have faded. Commerce has more

capacity for innovation and effectiveness, in part because of less bureaucracy and greater private sector connection, but is hampered by less experience with program administration. DES, in contrast, has the background, but too little drive for the changes needed to create a workforce system that is responsive to the private sector and economic development. The coordination of the three agencies, reportedly, has not met expectations among numerous workforce professionals and business volunteers. Moreover, confidence is low in the structure ever working well, because of long-held ways of working and being “stuck in the past.” As more than one observer noted, when the *Job Training Partnership Act* was replaced by the *Workforce Investment Act*, nothing changed but the name.

### Limited State-Level Leadership

WIA should be as important at the state level as it is at the local level, according to one long-time administrator. Limited state-level leadership – in addition to lack of visibility and clarity for programs – ranked as one of the most important issues in Arizona. For example, DES has depended on interim Workforce Development Administration directors for some time, while Commerce has expected staff new to workforce development to master a complicated field quickly. In addition, concerns were voiced about on-again, off-again state-local relationships, limited communication among the three agencies, lost opportunities to generate new funds, and, most important, a lack of vision.

Overall, as reported by those interviewed, the leadership structure at the state level has not yet overcome the traditional fragmentation of publicly supported workforce programs. Strong state leadership in such areas as visibility, equity, access, resources, return on investment measures, incentives, technical assistance, and economic benchmarks would be welcomed, according to some, as would assistance with career ladders in targeted clusters and job forecasting. Initiatives for workforce credentials and upgrading, in the minds of some, could be the first steps in building career ladders and should start at the state level. In addition, it was suggested that state job training funds and other sources be used to forge a new type of partnership between the state and local levels. “Strings” on dollars would be acceptable, if each piece of funding were tied to a solid high-wage economy plan and local flexibility.

The final concern for state leadership stems from the fact that employment does not stand on its own. Rather, the capacity for many Arizonans to obtain and retain sustaining work has as much to do with such items as health care and affordable housing as it does with skills. Workforce development, to be effective in the minds of many, is only part of a commitment to quality communities with strong support systems for employment and economic development. More than one community-based workforce professional reiterated

### Southern Arizona Institute for Advanced Technology

Some Arizona communities are already responding to the need for new approaches to training workers in high-tech skills. One such response is the Southern Arizona Institute of Advanced Technology (SAIAT), formed in 2000 by Pima County, the City of Tucson, Pima Community College, the Pima Workforce Investment Board, and local industry leaders. SAIAT's High Tech High Wage Program seeks to deliver fast-track, customized workforce training to both new workers and incumbent employees. Participants are mostly working in entry-level occupations such as call centers, fast-food, and retail. The aim is to upgrade their skills so they can enter higher-paying jobs, either at their current firms or elsewhere. The two-year program, taught by adjunct instructors at Pima Community College, follows curricula customized to meet needs identified by major area employers. Instruction is offered in basic skill areas such as math, reading, electronics, optics, and IT as well as in corporate training subjects such as leadership, management, team building and customer service. Of the first group of graduates from the Electronics Program, all are employed at an average wage of \$17 per hour.

Source: Southern Arizona Institute of Advanced Technology.

**National Research Shares Three Models of Employer Services**

The U.S. General Accounting Office released the results of research with 14 model one-stop centers. All of these centers used at least one of three methods to engage employers – dedicating specialized staff to work with employers or industries, working with employers through intermediaries such as chambers of commerce or economic development entities, or tailoring services to meet specific employers' needs. In these centers, expert staff served as a primary point of contact for all the employers' needs. Several centers assigned staff to industry clusters. Partnerships with other economic development groups facilitated industry-specific training programs, networking events, and matching of job seekers with openings.

*Source: One-Stop Innovations: Leading Charge Under the One-Stop System, 2002.*

that public programs have a role in ensuring opportunity for those who have not fared well in the economy. Remedial academics and basic skills, such as computer training, are the greatest needs. Everyone wants training to be ahead of the next economic wave, but many in the population have too many basic needs to ignore. The desire for “equity, development, and inclusiveness” through “social support, training, and P-20 learning,” thus, should be a priority to many advocates.

**Some Frustration with Engaging and Serving Business, But Positive Signs Also**

The perceived difficulty of engaging the private sector in using One-Stop services and other programs has been as frustrating for committed business people as it has been for workforce professionals. But, since workforce development is often a greater concern in good economic times, the current poor economic climate was just one explanation given for the reportedly lackluster levels of business involvement. Other reasons varied from lack of time to being turned off by a still-daunting bureaucracy or the lingering perception that only unskilled and, thus undesirable, workers make use of government programs. A simple lack of awareness, made worse by multiple programs marketing various services, was cited as the most critical problem.

For example, several human resources professionals from urban businesses noted how little they and their peers know about programs that could be of benefit to their firms. When every enterprise is seeking to economize, free or low-cost help in the human resources areas for which businesses usually pay dearly prompted several to wonder why they had not heard about them. One predicted substantial interest in her industry “if it is quality.”

Also, because Arizona has not measured and communicated program quality and the benefits of participation, some speculated that business leaders and entrepreneurs fail to see that involvement will help their companies. In addition, the private sector often is still asked to do “duplicative” tasks to work with the system. One example was registering jobs with Job Service. However, this should be alleviated when the Virtual One Stop system incorporates labor exchange information. That change is expected in July 2004.

Interviewees suggested several ways of increasing business involvement in services and governance, including:

- Training staff members and reorganizing structures to have single contacts from whom businesses can learn about all programs' opportunities
- Communication of a clear-cut vision and system that is readily understandable to “outsiders”
- Developing a One-Stop center just for businesses instead of operating services for them out of the existing offices

**DES Employer Advisory Committee Offers More Business Connections**

A broad Employer Advisory Committee helps keep the Arizona Department of Economic Security abreast of conditions and changes. The EAC supports employer initiatives and plans job fairs, including the state's largest at the Arizona Fairgrounds each March.

*Source: Arizona Department of Economic Security*

- Looking to ArizonaBusinessLINC.com, which identifies sales opportunities for businesses and centralizes information, as a model for marketing workforce assistance
- Increasing the practice of assigning workforce staff to specific industries or clusters
- Creating a single source of information about high technology and knowledge worker sectors and jobs

Another facet of concern was the type and level of business involvement in governance. In short, not all businesses have the same knowledge of and clout in the economy. If those with the most influence on and strongest ties to economic development pass on or are unaware of opportunities for participation, programs may simply continue their traditional activities.

On the positive side, numerous businesses reported that workforce development services had been of great value to them and their time contributing to workforce development had been well spent. A number of business representatives interviewed swore by the assistance they had received through Rapid Response, One-Stops, State Job Training, and other programs and wondered why other firms had not taken advantage of the many opportunities. However, as one business leader noted, each aspect of his multi-faceted involvement in workforce and cluster development must be good for his firm. If the benefits fade, his commitment will too. Arizona's state-funded training and information technology tax credit enjoyed positive reputations among users and administrators. The training dollars, however, could be more effective with changes to the planning requirements, while firms suggested that there should be more certainty to obtaining the tax credit. Currently, as it was described, firms must apply for the credit at the beginning of the year and may or may not receive it based on demand.

### Local Governance Has Strengths

Morrison Institute surveyed selected Arizona local workforce investment board members to get their views on how well their boards are doing. Some of the questions asked were identical or very similar to those asked in a national survey of 170 board members two years ago by the National Association of Workforce Boards.<sup>6</sup> For the Arizona survey, local workforce directors were asked to provide e-mail addresses for Board members in their areas. The survey was sent only to those boards for which addresses were received. However, this included approximately 150 people from throughout Arizona.

Sixty-nine people responded to the survey. Respondents came from various parts of the state, rural and urban. A majority of the respondents were in their fifties. Fifty-five percent of the respondents were male, 45% were female and approximately three-

### Engagement is Business Related

The fact that business was generally more engaged when boards were pursuing sectoral and related strategies with potentially greater value suggests that what businesses are asked to do and how valuable their contribution is perceived to be may be more important than how many of them are asked to serve as members.

*Source: The Workforce Investment Act in Eight States, 2003.*

quarters were white, non-Hispanic. Forty percent had post-graduate or professional degrees. About a third had been a board member for more than three years, and 21 had served on their board's executive committee. Thirty-one respondents, or 45% of the total, represented the business community. The remainder came from education, economic development, labor, One-Stop partner, community-based, and other organizations.

Respondents on the whole appeared to be enthusiastic about their board work. Most (68%) indicated they initially agreed to serve on their workforce board, at least in part, because they felt strongly about workforce issues. Most (76%) indicated their willingness to spend another term on the board, and 64% felt board meetings were very interesting.

Respondents also were generally upbeat about the activities of their boards. Most of them saw:

- helping unemployed residents find jobs
- training people young people for local jobs
- assisting residents to get better jobs
- improving the overall quality of the local workforce
- integrating workforce and economic development efforts
- assisting specific employers with their workforce needs
- developing the One-Stop centers

as important or very important to their boards. Among these objectives, respondents generally viewed their boards as giving particularly strong emphasis to the goal of training young people for local jobs. Assisting specific employers with their workforce needs — often considered important in an absolute sense — was seen by the respondents to be of less relative importance to their boards than the other objectives.

When it came to rating their board's understanding of workforce development needs, 57% of respondents gave their board a high or very high rating, a percentage much higher than the 33% in the national study. Ratings on this question were higher from members of the more urban boards than the more rural ones.

Arizona boards generally also did better than those in the national study when it came to the question: How well would you say the board's mission and activities contribute to meeting the workforce development needs of your community? Fifty-seven percent of Arizona respondents gave their boards high rankings, compared to 43% nationally. Board rankings on this dimension, however, varied widely from an 80% ranking in one rural area to 46% in an urban area. As in the national study, 60% of the Arizona board members agreed or strongly agreed with the statement that their board was making a

unique contribution, solving issues that no other group in the community could address well. Once again, though, there was a wide range between boards, with rural boards receiving the highest rankings.

Compared to the national study, Arizona respondents saw less of a problem in recruiting private sector representatives to serve on the board. Only 29% in this survey felt it was difficult to recruit such people, while 52% felt that way in the national study. On this issue, however, there was considerable difference of opinion between business members and non-business members, the former feeling the problem of recruitment was much more difficult.

Respondents here, like those in the national study, overwhelmingly agreed that their board lacked visibility in the community. Half of the respondents also indicated that their boards suffered from inadequate resources and funding. Complaints about boards acting too slowly and having low interest from members may be related to size since respondents from the larger boards tended to be more critical. Some respondents gave their boards high marks for understanding workforce issues, but not for effective problem solving or making a unique contribution.

Breaking down the responses between business and non-business members, business members emerged as more enthusiastic and supportive of their boards on a wide variety of questions — more likely to see them as focusing on a number of important workforce issues and more likely to give them higher rankings in regard to achievement. Business people, however, were also more likely to see weaknesses in regard to such matters as the lack of resources, slow-acting boards, and the impact of local political influences. They too, seemed more aware of the difficulties business people had when it came to volunteering their services. As noted above, they were far more likely than non-business members to see recruiting business people for board service as a major problem.

The survey underscores the strong possibilities for substantial business leadership while pointing out changes needed for greater efficiency and knowledge on a range of workforce issues.

### **Looking Beyond Basic Performance Measures**

Arizona's top-line workforce issues are readily identified: generally low skill and education levels. Initiatives of various types are underway to address Arizona's needs, but, in terms of workforce programs, many noted that Arizona has not gone far enough to identify measurable goals for workforce improvement in addition to workforce program performance. A number of those interviewed expressed interest in ways to determine Arizona's overall progress and "return on investment" from publicly supported workforce programs. Others simply sought to ensure that programs could be

### **Arizona Career Pathways from Classroom to Jobs**

Career Pathways is the structure used to deliver Career and Technical Education in Arizona's high schools. The career pathway concept is a familiar one with 16 career clusters designated by the U.S. Department of Education's Division of Adult Education and U.S. Department of Labor. Arizona's 30 career and technical education programs are linked with some national competencies and performance elements. Labor market projections determine Arizona's programs and schools choose which ones to implement based on local business needs, staff availability, student interest, and community college opportunities. ADE funds school programs based on student enrollment. HB 2001, currently under consideration, seeks to focus more on placement and outcomes. Arizona's 30 career programs are broadly aligned to Arizona academic standards. Fifteen programs thus far have been explicitly "cross-walked" with ADE's content standards for math, reading and writing. Work on the other 15 is in process. A recent strategic planning report recommended changes for career education in Arizona, including creating a vision and mission. The State Board of Education will consider this early in 2004. Then implementation of technical professional assessments for each program will begin.

Source: Arizona Department of Education.

**Table 4.**  
**Arizona Board Members Tend To Be More Positive Than Those Nationally**

	Arizona	National
Agree the board well understands the workforce development needs of the community	59%	33%
Agree the board contributes much to meeting the workforce needs of the community	57%	43%
Agree the board making a unique contribution	60%	60%
Agree it is difficult or very difficult to recruit business members for the board	29%	52%
Agree the board is well known in the community	12%	14%
Agree the board has inadequate resources and funding	50%	ND

Source: Morrison Institute for Public Policy, 2003.

proven, or not, to be addressing the state's workforce ills and supporting its economic progress. In other words, are programs helping to raise education or income levels? Are workers able to certify their skills to employers? Is Arizona using its programs to move steadily toward leadership in a knowledge-based economy? Are workers gaining necessary measures and skills?

