

To: Michael Baker and Lora Dhom, Illinois Department of Commerce and Economic Opportunity
From: Carrie Thomas, Associate Director, Chicago Jobs Council (CJC)
Re: Comments on Workforce Investment Act / Wagner-Peyser State Plan Modification

June 7, 2009

Thank you for the opportunity to comment on the Department of Commerce and Economic Opportunity's (DCEO) Workforce Investment Act / Wagner-Peyser State Plan Modification that describes the state's implementation strategies for funding under the American Recovery and Reinvestment Act (ARRA).

Our comments reinforce communication that we have already had with staff both in the Governor's office and at DCEO regarding ARRA implementation. We intend the following comments and suggestions to align with the state's planned strategies as outlined by DCEO in this plan modification, at regional meetings conducted by DCEO in the spring, and presented at CJC's April Member Meeting. We also understand how quickly the state has to develop strategies to implement new ARRA funding and we commend DCEO and the Department of Employment Security for the speed with which this plan was put together and provided for public input. We know that some of the details are still under development and depend on further guidance from the U.S. Department of Labor (DOL), as well as DOL approval of waiver requests. We hope that our comments and suggestions will inform the next steps in implementation.

Because CJC's mission is to ensure employment and career advancement opportunities to people living in poverty, we have looked at the modification to the state plan with an eye towards how the state is planning to meet the specific ARRA goals with respect to low-income individuals, public assistance recipients and people hardest hit by the recession. Based on our review of the plan our comments revolve around two main areas:

- *The need for state-level investment to support the delivery of services and the kind of collaboration that we think is necessary to reach the most disadvantaged populations.* We noticed that many of the state strategies outlined in the plan consist of encouragement to and communication with the local areas about the development of strategies to reach individual job seekers. We recommend below that the state use its discretionary resources to incent the kind of service delivery strategies and collaboration that are needed to reach low-income individuals. Using the state's resources to incent and support local collaboration that includes community-based partners will also support the effective expansion of the bridge strategies that the state plans to focus on.
- *Opportunity to develop specific strategies to reach at-risk youth.* We noted a couple of instances where guidance from DOL requested specific strategies related to at-risk youth, but none were outlined. Because at-risk youth face

unique challenges to labor market participation and success even when the economy is strong, we believe that at-risk youth are more vulnerable in this recession. The transitional jobs and pre-apprenticeship strategies pointed to by DCEO for all youth, are specific strategies that we recommend for at-risk youth, but must be tailored for that population.

The following are comments on specific sections that are consistent with the general ideas outlined above. We present these comments in the order that the sections appear in the state plan modification.

Under **Section I, Question I.C. (p. 7)** we are concerned that the state-level vision articulated is not inclusive of the needs of low-wage, low-skilled job seekers. We read the ARRA WIA provisions and accompanying guidance from the U.S. Department of Labor (specifically TEGL 14-08, p.7) to prioritize low income individuals and the expectation that states will develop "...robust approaches to helping these workers access training and employment services that advance them along career pathways in high-growth industries, and help them gain access to and remain in the middle class." It appears that the expansion of bridge programs is the only state-level strategy to reach low-income job seekers. *We strongly support the investment in bridge programs and building on the work of the Shifting Gears Initiative*, but we have noted in past input to the Shifting Gears Initiative that a continuing challenge for low-income adults is how to remain in an education program when their financial security will always take a priority. Since the current recession only exacerbates this challenge, the WIA ARRA funding is an opportunity to test strategies to help bridge program participants have income while in training—either by connecting to TANF benefits, using "needs related payments" or providing paid work experience opportunities that are related to the training. While local areas have the majority of the resources and can use strategies such as needs-related payments and paid work experience, we recommend that the state use some state-level resources to incent these kinds of strategies.

The response to **Section I, Question I.E. (p.11)** does not appear to outline any strategies specifically targeted to the needs of at-risk youth. We noted that the department is encouraging local areas to implement transitional jobs and pre-apprenticeship programs, and we recommend specific support for using these strategies for at-risk youth populations. We understand that some of the state-level funding may already be committed, but since the local areas don't have to focus services on at-risk youth, perhaps a portion of the state funding could be targeted for that population.

The response to **Section I, Question II (p. 14)** outlines the priorities that the department is going to use its discretionary funds for. In addition to supporting specific industries, we think the state's discretionary funds are an important tool that can be used to incent new service delivery strategies locally. CJC's outreach work across the state has revealed limitations to the WIA system's ability to reach many individuals with barriers to employment. Limited and declining funding has been a serious issue, but the increase in WIA funds combined with the ARRA focus on underserved populations is a critical opportunity to improve access to services and to develop strategies to help them access educational pathways to better jobs.