Arizona has followed the mandates of federal workforce programs rather than devising its own course and then applying federal

**Table 5.**  
**Business and Non-Business Representatives Have Different Outlooks on the Board's Contributions and Member Recruitment**

	Business Members	Other Members
Agree the board well understands the workforce development needs of the community	65%	51%
Agree the board contributes much to meeting the workforce needs of the community	61%	51%
Agree the board making a unique contribution	74%	46%
Agree the board's goals are clear	65%	41%
Agree the board has inadequate resources and funding	45%	14%
Agree the board moves too slowly in getting things done	35%	19%
Agree that local politics interferes with the work of the board	38%	27%
Agree it is difficult or very difficult to recruit business members for the board	45%	14%
Are willing to serve another term on the board	68%	81%

Source: Morrison Institute for Public Policy, 2003.

resources. Given today's economic challenges and the desire for high-wage jobs, many of those interviewed favored a sharper focus on Arizona's needs and how program governance can ensure they are met.

## Puzzles and Realities

### Workforce Investment Areas Are Not Synonymous With Economic Regions

Findings from Arizona's *Statewide Economic Study* began to be released in 2002. Primarily an "economic base" study that is expected to guide training choices and programs also, the data and analyses have much to say about workforce development — especially that, while it is viewed as a priority, many local leaders know little about it. However, one item especially relates to leadership and participation. In the Public Outreach and Plan Integration phase, Elliott D. Pollack and Company and Practical Solutions led meetings across the state to discuss the findings and proposed 11 economic regions. These sometimes follow county or municipal boundaries, but not always. In contrast, Arizona's 114,006 square miles have been divided into 16 workforce areas, which follow county lines except for the Nineteen Tribal Nations and the city of Phoenix. Many suggested having workforce and economic regions share boundaries.

### Significant State Totals May Not Mean a Lot of Money Locally

Workforce programs total more than \$265 million in state and federal funds. However, the significant totals may not translate to easy use for state initiatives or adequate resources at the local level. In addition, not all of the funds can be used to develop the One-Stop system. At the same time, state-level policies have not emphasized allowing local boards control over more than WIA funds. This is a problem for both the state and local areas, according to some. As one workforce professional put it, "One-Stops are expensive to run." Because of the cost, federal WIA funds are not enough, but other program dollars have not been required. In addition, because boards at the state and local levels reportedly have focused almost entirely on WIA dollars, the possibilities of integration have not yet been realized. To make matters worse, many programs and agencies have been affected by the state's own budget crisis.

Many suggested public and private dollars from many sources should augment the workforce system. For these commentators, real financial stability and innovation will come from requiring that all One-Stop partners share in the cost of operations and augmenting public funds with other dollars. A good first step would be to require cost sharing among partners and to model that through the use of state-level "memoranda of understanding," rather than solving the same issue in each of 16 areas.

### National and Arizona Findings Agree: Businesses Want Responsiveness and Central Contacts

A recent national survey by Workforce Innovations Networks (WINs) showed how One-Stop centers are viewed by employers and what can be done to improve employer services. The research with mostly small businesses found that employers' awareness is low and that those who use the services are frequently dissatisfied.

Businesses want:

- Responsive staff that treat employers as customers and develop long-term relationships with them
- Greater customization of services
- Increased worker training and greater flexibility in using public funds for training
- Assistance with identification of skills requirements for available jobs
- Job retention services
- Information about tax benefits for companies and their employees
- Help redesigning human resources practices to improve recruitment, retention, and skills development
- Linkages between economic development and workforce development
- Employer engagement in strategic decision-making of workforce development system

Source: *Reauthorizing the Workforce Investment Act: What Employers Say about Workforce Development*, 2003.

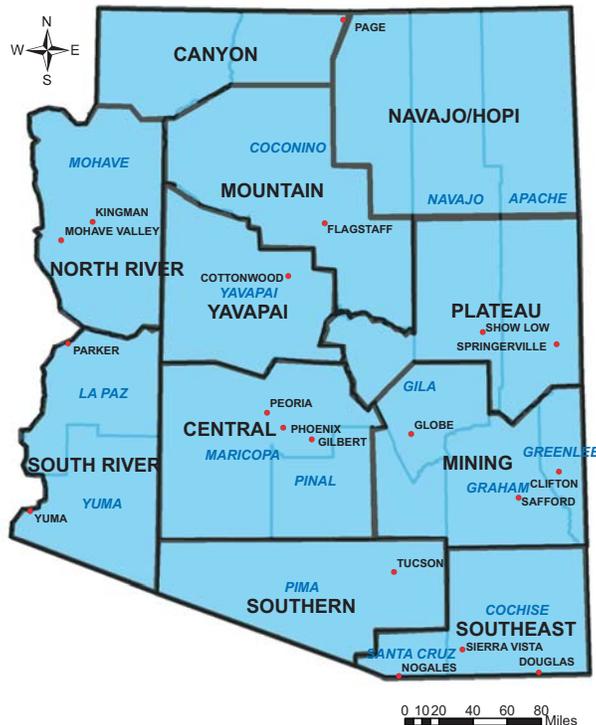
**Tucson-Pima  
Workforce Innovation**

“She knows everything that is going on.” This assertion seemed absolutely true for the PimaWorks Rapid Response manager who was already working a substantial lay off in Tucson that had just hit the papers. Rapid Response describes the package of reemployment, training, and support services available through the One-Stop centers. The Tucson program has developed a reputation for integrity and quality services that have made many employers believers in the program.

In fact, workforce development in the area has worked hard to:

- Bring a private sector perspective to the public sector
- Pursue outside funding for such efforts as those for the Plastics cluster, H1 B training, and Youth Opportunities
- Expand business linkages to connect employers from designated sectors in weekly events
- Streamline forms, processes, and structures
- Apply Pima County’s Continuous Quality Improvement program
- Combine many functions across adult and youth services

**Figure 5.**  
**Workforce Development Must Cope  
With Arizona’s Wide-Open Spaces**  
**Comprehensive One-Stop Locations and Proposed Economic Regions**



Source: Arizona Department of Economic Security & Arizona Workforce Connection Directory

**The Double Edge of Long Experience**

While the *Workforce Investment Act* is the umbrella for employment programs now, it is just one of a long line of federal statutes. Many of Arizona’s workforce professionals, local officials, and education leaders know the history of employment programs well because a sizeable number of them have worked in the field for many years. They recall the ups and downs of CETA and the shift to business leadership under the *Job Training Partnership Act*. Many remember clearly how the Private Industry Councils that oversaw JTPA locally (with the state-level Arizona Employment and Training Council) devoted their attention to training in a human services context. In Arizona, long experience provides valuable continuity, but according to some, it also creates a barrier to innovation. On the other hand, a history of false starts at the state level has bred deep skepticism among some in the field.

**Table 6.**

**WIA Allocations to Local Areas Range from a Lot of Dollars to Few  
FY 2003/FY 2004 WIA Allocations**

Workforce Areas	WIA Allocations	Workforce Areas	WIA Allocations
Apache County	\$95,065	Navajo County	\$369,207
Cochise County	\$975,683	Navajo Nation	\$3,082,213
Coconino County	\$836,850	City of Phoenix	\$11,078,393
Gila/Pinal Counties	\$1,694,279	Pima County	\$5,273,568
Graham County	\$261,152	Santa Cruz County	\$986,412
Greenlee County	\$132,337	Yavapai County	\$579,625
Maricopa County	\$7,714,657	Yuma County	\$8,766,596
Mohave/LaPaz Counties	\$954,318	Tribal	\$2,355,750

Source: Governor's Council on Workforce Policy, 2003.

This is not to say that much has not changed notably in recent years. In places large and small, various entities have made substantial progress toward the realization of the One-Stop concept and:

- manage multiple programs well
- deal creatively with people, businesses, and community issues
- bring notable assistance to high tech and other employers
- provide strong models in a variety of areas
- combine efforts with economic development professionals and industry associations

**The Potentially Grand Scale of Workforce and Economic Development**

In terms of usage, workforce programs traditionally have been like Head Start – both serve only a fraction of those eligible. Now, the concept of “universal” service, development of online services, and the changing nature of work have increased the scale at which leaders and staff members must think and operate. Obviously not every Arizona worker or student will participate in a workforce program at the same time. But the substantial potential demand underscores the need for sufficient resources and a coherent, cohesive system of programs and services. Consider:

- Arizona’s civilian labor force includes 2.6 million residents.
- Approximately 124,000 Arizonans are unemployed.
- Job Service counts more than 100,000 registrants.
- Unemployment insurance processed more than 250,000 initial and continuing claims for benefits in 2002.<sup>7</sup>

**Remade into Phoenix Workforce Connection**

What began as a Job Service office is now a Phoenix Workforce Connection facility. Located in the heart of Maryvale, an area struggling to reinvent itself, the Phoenix Workforce Connection delivers on the One-Stop concept in an assistance-minded atmosphere. With a well-stocked resource center, Job Service, WIA, Veterans, and Older Workers, and a lobby phone line connected directly to UI. Staff greet the mostly job-seeker users with a friendly “how can we help you.” This office also is a hub of activity for employers. The only drawback is that the JOBS office is down the street. Of course, developing the welcoming space and the cooperative relationships has taken time and leadership from staff members who have spent much of their careers in stand-alone employment programs. Managed by a Phoenix Workforce Connection employee who has many more plans for the future, this office works for people and businesses.

<p style="text-align: center;"><b>One Workforce Connection for Employers</b></p> <p>Employers have said again and again that they want one contact. Programs matter far less to them than results and benefits. Considering that Phoenix and Maricopa County both operate One-Stop centers and seek to work with employers, this could be a problem in one labor market that crosses the local government boundaries. A team approach has prevented difficulties however. Working together behind the scenes, the Phoenix and Maricopa Workforce Connections and representatives from Job Service in the Arizona Department of Economic Security determine how best to fill an employer's needs. Although the team has not worked extensively as yet with formal economic development initiatives, their one-team, one-service experience shows great promise.</p>	<p>Economic development also operates on a substantial scale in the state. For example, as listed in the <i>Local Government Directory</i>, scores of cities and towns have economic development directors. The Arizona Association for Economic Development, which bills itself as “the leading advocate for responsible economic development for all of Arizona”<sup>8</sup> counts more than 400 members across the state. Public-private partnerships, such as the Greater Phoenix Economic Council, for economic development have become the norm for regional action. The 2002 <i>Arizona Statewide Economic Study – Public Involvement</i> referred to “85 economic development-related documents, including 29 general plans, 49 general economic development documents (such as Focused Future and economic development strategies) and 7 Native American economic development documents.”<sup>9</sup></p> <p><b>Workforce Development is Economic Development: Arizona's Hollow Mantra</b></p> <p>Except for the state's job training program, economic development and workforce development at the state level mostly have functioned independently of one another. Images of workforce programs as mere social services remain current in some quarters, as do perceptions in others of economic development as a process of unwarranted giveaways. In addition, at other levels, understudy of each field is limited. An informal survey of economic development professionals by workforce professionals, reported in December 2003 at the Governor's Council on Workforce Policy, confirmed the outlook that economic development is largely unaware of what the workforce development system is and what it has to offer. The state's first plan for the <i>Workforce Investment Act</i> envisioned the integration of workforce and economic development, but its implementation failed to bridge the gap between the two. As an experienced advocate reported, the forward-looking document simply sat on the shelf.</p> <p>The story at the local level, though, has sometimes been different. As one local economic development professional noted, bringing workforce and economic development together is one of the “best ways to ensure that community residents get the first shot at new jobs,” especially those in targeted fields. To his</p>
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**Table 7.**

**Different Approaches to Similar Issues Are Evident in Economic and Workforce Development**

Economic Development	Workforce Development
Focused on aiding collective prosperity through high-wage industries and quality of place	Focused on aiding individual prosperity through jobs
Serving business directly with workforce development as a specialized service	Serving people first
Targeted industries	All industries
High visibility	Low visibility
Leaders in such issues as arts and culture, center cities, and education reform because of the connection to the economy	Less involved in community initiatives beyond workforce

Source: Morrison Institute for Public Policy, 2003.

way of thinking, economic development and workforce development both should be seen as matchmakers, and have been in his locale. Together, the fields “have the ear of industry” as well as the capacity to find and prepare people in the community. As bright as the possibilities are, though, making the different cultures compatible remains a necessary step. (See Table 7.)

The issue of the hollow mantra to many stemmed not just from different roots and cultures, but from the way in which the missions and functions of Arizona’s agencies differ. (See Table 8.)

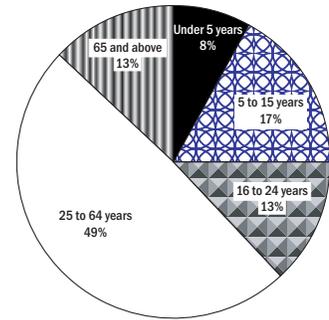
**Table 8.**

**Missions and Functions of Arizona Agencies With Major Workforce Interests**

<b>Arizona Department of Commerce</b>	
<b>Mission</b>	Through leadership and collaborative partnerships, our mission is to create vibrant communities and a globally competitive Arizona economy.
<b>Function</b>	<ul style="list-style-type: none"> <li>● Economic development</li> <li>● Workforce policy</li> <li>● Economic research and analysis</li> <li>● Community development</li> <li>● Business-based worker training</li> </ul>
<b>Arizona Department of Economic Security</b>	
<b>Mission</b>	The Arizona Department of Economic Security promotes the safety, well-being, and self-sufficiency of children, adults, and families.
<b>Function</b>	<ul style="list-style-type: none"> <li>● Economic and demographic research and analysis</li> <li>● Regulatory oversight in some areas</li> <li>● Income support</li> <li>● Human services</li> <li>● Matching people and jobs</li> <li>● Fiscal management, program monitoring, and technical assistance</li> <li>● Local workforce staff training and policy updates</li> </ul>
<b>Arizona Department of Education</b>	
<b>Mission</b>	To ensure academic excellence for all students.
<b>Function</b>	<ul style="list-style-type: none"> <li>● Academic learning for youth</li> <li>● Learning standards</li> <li>● Workforce preparation and skills training</li> <li>● Literacy training and adult education</li> <li>● English language training</li> </ul>

Source: Morrison Institute for Public Policy, 2003.

**Figure 6.**  
**More Than 6 out of 10**  
**Arizonans Are of Working Age**  
**Arizona Population by Age Group**



Source: Census 2000

**Substantial Numbers for Workforce Development**

- More than 33,000 Arizona students drop out of school each year.
- Career and Technical Education counted 126,000 students in 2002.
- In Fall 2002 community colleges enrolled 192,090. The state's public universities tallied 113,869 students with approximately one-quarter graduate students and three-quarters undergraduate.
- As many as 170,000 Arizonans enrolled in private career-training programs in 2002.
- Approximately 32,000 public assistance recipients participate in Jobs, Arizona's major welfare-to-work program annually.
- More than 20,000 new or incumbent workers participated in programs supported by the Arizona Job Training Program in the past year.

Sources: Arizona Department for Economic Security, Arizona Department of Education, Arizona Department of Commerce, Arizona.

**Still Four Arizonas: Urban, Rural, Border, and Reservation**

Studies commissioned by the Arizona Department of Commerce show the economies of the state's urban, rural, border, and reservation regions still to be worlds apart. Substantial economic differences lie at the heart of concerns over workforce allocations, incentives, technical assistance, and programs and the fact that some local areas have great programs tied to economic development, while others have trouble operating.

**Table 9.**

**Four Regions Make Up Arizona and Each is Different Economically**

Region	Population	Labor Force	Unemployment Rate
Arizona	5,469,750	2,493,894	5.8%
Urban Total	4,186,795	2,010,717	5.1%
Rural Total	952,315	361,888	6.3%
Border Total	330,640	121,289	15.8%
Reservations Total	118,448	33,254	18.2%

Source: U.S. Census Bureau and Arizona Department of Economic Security.

**Perception of Low Priority for a High-Impact Issue**

"Workforce development has been a stepchild in Arizona." Many of those interviewed echoed this dramatic statement and voiced frustration with the "lip service" given to an issue that is critical to economic competitiveness. The programs and expertise available to improve the labor force reportedly have long been undervalued despite workforce and economic trends, such as:

- disappearance of low-skill jobs
- findings of statewide economic studies
- concerns about shortfalls in education and skills
- changes in state demographics
- an aging workforce
- projected labor shortages

**Dissatisfaction with Data**

Information about jobs, firms, and skills is fundamental to workforce programs, but widespread dissatisfaction was evident with Arizona's

traditional labor market research capacity. As a result, the desire to “train for the jobs of the future” and be “proactive” about training is easily frustrated. This sentiment came out as well in the *Statewide Economic Study* and other reports. To compensate, localities have moved to fill the gaps. For example, Yuma funded a local labor force survey. Maricopa Community Colleges, Phoenix Workforce Connection, and Maricopa Workforce Connection contracted with ERISS for labor market surveys and consumer-friendly presentation of occupational demand data. Surveys of tech-related firms by the Southern Arizona Technology Council and the University of Arizona Economic Development office are providing more information.

In addition, several of those interviewed noted that Arizona knows too little about its workforce and employers because of the policies and practices of long-term programs. Plus a lack of human and financial resources also has hamstrung research programs at a time when timely information is needed for effective, innovative operations. For example, projects to mine unemployment insurance data have been started, but they move too slowly without sufficient support.

The Arizona Workforce Informer web site recently introduced by the Arizona Department of Economic Security’s Research Administration will make state and local-level labor and business information more accessible and useable. But too few dollars and people are available to those with good ideas for understanding Arizona’s situation and the experience to develop sufficient capacity to do so. Arizona is part of a multi-state consortium for the Workforce Informer, but the debut of the web site surprised many who had been looking to the Virtual One Stop to be the gateway to employment and workforce information. While the perceived duplication can be mitigated, the new program struck many as another instance of poor communication and coordination.

Another source of data dissatisfaction is the reportedly outdated system of performance tracking from the Arizona Department of Economic Security’s Workforce Development Administration. Doubts about accuracy, slowness, and secrecy — plus the significant number of recordkeeping requirements — frustrated administrators.

### **A Communication Gap in the Face of Substantial Interest**

With WIA, “we’re not on our feet yet.” This outlook related to what is perceived as a lack of communication between the state and local bodies involved in workforce development. But that was not the only communication gap. With so many audiences for workforce and economic development, the number of groups already, or wanting to be, involved is diverse and substantial. For example, the Governor’s Council on Innovation and Technology has a workforce committee, as does the Arizona Technology Council. A legislative committee is

### **Business Invests in Training — But Less for Low-wage Workers**

Business and industry provide approximately half of work-related training courses taken by adults. Technical/vocational schools, community colleges, and business/industry associations, and consultants are the top providers if companies go outside for assistance. Unfortunately training opportunities are not evenly distributed in the workforce. Lower-skilled, less-educated workers receive less workplace training despite the fact that they may have the greatest need for it.

Companies that do focus on providing equal training to low-wage workers usually realize bottom-line benefits such as better employee retention, improved customer satisfaction, and increased operation efficiency. Medium to large firms, the health care industry, family-owned, or privately held companies, and nonprofit organizations are most likely to provide training for low-wage workers. These organizations are also more likely to take advantage of government-sponsored training programs. The lowest-wage workers most often need training in basic skills, English, computer/IT, problem-solving, and interpersonal relations.

Source: *Workplace Education for Low-Wage Workers*, Upjohn Institute, 2003.

**Table 10.**

**Prominent or Potential Players in Workforce Development in Arizona Are Numerous**

<b>Players</b>	<b>Current Participation Highlights</b>
Arizona Department of Economic Security	WIA operations, administration of unemployment insurance, veterans programs, JOBS, and labor market information
Arizona Department of Commerce	Workforce policy, Council administration, economic development, economic information
Arizona Department of Education	Career and Technical Education and WIA eligible training providers list
Maricopa Community Colleges Center for Workforce Development	Customized training for high-demand and emerging industries
Community colleges statewide	Occupational training in traditional and customized formats
Southern Arizona Institute for Advanced Technology	Customized training for high tech and other firms
Arizona Industrial Commission	Manages workers compensation and other labor regulatory programs
Arizona Association for Economic Development	Represents economic developers statewide Has a standing workforce development committee
Arizona Business & Education Coalition	Linking business and education leaders for quality enhancement of school quality
WESTMARC	Economic and community development for 15 communities in western Maricopa County
Greater Phoenix Leadership	Business leadership in specific issues
Greater Phoenix Economic Council	Business attraction partnership for metro Phoenix
Greater Tucson Economic Council	Business attraction partnership for Tucson region
Greater Flagstaff Economic Council	Business attraction partnership for Flagstaff area
Greater Yuma Economic Council	Business attraction partnership for Yuma area
Arizona Workforce Development Association	Statewide organization of professionals who work in workforce development programs
Arizona Chamber of Commerce	Statewide business and economic development organization
Northern Arizona Council of Governments & other COGs	Program operators in workforce and economic development
Commerce and Economic Development Commission	Planning and policy for economic development and economic information
Governor's Council on Innovation & Technology	Economic development based on science and technology
Governor's Council on Workforce Policy	Advisory body on workforce policy and system
Arizona Technology Council & Southern Arizona Technology Council	Business organizations to promote technology firms and tech-based economic development
Plastics Cluster & others	Promotion and expansion of cluster firms
Arizona Community Action Association	Promotion of career development
Private, nonprofit community organizations & faith-based organizations	Provision of employment services; Advocacy for affordable housing, child care, health care, and other employment-related issues

Source: Morrison Institute for Public Policy, 2003.

now studying change to career and technical education. An Arizona Chamber of Commerce committee reportedly is exploring ways to make economic and employment data more accessible while other business groups, such as Greater Phoenix Leadership, are in the forefront of educational initiatives. This interest level stands in contrast to the perceived low visibility of workforce programs and the outlook that many undervalue them. (See Table 10.)

Another aspect of the communication gap was brought out by several business representatives. No one questions K-12's importance in the state's economy or workforce development. However, to the frustration of these entrepreneurs, K-12 often seems to be the only workforce-related topic discussed. This tendency hurts workforce development programs because it limits interest among those who are "looking for results" now. For employers and entrepreneurs trying to solve immediate problems, a K-12 focus signals that workforce programs have nothing to offer them. This situation also highlights the fact that most know little about the broad range of workforce programs and the ages and stages of careers.

### Stuck With the Status Quo

Taken as a whole, the state's workforce development system can be described as stuck in transition. Arizona, at times, has been on the leading edge of integrating workforce and economic development. However, the promise and possibilities of those times generally have gone unfulfilled while other states have moved ahead. Unfortunately, more of the same will not allow Arizona to finish the creation of a workforce system that puts public programs to work as needed to prosper in the knowledge economy. If workforce development is to be the powerful economic tool it needs to be, changes in governance will have to address:

- frustration with what should be compared to what is
- shortcomings of state-level structures
- hunger for innovation

Other states have been in Arizona's position and done much to get moving again. As shown in the next section, many ideas from across the U.S. apply to various Arizona issues.

#### Take Note of Retraining

In the 1970s, when General Motors laid off workers, it was temporary. Today, companies are more likely to eliminate the jobs altogether through automation or outsourcing. A study by the Federal Reserve Bank of New York found that three-quarters of all jobs today are in industries that have seen some version of structural change in the last few years, vs. 50 percent in the 1980s. What does this mean for cities? Time to invest in community colleges. Reason: When they do return to work, many adult workers will do so in entirely new lines of employment. Manufacturing has cut 645,000 jobs in the past year, but health care is up by 248,000 jobs. You don't go from sales clerk to pharmacist assistant without considerable retraining. Stands to reason, then, that the cities that will rebound the soonest will be those with the best adult-education systems.

— Otis White, October 2003.

**Keys to Employer Services**

The Corporation for a Skilled Workforce and Leaders in Excellence conducted a study in 2002 among 20 centers and 12 boards. The study found that unified account representatives and contact management systems are vital. Account representatives serve as a single point of contact for business clients and manage all employer services for the one-stop. Contact management systems enable account representatives to access and update all relevant information about business clients in a single, comprehensive database. Other factors include:

- Having a “never say no” attitude to employers
- Unifying employer services and measuring employer satisfaction with the entire bundle
- Concentrating resources on the industries with the greatest impact
- Using fee-supported services to complement free services
- Involving business clients in service design and customizing help at every opportunity

Source: *Benchmarking One-Stop Centers, 2002.*

**Table 11.**  
**Summary of Arizona’s Current Workforce System Issues**

Issue	Impact
<b>Frustration With What Should Be Compared To What Is</b>	
Workforce Development is Economic Development: Arizona’s Hollow Mantra	<ul style="list-style-type: none"> <li>● Workforce development will be more marginalized</li> <li>● Resources underutilized</li> <li>● Prosperity suffers</li> </ul>
Low Priority for a High-Impact Issue	<ul style="list-style-type: none"> <li>● Workforce not a player in economic growth</li> <li>● Frustration among state and local players</li> <li>● Less collaborative project development</li> </ul>
Frustration Engaging Business	<ul style="list-style-type: none"> <li>● Limits system and services, especially in emerging areas</li> <li>● Limits resource development</li> <li>● Reduces emphasis on workforce programs as economic development</li> <li>● Businesses involved will burn out</li> </ul>
<b>Hunger for Innovation</b>	
Lack of Vision and Goals Beyond Basic Performance Measures	<ul style="list-style-type: none"> <li>● Arizona needs organizing principles as first step to revamped governance</li> </ul>
<b>Shortcomings of State-Level Structure</b>	
Who’s Who at the State Level?	<ul style="list-style-type: none"> <li>● Reduces outcomes for people, businesses, and governments</li> <li>● Time spent relearning instead of innovating</li> </ul>
Limited State-Level Leadership	<ul style="list-style-type: none"> <li>● Opportunities missed</li> <li>● Continuous improvement not a reality</li> <li>● Arizona serves federal programs, not the other way around</li> </ul>
Workforce Regions Not Synonymous with Economic Regions	<ul style="list-style-type: none"> <li>● Workforce areas may be left out of economic development plans</li> <li>● Multiple sets of boundaries create artificial barriers</li> </ul>
Dissatisfaction with Data	<ul style="list-style-type: none"> <li>● Employment trends and opportunities go untapped</li> <li>● Lack of information becomes a barrier</li> </ul>

Source: Morrison Institute for Public Policy, 2003.

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## GOVERNANCE IDEAS ACROSS THE U.S.

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Leaders and workforce professionals wrestled for years with whether workforce development should be organized around services for people or assistance to employers and economic development. Today's economic environment, of course, has laid that debate to rest and put a premium on structures that work like the economy does. The most far-reaching workforce development efforts concentrate on where public investments will make the biggest contribution to agreed-upon goals. In addition, they draw on innovations and are highly communicative, productive, flexible, collaborative, and adaptable.