In order to succeed in skills training and education these populations often require additional services (e.g., case management, academic and career advisement, needs-related payment, tutoring, childcare support, etc.). Many community-based

organizations (CBOs) and community college systems have established programs and services that help low-income individuals successfully complete job training and secure jobs placement. We believe that a successful strategy to reaching this population is through partnerships amongst the WIA system, community colleges, training providers and community-based service providers where disadvantaged job seekers are most likely to show up. We recommend that the department consider the following steps to increase the number of local partnerships amongst local workforce investment areas (LWIAs), community-based organizations and community colleges:

- Competitive grants that use WIA discretionary funds should be inclusive of training for new workers, as well as incumbent workers. We believe this flexibility can accommodate the needs of each sector.
- Competitive grants that use WIA discretionary funds should be administered so that there is an incentive to serve priority populations, as well as other workers. We recommend weighting or giving points to grants that have any of the following :
 - Bridge program components;
 - Paid work experience components;
 - Evidence of partnerships with CBOs or community colleges; or
 - Support services.
- Set aside WIA discretionary funds to provide technical assistance for building partnerships between LWIAs, CBOs, and community colleges, including: facilitating LWIA contracting for training with community colleges and other training entities and developing bridge programs that lead to career pathways.

In the response to **Section I, Question V.B (p. 22)** it appears that the department is relying heavily on local areas to implement strategies and is encouraging them to look at some specific strategies while the state focuses on incumbent worker training. We agree that bridge programs, transitional jobs/paid work experience and apprenticeship programs are good strategies to meet the needs of low-income adults, but we did not see any specific activities outlined to ensure that the local areas will successfully use them. It wasn't clear what "DCEO will work with LWIAs to coordinate state and local accelerated pre-employment training in targeted sectors" refers to in this section, but we would like to reiterate to the recommendations above about incenting local collaboration.

In the response to the questions in **Section 1, Question IX.G (p.26)** it appears that the key state strategy for low-income, low-skilled adults to access training will be through the Shifting Gears Initiative. Please refer to our comments about bridge programs above. We encourage the department to support the Shifting Gears Initiative and the expansion of bridge programs in a way that addresses some of the barriers to participating in bridge programs. We believe that partnerships with community-based organizations that have experience working with low-income adults could be an effective way to make sure that bridge opportunities reach underserved populations.

The response to **Section II, Question III.A.2 (p.29)** outlines the types of cross-system collaboration that the department is conducting. We are very supportive of both lateral cross-system collaboration and state-local collaboration. We have communicated our interest in assisting with collaboration at the local level and want to help ensure that the state has information from frontline providers about both the challenges and opportunities to implementation. Through communications with the Governor's office we previously suggested that a state-level strategy team be convened in order to ensure that priority populations are served through both local

implementation and through the use of state-level discretionary funds. We recommended that the team include DCEO, the LWIAs, the Illinois Community College Board, Community Colleges, and community-based organizations (CBOs). At a minimum, the team should set a goal for the number of new community partnerships that will be created that include LWIAs, CBOs, and community college training providers, and determine ways to promote and support such partnerships. The goal of the partnerships would be to implement strategies that enable low-income people to better access and succeed in workforce training.

After more than five years of outreach and technical assistance conducted with workforce and economic development stakeholders in communities outside of the City of Chicago CJC is well-positioned to help with local cross-system collaboration in areas that have few resources to build local capacity. We also think that that a strategy team would enhance DCEO's encouragement to local areas outlined in the response to **Section II. Question IX.C.3.a (p.43)** to reach out to community colleges "to investigate innovative methods of partnering to provide increased access to training," as well as enhance the effective implementation of new bridge programming so that it reaches currently underserved populations (see related comments above).

We noted that there were no specific policies or strategies described the "ensure local areas implement activities that support out-of-school youth" in the response to **Section II Question IX.E.1**. While the response does outline a number of youth programs, we know that out-of-school youth face unique challenges (such as those associated with being a teen parent or having to be economically independent) and may not be connected to traditional youth service delivery systems (like schools). We are pleased to see that both transitional jobs and pre-apprenticeship programs were suggested strategies elsewhere and wonder if state-level ARRA funds could be used to ensure outreach and support services to ensure participation by out-of-school youth.

Lastly, we noted under the response to **Section III Question VIII.G.2 (p.72)** the reference to a new "Illinois WIA Economic Stimulus Forum." CJC would be interested in knowing more about this site and helping to promote its use with workforce and economic development stakeholders that we work with around the state.

Thank you again for considering our comments. We would be happy to discuss the comments and suggestions at any time. Please feel free to contact CJC's Associate Director, Carrie Thomas at 312-252-0460 x309 or carrie@cj.net.