So, what specific governance ideas can Arizona garner from other states that will help to remake the state's system in the economy's image? While states have faced similar issues, their governance responses have been quite individual, and numerous states continue to look for assistance with governance and other issues. In fact, researchers have noted that no one governance model has emerged as "the" way. University of Texas labor economist Christopher King, who has written extensively about state structures, notes six current approaches to updating workforce efforts, including:

- **Enhanced Coordination** — Encouraging or requiring greater service coordination (as seen in the 1993 Texas legislation)
- **Institutional Restructuring** — Eliminating agencies and consolidating programs (Florida, Oregon, Texas, and Utah)
- **Consumer-Driven Strategies** — Empowering customers, enhancing market forces, labor market information (Michigan)
- **Blended Strategies** — Restructured agencies, consolidating programs, mandating greater coordination (Florida)
- **Service-Based Strategies** — More seamless, functionally oriented services; web-based, self-directed services (Utah)
- **Other Strategies** — More pro-active, creative use of such options "work-flex" provisions and waivers (Texas)

Arizona long ago chose "enhanced coordination." Across the country, though, states have implemented a combination of ideas or

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WIA must be viewed as an attempt to bring about what has long been viewed as desirable: the centralization of information and other reemployment services to promote employment.  
— Stephen Woodbury, W. E. Upjohn  
Institute for Employment Research,  
2000

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**Top-Line Economic — Workforce Development Activities**

- Create more customized options for targeted sectors to meet specific demands.
- Develop strategies for targeted sectors (as with bioscience in Arizona).
- Detail the exact skills and status of a region's or state's workforce.
- Communicate career tracks and provide support systems for workers and businesses.
- Improve labor market information for businesses, employees, and students.
- Create strategies for improving the overall talent pool — information, credentials, incentives.
- Measure progress toward economic goals.

started with coordination and evolved over time. The experimentation spotlights three questions at the heart of governance:

- What is best for workforce and economic development customers?
- How can programs contribute to employer services and complement other efforts?
- What principles and structures will support high-quality local services that meet employer and community needs and work hand-in-hand with the entire state's economic priorities?

Approximately two-thirds of states answered these questions by moving U.S. Department of Labor programs under one roof. Others combined Labor programs with adult education, career and technical education, and community colleges. Others developed new agencies. A variety of states have put local workforce boards in charge of employment funds for welfare recipients and programs besides the WIA. Others have started by working to create common cultures among various types of practitioners. Integrating dollars has been done less often, however, even when one agency oversees a variety of programs.

Today's trend of matching economic development with workforce development is, in fact, a step beyond the goal of "streamlining" which surfaced during the last days of the *Job Training Partnership Act* and the beginning of the *Workforce Investment Act*. "Leaner" systems remain vital for effectiveness and efficiency, but bringing economic and workforce strategies together to meet the challenges of growth and jobs now stands as the preeminent goal. This situation has resulted in Minnesota's Department of Employment and Economic Development and the Michigan Department of Labor and Economic Growth among others. Despite the current prominence of the economic-workforce development connection now, though, some commentators are calling for even greater integration "to unlock the secrets to the proverbial integrated, synergistic system built on workforce, economic, amenity and natural resource programs. A state one-stop, as it were, combining workforce investment boards, economic development districts, planning authorities, small business development, rural development, tourism, trade, and recreation is at the end of the rainbow.<sup>16</sup> This approach may be the next big thing, but ensuring complementary operations between workforce and economic development would be the best step forward.

Governance trends now clearly favor four types of actions:

- Consolidation of agencies and activities
- Development of state measurements of success

- Concentrating on creating systems that increase the skills of the overall workforce and serving specific employers and industry sectors
- High-level advisor (usually a governor’s assistant) to oversee new efforts and changes

All 49 states could provide some interesting governance ideas, but ten states are highlighted for one of two reasons: 1) they are widely considered to be workforce leaders or are in the process of changing notably; or 2) they are viewed as Arizona’s economic peers. Each one – to be sure – has weaknesses along with its strengths, and probably no state would say they have finished reforming workforce development. However, each truly stands out in an area that relates to Arizona’s governance issues. Table 12 lists the states under consideration and offers some basic comparisons to Arizona. Table 13 shows the type of governance and what is of interest to Arizona. Discussion of their relationship to Arizona’s issues follows.

Each state presents, at once, a unique story based on its culture, history, and situation plus access to universal lessons related to all three of Arizona’s issues. For example, to **remedy the gap between what should be and what is, Arizona need look no**

**Table 12.**

**How Arizona Compares to Workforce Leaders**

State	Population 2000	Percent H.S. Diploma or More 2000	Workforce Participation Rate 2002	Milken Institute Tech-Sci Index Ranking	Per Capita Income (000s)
Arizona	5,130,632	81%	49%	18	\$25.9
California	33,871,648	77%	50%	3	\$32.7
Colorado	4,301,261	87%	54%	2	\$33.5
Florida	15,982,378	80%	49%	29	\$29.0
Michigan	9,938,444	83%	50%	24	\$29.6
New Jersey	8,414,350	82%	51%	7	\$38.6
Pennsylvania	12,281,054	82%	51%	16	\$30.8
Texas	20,851,820	76%	50%	14	\$28.5
Utah	2,233,169	88%	51%	9	\$24.0
Virginia	7,078,515	82%	51%	5	\$32.3
Washington	5,894,121	87%	52%	6	\$32.0

Sources: Census 2000, U.S. Bureau of Labor Statistics, U.S. Bureau of Economic Analysis, Milken Institute.

**Next-Generation Workforce Systems**

“The success of workforce policy and programs must be measured by their contributions to the economy.”<sup>a</sup> The National Governors Association’s influential guide to “next-generation” workforce policies recommended that systems:

- Improve the competitiveness of all workers and employers
- Build the skills needed for jobs that lead to a high quality of life
- Provide lifelong learning opportunities
- Support workers in managing their careers
- Be supported by public and private investment

a. *A Governor’s Guide to Creating a 21<sup>st</sup> Century Workforce*, National Governors Association

**Table 13.**

**Governance Structures and Notable Features Offer Ideas for Arizona**

State	Type	Structures	Mission	Of Interest
California	State Consolidating Agency	Labor and Workforce Development Agency  California Workforce Investment Board and the Employment Development Department comprise two of six divisions in the agency.	To provide leadership to protect, promote and improve the well being of California's current and future workforce...foster a vigorous state economy and empower workers by strengthening the programs benefitting all of California's workers and employers.	New agency formed from the Agricultural Labor Relations Board Department of Industrial Relations, Employment Development Department, Workforce Investment Board, and Employment Training Panel to coordinate all labor and employment programs for workers and businesses  Performance Based Accountability System
Colorado	Council-State Agency Duo	Office of Workforce Development is part of the Governor's Office and supports Workforce Development Council. Colorado Department of Labor and Employment administers programs.	Council will provide a business-led, demand-driven workforce investment system that produces seamless delivery and universal access of services for our customers seeking employment.	Colorado's council expansion: Non-voting members bring expertise, including president of the Community College and Occupational Education System, and directors of Office of Economic Development, Office of Innovation and Technology, Colorado School-to-Work Partnership, Division of Youth Corrections.  Colorado Rural Workforce Consortium
Florida	Public-Private Partnership and State Agency	Workforce Florida, Inc. (policy) Enterprise Florida, Inc. (economic development) Agency for Workforce Innovation (administration)  Workforce Florida has three councils to develop strategies for the needs of job seekers and employers from workforce entry to cultivating workers to high skill/high demand jobs.  Councils: First Jobs/First Wages (youth) Better Jobs/Better Wages (public assistance) High Skills/High Wages (economic development)	Workforce Florida's mission is to support and promote economic growth through workforce development.	Economic development as organizing principle  First jobs, better jobs, and high wage jobs as organizing principle  Florida Education and Training Placement Information Program
Michigan	State Consolidating Agency	Michigan Department of Labor and Economic Growth combines the former department of Consumer and Industry Services and Department of Career Development.	Agency will promote job creation and economic growth by centralizing and streamlining the state's job, workforce, and economic development functions.	"A new agency focused on growth"  Michigan Works! <i>Governance and Minimum Standards</i>  Michigan Works! Association

**Table 13 Continued**

State	Type	Structures	Mission	Of Interest
New Jersey	State Labor Agency and Council	Department of Labor and Workforce Development  State Employment and Training Commission	Commission will improve the skills of New Jersey's workforce by creating a cohesive statewide system of employment, training and education programs and services.	Workforce New Jersey Public Information Network
Pennsylvania	Public-Private Partnership Board and State Agencies	Team Pennsylvania's Workforce Investment Board includes the heads of the Departments of Community and Economic Development, Labor and Industry, Education, Public Welfare, and Aging in addition to private sector members from regions across the state.	To foster a dynamic world-class workforce in which Pennsylvania's citizens and businesses possess the knowledge and skills to succeed and excel in a highly competitive and rapidly changing world.	Team PA Performance Measures
Texas	State Consolidating Agency	3-member Texas Workforce Commission represents business, the public, and labor and oversees all efforts for residents and employers – Unemployment Insurance and Regulation Division, Workforce Development Division, External Relations Division, Workforce Information, Analysis, and Reporting Division, Office of Welfare Reform Initiatives, Office of Employer Initiatives	To promote and support a workforce system that offers employers, individuals and communities the opportunity to achieve and sustain economic prosperity.	Local boards control various funds  Change of name of Texas Council on Workforce and Economic Competitiveness to Texas Workforce Investment Council
Utah	State Consolidating Agency	Utah Department of Workforce Services State and Regional Councils on Workforce Services	Utah's Job Connection	Streamlining by providing all services through state offices
Virginia	State Consolidating Agency	State legislation in 2002 first step toward changes	To have and promote a well-trained, well-educated, highly skilled and qualified workforce that is actively engaged in lifelong learning.	Workforce reorganization part of 3-part plan for adults  Education for a Lifetime Initiative  Governor's Special Advisor for Workforce Development
Washington	State Coordinating Agency	9-member Workforce Training and Education Coordinating Board from education, labor, and business	To bring business, labor, and the public sector together to shape strategies to best meet the state and local workforce and employer needs of Washington in order to create and sustain a high skill, high wage economy.	Small core board  Regular evaluation and impact research

Source: Morrison Institute for Public Policy, 2003.

**further than Florida.** A fundamental premise of Florida's activities is that economic development and workforce go hand in hand, particularly for high-skill, high-wage jobs. This state truly appears to have organized its workforce efforts around what high-end businesses say they need and want. Its articulation of first, better, and high wage jobs makes for a compelling vision that implies value to all parts of the workforce. The public-private nature of its governance sends a different message to the private sector than do more traditional structures. In addition, Florida capitalized on at least a 15-year tradition of state performance measures and committed legislative involvement to develop a framework that nurtures close relationships between policy and practice and workforce and economic development.

### **Michigan Rethinks Its Workforce Strategy**

The Department of Labor and Economic Growth responds to the desire to:

- Create new approaches to helping companies invest in the training and development of their employees.
- Work with major industries to develop programs that provide companies with skilled employees and employees with an opportunity for advancement.
- Integrate the state's education, workforce, and economic growth strategy.
- Recognize the importance of Michigan's community colleges and universities in workforce development and economic growth.
- Increase the training available to low-income workers funded by WIA, TANF, and other sources.
- Look systematically at the policy and procedures of economic and workforce development.

The **universal lesson from Florida** though is less glamorous, namely: **to measure what is wanted and take advantage of the data-heavy nature of workforce programs.** With a history of performance-based budgeting, Florida tracks more than 100 state and federal measures. Its "Red and Green Report" closely monitors what is happening with participants and programs through administrative records. Unemployment insurance and other data that take more time to appear later confirm or alter the first information. As described by one official, this practice has made programs immediately accountable. In addition, the placement of the Florida Education and Training Placement Information Program in the state's department of education in the mid-1980s made data collection an expected activity and co-opted this major data provider.

For action and innovation, Michigan rises to the top. The rust-belt victim turned tech powerhouse helped lead the streamlining trend by creating the Michigan Career Development Department. Michigan has housed all career-related activities for students, workers, and employers together and defines its "Career Development System" around 3 sub-systems:

- Career Preparation
- Workforce Development
- Worker Enhancement

Michigan also has published minimum standards for local areas. These lay out what is expected and desired across the state.

However, today's catalytic message from Michigan appears to be **not to stand still.** Democratic Governor Granholm has retooled Michigan's strategy again by creating the Michigan Department of Labor and Economic Growth. Done by executive order, the action is intended to improve connections among economic and workforce development initiatives, streamline services, and make administration more efficient. The new department includes Career Development, economic development, adult education,

unemployment compensation, community development and telecommunications.

**Of course, governance changes need to be supported by dollars,** and Colorado offers an interesting outlook. Besides involving a broad base of expertise, this council draws financial support comes from the administrative funds of the mandatory and additional federal partner programs, based on its proportion of the total received by Colorado. The executive order setting up the Council also directs the body to seek addition funds for its initiatives. **Knowledge-worker havens like Colorado** would seem to have few concerns for rural areas or the former economic glories of farming and ranching. However, another of Colorado's contributions to this discussion is **the acknowledgement of a high tech present and future without ignoring the rural regions.** The Rural Workforce Consortium includes 52 of 64 counties and guides workforce development through 11 regions, a Board of Local Elected Officials and a Workforce Board comprised of regional representatives.

**Washington** addresses Arizona's gap **by making economic and workforce development coordination a prominent part of its strategic plan.** The Washington board, though, is very definite about being organized primarily around training and education. The state's example of studying the "net impact" of workforce programs and its **numerical goals for productivity and employment gains as well as for reduced poverty provide a clear map for progress.** A July 2003 report from the prestigious Michigan-based W.E. Upjohn Institute for Employment Research showed positive results overall for the state's programs (although not dramatically so) and identified areas for improvement. In particular, the study revealed disappointing outcomes for adult education when other services were not provided. The findings will be used to improve the mix of services for low-skill residents as well as to communicate the positive returns of other components.

Texas has spent **a decade consolidating its workforce programs** under a commission that looks more like Arizona's Corporation Commission than an employment body. The state's **evolution began with requesting coordination and turned to mandating consolidation.** Texas has worked diligently to move control of funds to local areas, although this policy clearly has had its hits and misses. Recent state legislation put in place requirements to assess local boards' capacity and to continue to streamline delivery of programs. The new law requires the commission and boards to ensure integration of performance measurement, administration, and program delivery for TANF Choices, child care, WIA, and Food Stamp Employment and Training.

The knowledge-based economy presents critical new obligations and responsibilities for the public's investment in innovative and responsive education and training solutions.

Source: *Building a World-Class Work Force: The Competitive Challenge*, 2002.

In particular, performance measurement continues to be an important issue. One study from the Ray Marshall Center for Human Resources at the University of Texas, Austin recommended that Texas adopt five system goals. These have not been implemented, but the list provides a provocative example of what could be done. **Team Pennsylvania**, the public-private organization created in 1997 and reorganized in 2001 to reinvent economic development to “make Pennsylvania the national leader in economic growth,” includes the Pennsylvania Workforce Investment Board. The

**Table 14.**

**Texas Has Considered System Goals and Outcome Measures**

Long-Term Ends	System Outcome Measures
End #1 A Better Educated and Skilled Workforce	<ul style="list-style-type: none"> <li>• Increased share of residents holding recognized education credentials</li> <li>• Increased share of area residents holding recognized postsecondary certificates or diplomas</li> </ul>
End #2 More Competitive Employers	<ul style="list-style-type: none"> <li>• increased shareholder returns for area employers</li> <li>• increased relative shareholder returns for area employers in sectors in which area workforce investments have been made</li> </ul>
End #3 More and Better Jobs	<ul style="list-style-type: none"> <li>• Increased area employment/population ratio</li> <li>• Increased share of workforce participants employed and continuously employed six months after initial hire</li> </ul>
End #4 Higher Per Capita Earnings	<ul style="list-style-type: none"> <li>• Increased real per capita earnings for area residents</li> <li>• Increased real per capita earnings for those receiving workforce services</li> </ul>
Overarching End: Return on Investment	<ul style="list-style-type: none"> <li>• Increased net returns over costs, measures from different perspectives – participants, taxpayers, and society – for substantial investments</li> </ul>

*Source: Improving Performance Measurement for Texas Workforce Development Boards: Phase One Summary Report, February 2002.*

executive order establishing the board explicitly directs the body to “coordinate and collaborate with state agencies and state boards and commissions that shape economic development and education policies...to develop statewide policies that connect workforce development with lifelong learning and economic competitiveness.” The specificity with which the board was created leaves no doubt about what is to be done and how. In addition, **Pennsylvania Governor Rendell created a new position to coordinate workforce development among departments.** The state also designed its “system measures” around data collected in its CareerLink system (Arizona’s Virtual One Stop would function the

same way.). The indicators include: percent of employers using WIB services; percent of individuals using WIB services, percent of jobseekers who receive intensive or training services and obtain employment; median cycle time to fill a job; Listing of jobs, by range, greater than the lowest 10% of wages statewide or percent of individuals that entered employment in jobs with wages greater than the lowest 10% of wages statewide. Texas and Michigan also have included associations of workforce professionals in the mix of players and advisors. **Workforce Leadership of Texas** and **the Michigan Works! Association** highlight how **communication, training, and policy implementation** can be aided by a professional organization. These and other associations for workforce professionals raise the question about something similar for business leaders and entrepreneurs so that the private sector has an equal and unified voice beyond board membership.

In 2003, Virginia passed legislation to begin consolidating its workforce efforts. The governance changes included **reducing the size of the Virginia Workforce Council** and directing it to “create procedures, guidelines, and performance measures for each local workforce board.” A governor’s advisor is studying how to consolidate the state’s agencies. Virginia Governor Mark Warner has included adult learning in his “Education for a Lifetime” initiative with plans to increase the number of GEDs and create a career readiness credential. The reconfiguration of agencies and programs is the third part of the program.

New Jersey’s Governor McGreevy also has proposed consolidating agencies and recently completed the New Jersey Community Colleges Compact to “empower New Jersey’s community colleges as centers for workforce development and business attraction programs, in addition to academic enrichment.” The compact puts community colleges at the center of workforce coordination and consolidation in conjunction with the New Jersey Department of Labor. With communication so much a part of good governance, the **Workforce New Jersey Public Information Network** shines as an example of a centralized web site without the workforce jargon still so prevalent in communications. New Jersey speaks to outsiders, not insiders.

State officials interviewed counseled patience and acknowledged that some initiatives had gotten the “cart before the horse.” Not every merger has been a smooth one. Economic changes had prevented implementation of some desired steps. However, taken as a whole, the states have had the leadership and motivation to make substantial changes in governance that have put them ahead now and positioned them for further progress in the future.

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Every investment you make in improving the skills and advancing the learning of your workforce will translate into a competitive advantage in our increasingly global economy.  
— Emily DeRocco, U. S. Department of Labor, Employment and Training Administration

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# GOVERNANCE IDEAS FOR ARIZONA

A state's workforce — its quality, its flexibility, its capacity to learn — now ranks as one of the major sources of competitive advantage or disadvantage. This stark reality establishes workforce development as one of the most powerful tools a state has for promoting economic growth and prosperity.

But, the question remains, what will make this tool operate at peak performance for the greatest number of Arizona workers and businesses? As so many others have noticed, the sprawling workforce field does not lend itself to quick fixes or overnight transformations. There are countless issues that deserve in-depth discussion. This section is intended to add some “big ideas” and “starter” suggestions to that conversation. An apt analogy is deciding to buy a new car. It is all too easy to begin choosing the color when it is unclear what type of vehicle is needed.

Answers to basic questions are as helpful to those thinking about workforce governance as they are to those venturing into a dealer's showroom. As a result, this section homes in on some overarching issues as the first step in the process of Arizona deciding on the right vehicle and then planning for and acquiring it. Of course, reauthorization processes, Arizona's economic context, and other states' actions will demand changes in the near future, so the state should make its own plans in line with both its traditions and priorities.

Arizona, of course, needs governance that is clear and focused on communication, solving problems, and supporting the state's economy. And, Arizona's governance structure must give the private sector a dominant voice and strong role without overwhelming it with arcane administration without leaving any part of the workforce behind.

In addition, however, three more “organizers” will help Arizona to develop and govern its system.

## **Govern to Achieve Economic Growth, Organize to Ensure Great Information and Easy Access**

The success of Arizona's workforce development system should be measured by the degree to which it helps fulfill state, local, and individual economic goals and stimulates economic growth. It can best achieve these goals when people and workers have top-notch

### **Major Workforce Governance Issues in Arizona**

- Frustration with What Should Be Compared to What Is
- Shortcomings of State-Level Structures
- Hunger for Innovation

### **A Goal for Arizona**

The long-range economic development roadmap should continue to focus on the issue of improving per capita personal income as one of the measurements of achievement and progress.

*Source: Public Outreach Local Plan Integration and Strategic Findings, 2002.*

information and easy access to programs that will train them for, and link them to, jobs that are immediately in demand or are consistent with the trajectory for state economic strategy. And, businesses must have equally strong information and easy access to assistance. These “organizers” assume a coherent, up-to-date economic growth strategy based on the most current data and a strong sense of direction for the future. In short, Arizona’s workforce system should be governed to ensure:

- economic growth for individuals, businesses, and the state
- ease of access to programs and services at all ages and stages of business and careers
- timely, in-depth information about the economy and the workforce

### **Recommendation: Establish the Arizona Economic Summit Group**

As stated previously, economic growth in this ultra-competitive environment depends on a workforce that is well educated, linked to a high-wage, economic growth strategy, and willing to learn and adapt to a rapidly changing economic landscape. Arizona already has a number of councils and entities that advise the governor on workforce and economic strategy and growth. State agencies also maintain a variety of substantial contacts with employers. In addition, economic development organizations across the state have notable strategies and experience that should inform state actions. Bringing all of this expertise together regularly would allow greater coordination across many issues, while making each body more aware of, and perhaps accountable to, the others. For example, this “summit” group could meet bi-annually and include the chairs of: the Governor’s Council for Innovation and Technology, Governor’s Council on Workforce Policy, the Arizona Industrial Commission, the Commerce and Economic Development Commission, the Arizona Chamber of Commerce, the Greater Phoenix Economic Council, Greater Tucson Economic Council, Greater Yuma Economic Council, Greater Flagstaff Economic Council, and Arizona Technology Council and the Southern Arizona Technology Council. This group would help to ensure that Arizona’s workforce system matched the state’s economic strategy and adapted programs to the needs of businesses and people.

### **Governance of Workforce Development: Better Coordination or New Structures?**

Arizona can continue to “coordinate” its way to workforce and economic success, or consider a more dramatic change in governance of its workforce development system. Three options are presented below. Each of the choices suggested assumes the creation of and guidance from the Arizona Economic Summit Group.

## **Choice: Continue to Improve Coordination Among the Main Workforce Agencies**

Arizona chose the coordination approach previously, and its structures are such that this choice remains viable. The day-to-day operations of many of the state's workforce programs are already under one roof with policy guidance from the agency that deals most with the private sector. The Governor's Workforce Policy Council possesses the authority needed to integrate purposes and programs. In fact, Arizona's current structure looks much like what some other states have adopted in recent years.

The recent reorganization in the Arizona Department of Economic Security underscores the possibility for genuinely integrating programs in this agency that could be seen as an early One-Stop. In this choice, the Governor's Council on Workforce Policy would maintain its leadership role and connection to the Arizona Economic Summit Group. The Arizona Department of Economic Security, Arizona Department of Education, and Arizona Department of Commerce would continue to report to the Governor's Council on Workforce Policy. However, it is recommended that the Research Administration be merged with the research and information functions in the Arizona Department of Commerce. This way the commitment to timely information could be strengthened and broadened.

## **Choice: Consolidate Programs in an Arizona Department of Employment and Economic Growth**

This choice acts on the restructuring trend across the country and creates an organization that is neither a commerce or workforce department — but a new force for economic growth. The Arizona Department of Commerce would contribute its expertise and divisions for economic, small business, and community development. The Arizona Department of Economic Security would provide its Research Administration, Workforce Development Administration, and Employment Administration. The Arizona Department of Education would add Career and Technical Education. Liaisons would be created to Arizona's community colleges and the Industrial Commission.

The Governor's Council on Workforce Policy would maintain its role as integrator. The reconstituted Department of Employment and Economic Growth would receive and distribute funds for local workforce operations. In turn, the department would integrate funds and ensure that local boards have access to as many types of funds as is commensurate with their capacity and desire for administration. At the outset, this choice would put workforce, career and technical education, and economic development on an equal footing in the same organization. In the future, however, it would result in a new type of state-level entity for Arizona.

The knowledge-based economy presents critical new obligations and responsibilities for the public's investment in innovative and responsive education and training solutions.

Source: *Building a World-Class Workforce*, National Association of State Workforce Board Chairs

Planning such an entity would take some time. As a first step in both improvement and planning, the Workforce Development and Research Administrations could be combined with workforce and economic information efforts in the Department of Commerce.

### **Choice: Create an Independent Public-Private Partnership for Workforce and Economic Development**

Arizona has a tradition of solving problems through public-private mechanisms, including:

- Arizona Strategic Partnership for Economic Development
- Arizona ArtShare
- Arizona Health Care Cost Containment System

In addition, regional economic development organizations in Arizona tend to be private, nonprofit organizations with significant public input. Increasingly, private firms and public institutions work together to carry out workforce initiatives.

So how could this Arizona convention apply to workforce development governance? Florida and Pennsylvania provide examples in their private, nonprofit policy and planning functions coupled with state administrative agencies.

In Arizona, a private, nonprofit corporation, known as the Arizona Partnership for Workforce and Economic Growth, would be created to plan and oversee implementation of Arizona's strategy and accountability for workforce development, economic research, economic development, and career education, while program operation and administration would remain with the Arizona Department of Economic Security and Arizona Department of Commerce, which would take charge of career and technical education. What would set this apart from the current workforce investment councils — and forestall more “layers” — is its independence from, yet close relationship with, state government. Its Board of Directors would be comprised primarily of the heads of firms and organizations with the greatest knowledge of and stake in the knowledge economy and the most substantial influence on Arizona's economy. The organization would provide a greater voice for targeted industries as well as a notable vehicle for evaluating programs and judging the quality of the people coming out of Arizona's system. In conjunction with the Arizona Economic Summit Group, the partnership would provide a unique-for-Arizona mechanism for the private sector to communicate its positions on the issue that business leaders say they care the most about and to provide feedback to public agencies.

The benefits for the public agencies would be significant as well. The state agencies finally would obtain the “direct line” to the private sector that has been desired for so long. In addition, the partnership would solve another issue for public agencies, namely allowing them to concentrate on meeting complex administrative requirements without losing sight of innovation or the future.

In general, these choices would not require new authority or resources, but they would show how serious Arizona is about change and action. Arizona should wait no longer to create the governance structure and system needed to foster the state’s economic growth through workforce development.

### Starting That Sense of Momentum

Since the subject here is governmental structure, some readers are probably already worrying that change will bring more bureaucracy, not less. Some will ask: Is there the money? What about authority? Will good programs suffer while leaders rearrange the chairs around the conference table? Of course, the details of any proposal will have to be worked out carefully — this is still the discussion stage.

Granted, some readers will want more detail on just one direction instead of principles and choices. *Can't Stand Still* has laid the foundation for Arizona’s workforce leaders to move ahead on progress toward the “integrated, high-quality workforce development system” envisioned for a future of prosperity.

#### Five First Actions for Workforce and Governance Momentum

1. Agree that the time to move ahead is here.
2. Launch the debate on workforce and economic goals and the choices for an Arizona structure.
3. Adopt the organizing principles.
4. Bridge the gap between workforce and economic development professionals.
5. Determine to bring the benefit of such efforts as the High-Growth Job Training Initiative and others to Arizona.

#### Actions to Improve Workforce Development Now

Many suggestions for immediately beneficial changes were made during this research, and a number are already underway. Those that could be carried out or expanded now include:

- Develop pilot projects to expand or experiment with promising existing workforce/economic development programs. Obtain national funds for these.
- Expand the portfolio of the governor’s policy advisor for economic development to include workforce development. Include workforce as a focus as well for the education and human services advisors.
- Communicate current business successes to raise awareness of current efforts.
- Revamp communications to target technology workers.
- Design a self-assessment for local workforce areas on readiness for addressing economic and workforce priorities. Answer: What would it take to implement the best economic and workforce development system here?
- Match workforce areas and other organizations for mentoring and restructure organizational and professional development across the state.
- Create an R&D unit that tackles such issues as upgrading for low-wage workers, public assistance recipients, rural development, and other topics as they arise.
- Provide support to the Arizona Workforce Development Association to strengthen the collective “voice” of practitioners and the possibilities of joint initiatives.
- Provide time and money for workforce directors and business services professionals to obtain economic development credentials or certifications and vice versa.
- Treat funding streams as “investment portfolios” to see how resources could be combined to address inadequacies in local areas.

## Endnotes

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## **APPENDICES**

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**Table 1: Characteristics of Population Served  
Crosswalk of Federal Education and Training Programs with Arizona Workforce Development Programs and Funding, 2001-2002**

Federal Program Name	Arizona Program	Dislocated Workers	Migrant/ Seasonal Workers	Native Americans	Older Workers	Youth	Physical/ Mental Disabilities	Refugees	Unemployed	Veterans/ Disabled Veterans	Low-income (means tested)	Other	Employer
Adult Education – State Grant Program	Adult Education Program (WIA Title II)			X		X	X		X		X	adults with no high school	
American Indian Vocational Rehabilitation Service Program	Direct to Tribes			X			X		X				
[Arizona Program Only]	Arizona Job Training Program											X	X
[Arizona Program Only]	Information Technology Tax Credit												X
[Arizona Program Only]	Rehabilitation Services Program											disabled on job	
[Arizona Program Only]	Secondary Vocational Education Program					X							
Community Services Block Grant – Discretionary Awards	Local Grants	X	X	X	X	X	X		X	X	X		
Community Services Block Grant	Community Action Programs	X	X	X	X	X	X	X	X	X	X		
Disability Employment Grant Award Program	Local Grants						X						
Disabled Veterans Outreach Program	Veterans Service Program									X			
Employment and Training Administration – Alien Employment Certification	Alien Employment Certification Program												X
Employment Service	Wagner-Peyser Job Service Program (Job Service)	X	X	X	X	X	X	X	X	X			
Faith Based Initiative for states	FBO/CBO (Ended)											faith and community based organizations	
Faith Based Initiative for Small Local Areas	Local Grants											adults who cannot read	
Food Stamp Employment and Training Program	Food Stamp Employment and Training Program	X	X	X		X			X	X	X	food stamp recipient	
Grants to States for Incarcerated Youth Offenders	Grants for Youthful Offenders					X						incarcerated	
H-1B Technical Skills Training	Local Grants	X							X				
Homeless Veterans' Reintegration Program	Local Grants									X		homeless	
Indian Employment Assistance	Direct to Tribes	X	X	X	X	X	X		X	X			



Federal Program Name	Arizona Program	Dislocated Workers	Migrant/ Seasonal Workers	Native Americans	Older Workers	Youth	Physical/ Mental Disabilities	Refugees	Unemployed	Veterans/ Disabled Veterans	Low-income (means tested)	Other	Employer
Indian Job Placement – United Sioux Tribes Development Corporation	Direct to Tribes	X		X	X		X		X				
Indian Vocational Training – United Tribes Technical College	Direct to Tribes			X			X		X				
Job Corps	Local Grants					X	X	X	X		X		
Local Veterans Employment Representative Program	Veterans Services Program									X			
Migrant and Seasonal Farmworkers Program (Education)	Local Grants		X										
Migrant and Seasonal Farmworkers (Labor)	Local Grants		X										
Migrant Education – High School Equivalency Program	Unknown		X			X							
Native American Employment and Training Programs	Direct to Tribes			X									
Native American Vocational and Technical Education Program	Direct to Tribes			X									
Opportunities for Youth – Youthbuild Program	Local Grants					X	X		X				
Pre-Apprenticeship Training Program	Pre-Apprenticeship Training Program					X						X	
Projects with Industry	Local Grants	X					X		X				
Refugee and Entrant Assistance – Targeted Assistance	Refugee Resettlement Program							X					
Refugee Assistance – Voluntary Agency Programs	Local Grants							X					
Registered Apprenticeship Training (in Arizona, this is just a rep in Phoenix, that works with Arizona's Apprentice System out of Commerce – no funding)	Arizona's Apprenticeship System	X		X		X	X			X			X
Responsible Reintegration of Youth Offenders (Young Offenders Program)	Local Grants	X	X	X	X	X	X	X	X	X		youth offenders	
Rewarding Youth Achievement	Local Grants					X							
Senior Community Service Employment Program	Senior Community Service Employment Program				X						X		
Serious and Violent Offenders Program	Re-entry Program			X		X	X					incarcerated	
Social Services Block Grant	Employment Support Services Program						X						
State Supported Employment Services	State Supported						X						



Federal Program Name	Arizona Program	Dislocated Workers	Migrant/ Seasonal Workers	Native Americans	Older Workers	Youth	Physical/Mental Disabilities	Refugees	Unemployed	Veterans/ Disabled Veterans	Low-income (means tested)	Other	Employer
Program	Employment Services Program												
State Vocational Rehabilitation Services	Vocational Rehabilitation Services						X						
Tech Prep Education Program	Carl Perkins Title II – Tech Prep Education					X						X	
Temporary Assistance for Needy Families (TANF)	Jobs Program	X	X	X	X	X	X	X	X	X	X		
Trade Adjustment Assistance and NAFTA – Transitional Adjustment Assistance	North American Free Trade Agreement – Transitional Adjustment Assistance (NAFTA-TAA) Program [This is gone and its now just the Trade Assistance Program below]	X											
Trade Adjustment Assistance and NAFTA – Transitional Adjustment Assistance	Trade Adjustment Assistance Program	X											
Tribal Work Grants	Direct to Tribes	X		X	X	X	X		X	X		X	
Tribally Controlled Postsecondary Vocational and Technical Institutions	Direct to Tribes			X								X	
Vocational Education Basic Grants to States	Carl Perkins – Title I Assistance to the States					X							
Vocational Rehabilitation for Disabled Veterans	Arizona Veterans Service Commission									X			
WIA Adults	WIA Title I-B Adult Program	X	X	X	X	X	X	X	X	X	X		X
WIA Dislocated Workers	WIA Title I-B Dislocated Worker Program	X							X				X
WIA Youth	WIA Title I-B Youth Program					X	X	X	X		X		X
Work Incentive	Local Grants				(unknown)								
Work Opportunity Tax Credit / Welfare to Work Tax Credit Programs	Work Opportunity Tax Credit / Welfare to Work Tax Credit Program									X	X		X
Youth Challenge Program				X		X							
Youth Opportunity Grants	Local Grants		X	X		X	X		X				



**Table 2: Services Provided  
Crosswalk of Federal Education and Training Programs with Arizona Workforce Development Programs and Funding, 2001-2002**

Federal Program Name	Arizona Program	Employment Counseling and Assessment	GED Assistance and Other Education Leading to High School Diplomas	Education Leading to Post-secondary and Technical Certificates and Degrees	Job Development	Job Readiness Skills	Job Referrals	Job Retention Training	Job Search/job Placement Activities	Occupational or Vocational Training	On-the-job Training	Remedial Academic/English Language/Basic Adult Literacy	Work Experience	Other	Cash/In-kind/Childcare	Case Management
Adult Education – State Grant Program	Adult Education Program (WIA Title II)		X									X				
American Indian Vocational Rehabilitation Service Program	Direct to Tribes	X	X	X	X	X	X	X	X	X	X	X	X	X		X
Community Services Block Grant	Community Action Programs															
Community Services Block Grant – Discretionary Awards	Local Grants				X						X					
Disability Employment Grant Award Program	Local Grants	X	X		X	X	X	X	X	X	X	X	X		X	
Disabled Veterans Outreach Program	Veterans Service Program	X			X	X	X	X	X							X
Employment and Training Administration – Alien Employment Certification	Alien Employment Certification Program													X		
Employment Service	Wagner-Peyser Job Service Program (Job Service)	X			X	X	X		X							
Faith Based Initiative for Small Local Areas	Local Grants											X				
Faith Based Initiative for States	FBO/CBO													X		
Food Stamp Employment and Training Program	Food Stamp Employment and Training Program	X	X	X	X	X	X	X	X	X	X	X	X		X	
Grants to States for Incarcerated Youth Offenders	Grants for Youthful Offenders	X		X		X	X		X	X						
H-1B Technical Skills Training	Local Grants	X					X		X	X						
Homeless Veterans' Reintegration Program	Local Grants	X			X	X	X	X	X	X	X	X	X	X	X	
Indian Employment Assistance	Direct to Tribes	X	X		X	X	X	X	X	X	X	X	X			



<b>Federal Program Name</b>	<b>Arizona Program</b>	<b>Employment Counseling and Assessment</b>	<b>GED Assistance and Other Education Leading to High School Diplomas</b>	<b>Education Leading to Post-secondary Certificates and Degrees</b>	<b>Job Development</b>	<b>Job Readiness Skills</b>	<b>Job Referrals</b>	<b>Job Retention Training</b>	<b>Job Search/job Placement or Vocational Activities</b>	<b>Occupational or Vocational Training</b>	<b>On-the-job Training</b>	<b>Remedial Academic/English Language/Basic Adult Literacy</b>	<b>Work Experience</b>	<b>Other</b>	<b>Cash/In-kind/Childcare</b>	<b>Case Management</b>
Indian Job Placement – United Sioux Tribes Development Corporation	Direct to Tribes	X	X		X	X	X	X	X	X	X	X	X			
Job Corps	Local Grants	X	X		X	X	X	X	X	X	X	X	X			
Local Veterans Employment Representative Program	Veterans Services Program	X			X	X	X	X	X							
Migrant and Seasonal Farmworkers (Labor)	Local Grants	X	X		X	X	X	X	X	X	X	X	X	X		
Migrant and Seasonal Farmworkers Program (Education)	Local Grants	X	X		X	X	X	X	X	X	X	X	X	X		
Migrant Education – High School Equivalency Program	Local Grants	X	X						X							
N/A	Arizona Job Training Program							X		X						
N/A	Information Technology Tax Credit							X								
N/A	Rehabilitation Services Program	X							X	X						
N/A	Secondary Vocational Education Program		X													
Native American Employment and Training Programs	Direct to Tribes	X	X		X	X	X		X	X	X	X	X			
Native American Vocational and Technical Education Program	Direct to Tribes	X	X	X			X	X	X	X						
Opportunities for Youth – Youthbuild Program	Local Grants	X	X		X	X	X	X	X	X	X	X	X			
Pre-Apprenticeship Training Program	Pre-Apprenticeship Training Program									X	X					
Projects with Industry	Local Grants	X			X	X	X	X	X	X	X	X	X	X		
Refugee and Entrant Assistance – Targeted Assistance	Refugee Resettlement Program	X	X		X	X	X	X	X	X	X	X			X	
Refugee Assistance – Voluntary Agency Programs	Local Grants	X			X	X	X	X	X			X			X	



Federal Program Name	Arizona Program	Employment Counseling and Assessment	GED Assistance and Other Education Leading to High School Diplomas	Education Leading to Post-secondary Certificates and Degrees	Job Development	Job Readiness Skills	Job Referrals	Job Retention Training	Job Search/job Placement Activities	Occupational or Vocational Training	On-the-job Training	Remedial Academic/English Language/Basic Adult Literacy	Work Experience	Other	Cash/In-kind/Childcare	Case Management
Registered Apprenticeship Training (In Az, this is Just a Rep in Phx, That Works with Arizona's Apprenticeship System out of Commerce)	Arizona's Apprenticeship System			X		X	X	X	X	X	X		X			
Responsible Reintegration of Youth Offenders (Young Offenders Program)	Local Grants	X	X		X	X	X	X	X	X	X	X	X	X		
Rewarding Youth Achievement	Local Grants			(unknown)												
Senior Community Service Employment Program	Senior Community Service Employment Program	X	X		X	X	X	X	X	X	X	X	X	X		
Serious and Violent Offenders Program	Re-entry Program								X					X		X
Social Services Block Grant	Employment Support Services Program							X						X		
State Supported Employment Services Program	State Supported Employment Services Program				X			X			X					
State Vocational Rehabilitation Services	Vocational Rehabilitation Services	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Tech Prep Education Program	Carl Perkins Title II – Tech Prep Education	X	X	X		X				X						
Temporary Assistance for Needy Families (TANF)	Jobs Program	X	X		X	X	X	X	X	X	X	X	X		X	X
Trade Adjustment Assistance and NAFTA – Transitional Adjustment Assistance	North American Free Trade Agreement – Transitional Adjustment Assistance (NAFTA-taa) Program [This is gone and its now just the Trade Assistance Program below]	X	X					X	X	X	X	X			X	
Trade Adjustment Assistance and NAFTA – Transitional Adjustment Assistance	Trade Adjustment Assistance Program	X	X					X	X	X	X	X		X		
Tribal Work Grants	Direct to Tribes	X	X	X	X	X	X	X	X	X	X	X	X	X		



Federal Program Name	Arizona Program	Employment Counseling and Assessment	GED Assistance and Other Education Leading to High School Diplomas	Education Leading to Post-secondary and Technical Certificates and Degrees	Job Development	Job Readiness Skills	Job Referrals	Job Retention Training	Job Search/job Placement Activities	Occupational or Vocational Training	On-the-job Training	Remedial Academic/English Language/Basic Adult Literacy	Work Experience	Other	Cash/In-kind/Childcare	Case Management
Tribally Controlled Postsecondary Vocational and Technical Institutions	Direct to Tribes		X	X						X						
Vocational Education Basic Grants to States	Carl Perkins – Title I Assistance to the States	X	X	X		X				X						
Vocational Rehabilitation for Disabled Veterans	Arizona Veterans Service Commission	X	X		X	X	X	X	X	X	X		X	X		X
WIA Adults	WIA Title I-B Adult Program	X	X		X	X	X	X	X	X	X	X	X			
WIA Dislocated Workers	WIA Title I-B Dislocated Worker Program	X	X		X	X	X	X	X	X	X	X	X	X		
WIA Youth	WIA Title I-B Youth Program	X	X			X	X	X	X	X	X	X	X	X		
Work Incentive	Local Grants			(unknown)												
Work Opportunity Tax Credit / Welfare to Work Tax Credit Programs	Work Opportunity Tax Credit / Welfare to Work Tax Credit Program													X		
Youth Opportunity Grants	Local Grants	X	X		X	X	X	X	X	X	X	X	X	X		
<b>Total Number of Programs</b>		<b>36</b>	<b>29</b>	<b>10</b>	<b>27</b>	<b>31</b>	<b>31</b>	<b>33</b>	<b>35</b>	<b>35</b>	<b>30</b>	<b>27</b>	<b>23</b>	<b>19</b>	<b>8</b>	<b>5</b>



**Table 3: Funding Facts  
Crosswalk of Federal Education and Training Programs with Arizona Workforce Development Programs and Funding, 2001-2002**

Federal Program Name (Federal Department)	Arizona Program	Arizona Department Of...	Total Arizona Funding FY 01-02	State Portion	Federal Portion	Funding Cycle	Federal Restrictions (% Admin, Etc.)	How Arizona Receives Funds	What Happens to \$ at End of Year	Program Requirements (Federal Performance Measures)	Waiver/MOU Status
Adult Education — State Grant Program (Education)	Adult Education Program (WIA Title II)	Education	\$11,476,635	\$4,596,200	\$6,880,435	JUL 1 - JUN 30	82.5% local providers, 5% admin; 12.5% professional development/technical assistance — these are federal caps	Federal formula based on # of out of school youth and state appropriation. State has to fund 24% of total \$ spent. Also state must maintain effort — if it decreases contribution by more than 10% will lose federal funds dollar for dollar. Arizona has already hit the 10% level.	27 months to spend — first in first out (i.e., oldest money used first)	Part of OMB initiative; GAO — entered employment, employment retention, educational/credential attainment, other; PART review 2003; NGA — receipt of secondary diploma or equivalent, demonstrated improvement in literacy skills, placement/retention/completion of postsecondary ed, training, unsubsidized employment, or career advancement.	No waivers or MOUs have been needed
American Indian Vocational Rehabilitation Service Program (Education)	Direct to tribes	Direct to tribes	\$1,383,000	\$0	\$1,383,000	OCT 1 - SEP 30	10% additional funding must come from tribes	Five year cycle of discretionary competitive grants		Number of clients; number who achieve employment	MOU's with RSA; cost share with state agencies; work with local WIA board
(Arizona Program Only)	Arizona Job Training Program	Commerce	\$12,000,000	\$12,000,000	\$0	JAN 1 - DEC 31	25% set aside for businesses with fewer than 100 employees; 25% for rural mandated by state law	1/10th of 1% Job Training tax on businesses, collected in conjunction with UI tax. Admin comes from Commerce general fund	Rolls over	Annual report to the speakers of house and senate and governor	Not applicable and no MOUs
Community Services Block Grant — Discretionary Awards (Health and Human Services)	Local grants	Move the Mountain/Arizona Community Action Association/Inter Tribal Council			\$792,471						
Community Services Block Grant (Health and Human Services)	Community Action Programs	Economic Security	\$6,597,961	\$0	\$6,597,961 (includes \$ to tribes)						
Disability Employment Grant Award Program (Labor)	Local grants	Community Outreach for the Deaf	\$442,780	Unavailable	\$442,780	Unavailable	Unavailable	Grants directly from DOL	Goes back to Dept. of Labor, but rarely happens	Unavailable	Unavailable



Federal Program Name (Federal Department)	Arizona Program	Arizona Department Of...	Total Arizona Funding FY 01-02	State Portion	Federal Portion	Funding Cycle	Federal Restrictions (% Admin, Etc.)	How Arizona Receives Funds	What Happens to \$ at End of Year	Program Requirements (Federal Performance Measures)	Waiver/MOU Status
Disabled Veterans Outreach Program (Labor)	Veterans Service Program	Economic Security	See LVER program			OCT 1 - SEP 30		Combined with LVER program — state provides admin/staffing		Placement rates; number entered employment; retention	MOU with VA for rehabilitation, etc.
Employment and Training Administration — Alien Employment Certification (Labor)	Alien Employment Certification Program	Economic Security	\$356,095	\$0	\$356,095	OCT 1 - SEP 30	100% admin	Federal formula — grant application based on anticipated workload using prior workload counts	Rolls over — need to cover 3 months btw end of Arizona fiscal year and start of federal fiscal year	None — feeds monitor case load and back log once a month — reports what month's applications they are working on (i.e. in Aug 2003 they were starting on applications filed in Aug 2002)	No information available
Employment Service (Labor)	Wagner-Peyser Job Service Program (Job Service)	Economic Security	\$11,647,788	\$0	\$11,647,788	JUL 1 - JUN 30	90% for services (of which, 12% is for admin), [state considers all 90% for administration of program] 10% discretionary fund	Federal formula based on civilian labor force and unemployment	Three year cycle — first in first out	Part of OMB initiative; GAO — entered employment, NGA — entered employment, retention at 6 months, customer satisfaction, employer satisfaction	Uses WIA and onestops for co-locations and efficiency
Faith Based Initiative for Small Local Areas (Labor)	Local grants	Camp Verde Adult Reading Program	\$49,949	\$25,000	\$24,949	JUL 1 - JUN 30	Unavailable	Grants directly from DOL	Uses all \$	Unavailable	N/A
Faith Based Initiative for States (Labor)	FBO/CBO	Economic Security	\$522,966	\$0	\$522,966	OCT 1 - SEP 30	Unavailable	Grants directly from DOL	One-time grant — all \$ used	Unavailable	N/A
Food Stamp Employment and Training Program (Agriculture)	Food Stamp Employment and Training Program	Economic Security	\$540,582	\$75,850	\$464,732	JUL 1 - JUN 30 (program year) OCT 1 - SEP 30 (funding year)	92% programs, 8% admin (there is a cap but they havent reached it)	Federal formula — number of able-bodied adults without dependents who participate in states Food Stamp program	Arizona never pulls down from feeds what they would be willing to fund b/c Arizona doesn't match enough transportation \$ to get people to training	Not in OMB initiative; no measures reported	FAA has waivers for people exempt from training requirement of food stamp program. If they are 3 hrs away from closes office, also has waivers to extend benefits for people participating in program
Grants to States for Incarcerated Youth Offenders (Education)	Grants for Youthful Offenders	Corrections	\$350,000	0	\$350,000	OCT 1 - SEP 30		Grant from U.S. Dept. of Education	Three year cycle — first in, first out		Very isolated because of client status



Federal Program Name (Federal Department)	Arizona Program	Arizona Department Of...	Total Arizona Funding FY 01-02	State Portion	Federal Portion	Funding Cycle	Federal Restrictions (% Admin, Etc.)	How Arizona Receives Funds	What Happens to \$ at End of Year	Program Requirements (Federal Performance Measures)	Waiver/MOU Status
H-1B Technical Skills Training (Labor)	H-1B Technical Skills Training Grant	Pima County Community Services Department (\$3 million) Maricopa County Human Service Department (\$3 million)*** Two year grants	\$6,000,000 ***	\$0	\$5,000,000	two years	Unavailable	Local grants	Two year grant cycle	Unavailable	Unavailable
Homeless Veterans' Reintegration Program (Labor)	Local grants	United States Veterans Initiative	\$244,092	\$0	\$244,092	Unavailable	Unavailable	Local grants	Depends on grant cycle	Unavailable	Unavailable
Indian Employment Assistance (Interior)	← ← ← ← ←	← ← ← ← ←	← ← ← ← ←	← ← ← ← ←	U n a v a i l a b l e	U n a v a i l a b l e	← ← ← ← ←	← ← ← ← ←	→ → → → →	→ → → → →	→ → → → →
Indian Vocational Training	Adult Vocational Training	Inter Tribal Council of Arizona	\$422,000	\$0	\$422,000	← ← ← ← ←	← ← ← ← ←	U n a v a i l a b l e	U n a v a i l a b l e	→ → → → →	→ → → → →
[Arizona Program Only]	Information Technology Tax Credit	Commerce	\$5,000,000	\$5,000,000	\$0	JAN 1 - DEC 31	Capped at \$50mil. half for C corps and rest of other ownership structures	Arizona General Fund — administration comes from Commerce General Fund	Goes back to general fund if all appropriated tax credits are not used	None — report to Dept of Revenue who received credits.	Not applicable
Job Corps (Labor)	Local grants	Fred G. Acosta/Phoenix Job Corp	\$12,500,000	\$0	\$12,500,000	Long term grant	Unavailable	Grants directly from DOL	Depends on grant cycle	financial reporting, general student tracking	Not applicable
Local Veterans Employment Representative Program (Labor)	Veterans Services Program	Economic Security	\$1,800,000 (includes both the LVER and DVOP (above))	\$0	\$1,800,000	OCT 1 - SEP 30	100% to statewide staffing	Submits grant application based on staffing levels	Unavailable	Part of OMB initiative; GAO — entered employment, employment retention	In one stop system
Migrant and Seasonal Farmworkers (Labor)	Local grants	Portable Practical Education in Practice — Tucson	\$1,662,726	\$0	\$1,662,726	Grant	Unavailable	Grants directly from DOL	Unavailable		
Migrant and Seasonal Farmworkers Program (Education)	Local grants	Local grants						Grants from Dept Ed, Rehabilitations Services /Administration	Unavailable		Not applicable
Migrant Education — High School Equivalency Program (Education)	Local grants	Pep Tec, Inc.	\$377,000	\$0	\$377,000			Federal grant			
Native American Employment and Training Programs (Labor)	Direct to tribes	Direct to tribes	\$14,598,892	\$0	\$14,598,892	OCT 1 - SEP 30	90% program, 10% admin	Federal formula	Rolls over for 3 years		



Federal Program Name (Federal Department)	Arizona Program	Arizona Department Of...	Total Arizona Funding FY 01-02	State Portion	Federal Portion	Funding Cycle	Federal Restrictions (% Admin, Etc.)	How Arizona Receives Funds	What Happens to \$ at End of Year	Program Requirements (Federal Performance Measures)	Waiver/MOU Status
Native American Vocational and Technical Education Program (Education)											
Opportunities for Youth — Youthbuild Program (Housing and Urban Development)	Local grants	Human Services	1.2 million total of 3-yr grants	\$0	\$1,100,000	3 yr grants, offered each year		Competitive grants		Part of OMB initiative; GAO — entered employment, wage gain/change, educational/credential attainment, other state — # of kids in program	Does have some in kind relationships/funding from local sources including DES and Home Depot
Pre-Apprenticeship Training Program (Transportation)	Pre-Apprenticeship Training Program	Commerce	\$250,000	\$0	\$250,000	OCT 1 - SEP 30		Federal formula (1/2 of 1% can be used for metropolitan planning projects)			
Projects with Industry (Education)	Local Grants	Dorothy Kret & Assoc./ Santa Cruz County Workforce Investment Program/Tetra Corp	\$600,000		\$600,000		Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Refugee and Entrant Assistance — Targeted Assistance (Health and Human Services)	Refugee Resettlement Program	Economic Security	\$11,800,000	\$0	\$11,800,000	OCT 1 - SEP 30	20% for social services related to survival skills and education (90% dist. by RFP process); 80% for cash and medical assistance (10% for admin — federal limit) — refugees must register with employment agency to be eligible	State receives quarterly grants for each type (social services vs. cash/medical assistance); submits annual plans	Would go back to HHS but always spend social services \$. Some cash and medical assistance goes back as they don't draw down the entire account	Part of OMB initiative; GAO — entered employment, wage gain/change; PART 2003	Does have waiver from HHS to provide services for longer than 5 years. No MOUs b/c other agencies can't provide linguistic and culturally sensitive services.
Refugee Assistance — Voluntary Agency Programs (Health and Human Services)	Local resettlement agencies	Local resettlement agencies		\$0				RFP process for settlement agencies through Dept of Justice			
Registered Apprenticeship Training (in collaboration with Labor)	Arizona's Apprenticeship System	Commerce	\$151,300	\$151,300	\$0	JUL 1 - JUN 30	100% admin	Commerce General Fund — based on 3 employees, benefits, and operating costs	goes back in general fund	Tracks race, etc. for Registered Apprenticeship System. There is a separate apprenticeship training representative who Arizona works with. Arizona has a state apprenticeship council.	Arizona office has MOU with Federal registered Apprenticeship training.



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[Arizona Program Only]	Rehabilitation Services Program	Industrial Commission of Arizona	\$1,570,116	\$1,570,116	\$0	JAN 1 - DEC 31	Not applicable	Employers pay premiums for their workers compensation insurance through an insurance carrier who sends a portion to the Industrial Commission : allocated to subcontractors and used for training costs. Admin comes from Industrial Commission general fund	Stays in Special Fund	Rehab counselors track client progress and follow employment for 30 days, reported to ICA but not reported to state	Can work with State agencies such as DES but doesn't very much
Responsible Reintegration of Youth Offenders (Labor)	Local grants	Cochise County Workforce Development, Inc.	\$582,960	Unavailable	\$582,960	Unavailable	Unavailable	local grant	Unavailable	Unavailable	Unavailable
Rewarding Youth Achievement (Labor)	Local grants	Pima County	\$949,500	\$0	\$949,500	Unavailable	Unavailable	local grant	Unavailable	Unavailable	Unavailable
[Arizona Program Only]	Secondary Vocational Education Program	Education	\$11,123,600	\$11,123,600	\$0	JUL 1 - JUN 30	17% admin and technical assistance; 21% job placement; 62% to districts — budgeted, no caps reported	Local tax revenues and state aid: dist by state formula based on enrollment in approved occupational programs and placements (job, continuing ed or military)	Gets used up either by districts or ADE	Same as Perkins- academic attainment, occupational program attainment, placement, non traditional program participation	None needed — districts have great flexibility to use fund for whatever vocational programs they need
Senior Community Service Employment Program (Labor)	Senior Community Service Employment Program	Economic Security	\$2,739,339	\$0	\$2,739,339	JUL 1 - JUN 30	93% contracted to non-profits for participants wages; 7% for admin: Feds require 13.5% admin/at least 74% for direct svc.	Federal formula based on demographics — % seniors, % low income seniors, etc	Give back to DOL, but not very much or very often	Part of OMB initiative; GAO — entered employment, employment retention, wage gain/change,	DOL flexible with waivers related to using other agencies for delivery, but tried to go through WIA and none of their providers were listed so no longer part of WIA. Have MOUs mostly with city and county governments.
Serious and Violent Offenders Program (Justice)	Re-entry program	Juvenile Corrections	\$2,000,000	\$0	\$2,000,000	N/A	None	One time system-building grant — semi-competitive formula grant	N/A	Transition from state care to community	Combined w/ WIA Youth Council in 4 counties
Social Services Block Grant (Health and Human Services)	Employment Support Services Program	Economic Security	\$10,966,500	\$7,093,600	\$3,872,900	JUL 1 - JUN 30	None	Medicare reimbursements and SSBG	rolled over	None — report use of money to HHS	No waivers needed, lots of MOUs with behavioral health services



Federal Program Name (Federal Department)	Arizona Program	Arizona Department Of...	Total Arizona Funding FY 01-02	State Portion	Federal Portion	Funding Cycle	Federal Restrictions (% Admin, Etc.)	How Arizona Receives Funds	What Happens to \$ at End of Year	Program Requirements (Federal Performance Measures)	Waiver/MOU Status
State Vocational Rehabilitation Services (Education)	Vocational Rehabilitation Services	Economic Security	\$55,934,832	\$11,782,520	\$44,152,312	OCT 1 - SEP 30	1.1% on admin; rest for direct program services — not federal requirement — just report on it	Federal formula based on population and per capita income. Non-federal match required (through general fund and "third party funds" received through intergovernmental agreements, etc.)	\$ has two year life span, they use it all.	Part of OMB initiative; GAO — entered employment, wage gain/change; PART review 2003; NGA — number of ex-teriors achieving employment outcome compared to previous period, % achieving employment outcome, % earning minimum wage, % with sig. disabilities, ratio of average hourly earnings of ex-teriors compared to state average, diff btw % reporting income as largest source of support at exit compared to date of app., ratio of service rate of minority compared to non-minority	Waivers allowed through DOE, but don't use. More use MOUs for behavioral health re: whose responsible for client, and some with ADE, City of Phoenix, corrections, juvenile justice, etc.
Supported Employment Program (Education)	State Supported Employment Service Program	Economic Security	\$633,946 (2003)	Unavailable	\$633,946	OCT/SEP	Unavailable	Formula grant — based on population	Carry over for one year	Unavailable	Unavailable
Tech Prep Education Program (Education)	Carl Perkins Title II — Tech Prep Education	Education	\$1,987,848	\$0	\$1,987,848	JUL 1 - JUN 30	None — but suggest that the programs in tech prep consortiums that the money is used for use 10% or less for admin.	Federal formula based on age of population	27 months to spend it. Money not used by consortiums is returned to ADE to then doles it out again.	Part of OMB initiative; GAO — entered employment, education/credential attainment, other; PART review 2003; NGA — student attainment of challenging stated academic and voc and tech skills proficiencies, HS diploma or equivalent, placement in advanced ed, military, or employment (inc. retention), completion of programs leading to nontraditional training and employment	None needed — program has lots of flexibility



Federal Program Name (Federal Department)	Arizona Program	Arizona Department Of...	Total Arizona Funding FY 01-02	State Portion	Federal Portion	Funding Cycle	Federal Restrictions (% Admin, Etc.)	How Arizona Receives Funds	What Happens to \$ at End of Year	Program Requirements (Federal Performance Measures)	Waiver/MOU Status
Temporary Assistance for Needy Families (TANF) (Health and Human Services)	Jobs Program, child care, and family assistance (3 programs)	Economic Security	\$45,945,400	\$5,385,100	\$40,560,300	JUL 1 - JUN 30	94% for programs, 6% for admin — federal limit is 15%	Annual Block grant	most of the time it rolls over esp. if allotted for specific purposes. Sometimes the Arizona legislature takes it	Part of OMB initiative; GAO — entered employment, employment retention, wage gain/change	Did have a waiver to start clock earlier in Arizona (JUN instead of OCT) but last year all waivers were shut down in preparation for re-authorization — but no one knows what's going on with that. Do have MOUs with county and city government and HUD office about how to handle clients that they have in common and work some with ESA and rehab when clients overlap.
Trade Adjustment Assistance and NAFTA — Transitional Adjustment Assistance (Labor)	North American Free Trade Agreement — Transitional Adjustment Assistance (NAFTA-TAA) Program (This is gone and its now just the Trade Assistance Program below)	Economic Security	\$1,207,500	\$0	\$1,207,500	OCT 1 - SEP 30	15% admin, 85% client services (95% of that for ADE Individual referral Certification System for training, 5% for job search and relocation allowances)	Requested from USDOL quarterly		Part of OMB initiative; GAO — entered employment, wage gain/change; PART review 2003	
Trade Adjustment Assistance and NAFTA — Transitional Adjustment Assistance (Labor)	Trade Adjustment Assistance Program	Economic Security	\$4,542,500	\$0	\$4,542,500	OCT 1 - SEP 30	15% admin, 85% client services (95% of that for ADE Individual referral Certification System for training) 5% for job search and relocation allowances. These are the federal limits.	Requested from USDOL quarterly based on number of petitions from workers certified under the trade act	First in first out — carries over	Part of OMB initiative; GAO — entered employment, wage gain/change; PART review 2004	No waivers needed, but has MOUs for work with one stop for some training costs and other agencies
Tribal Work Grants (Health and Human Services)	Direct to tribes	Direct to tribes	\$2,148,215	\$0	\$2,148,215	OCT 1 - SEP 30	None	Fixed grant based on old program reviews	Carry over	None	N/A
Tribally Controlled Postsecondary Vocational and Technical Institutions (Education)											



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Vocational Education Basic Grants to States (Education)	Carl Perkins — Title 1 Assistance to the States	Education	\$20,178,519	\$0	\$20,178,519	JUL 1 - JUN 30	5% admin; 10% state leadership activities, 85% programs — federal requirements	Federal formula based on age of population	Returned from district to state and rolled over	Part of OMB initiative; GAO — entered employment, employment retention, educational/credential attainment, other; PART review 2003: NGA — student attainment of challenging stated academic and voc and tech skills proficiencies, HS diploma or equivalent, placement in advanced ed, military, or employment (incl. retention), completion of programs leading to nontraditional training and employment	Two allowed — one for maintenance of effort from state, the other is related to amount of formula funding a district must bring in — 15K for elementary/sec, 50K for post sec. There are waivers for secondary/sec but not post sec.
Vocational Rehabilitation for Disabled Veterans (Veterans)											
WIA Adults (Labor)	WIA Title 1-B Adult Program	Economic Security	\$17,399,189	\$0	\$17,399,189	JUL 1 - JUN 30	5% admin, 10% statewide activities, 85% to LWIAs	Federal formula -2/3 ratio of unemployed people, 1/3 disadvantaged adult	\$ has 3 year life — 1st in, 1st out. If money stayed around for three years it would go back to DOL, but it won't happen that way.	Part of OMB initiative; GAO — entered employment, employment retention (6 mo after gets job) wage gain/change, education/credential attainment, customer satisfaction	DOL has been very open to waivers — MOUs more for establishing roles and responsibilities, not money sharing. Has one waiver b/c of Privacy Act for youth, providers couldn't provide data needed so got waiver to continue with out data.
WIA Dislocated Workers (Labor)	WIA Title 1-B Dislocated Worker Program	Economic Security	\$12,879,316	\$0	\$12,879,316	JUL 1 - JUN 30	5% admin, 10% statewide activities; Up to 25% statewide rapid response (this year only 10% b/c money needed elsewhere); 60% LWIA dist based on formula set by GOWP	Federal formula — ratio of unemployed people as well as industries in decline, etc.	\$ has 3 year life — 1st in, 1st out. If money stayed around for three years it would go back to DOL, but it won't happen that way.	Part of OMB initiative; GAO — entered employment; employment retention (6 months after new job); wage gain/change; education/credential attainment, customer satisfaction; PART review 2003: NGA — employment rate, retention rate, earnings replacement rate, employment credential rate.	DOL has been very open to waivers — Has waiver for northern LWIAs combining into one big area for dislocated worker services. MOUs more for establishing roles and responsibilities, not money sharing.



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WIA Youth (Labor)	WIA Title 1-B Youth Program	Economic Security	\$20,089,561	\$0	\$20,089,561	JUL 1 - JUN 30	5% admin, 10% statewide activities, 85% to LWIAs	Federal formula — 2/3 based on ratio of unemployed people, 1/3 based on economic disadvantaged youth	\$ has 3 year life — 1st in, 1st out. If money stayed around for three years it would go back to DOL, but it won't happen that way.	Part of OMB initiative; GAO — entered employment; employment retention (6 months after new job); wage gain/change; education/credential attainment; other; PART review 2003: NGA — younger (14-18) = skill attainment rate, diploma or equivalent rate, retention rate; older (19-21) = employment rate, retention rate, 6 months earnings gain, youth credential rate.	DOL has been very open to waivers — MOUs more for establishing roles and responsibilities, not money sharing.
Work Incentive (Labor)	Local grants	Santa Cruz County	\$299,891	Unavailable	\$299,891	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Part of LWIA
Work Opportunity Tax Credit / Welfare to Work Tax Credit Programs (Labor)	Work Opportunity Tax Credit / Welfare to Work Tax Credit Program	Economic Security	\$127,123	\$0	\$127,123	OCT 1 - SEP 30	100% admin (staffing)	Federal formula based on civilian labor force, WOTC/WtW workload, welfare population	Unavailable	Unavailable	
Youth Opportunity Grants (Labor)	Local grants	Pima County Navajo Nation (includes parts of Utah and New Mexico)	\$7,000,000 \$10,300,000	\$0	\$7,000,000 \$10,300,000	n/a — being phased out or significantly reduced b/c of WIA		Local grants based on Federal competitive grant process	Feds are reducing or eliminating program	Monthly/quarterly recruitment rate, penetration rate, enrollment, completion, placement, participation, part/staff ratio for both in school and out of school youth; follow up / retention rate, older youth vs. younger youth	Merged with WIA, and received Youthbuild grant
TOTAL			\$333,480,106	\$58,803,286	\$274,673,806						



# MORRISON INSTITUTE

FOR PUBLIC POLICY

Morrison Institute for Public Policy analyzes current and proposed public policies that are important to the future of greater Phoenix, the state of Arizona, and the nation. Its mission is to conduct research which informs, advises, and assists Arizona's state and community leaders. A unit in the School of Public Affairs (College of Public Programs) at Arizona State University, the Institute is a bridge between the university and the community.

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