

May 20, 2005

Laura Dhom
Illinois Department of Commerce and Economic Opportunity
620 East Adams, 5th Floor
Springfield, IL 62702

Dear Ms. Dhom:

On behalf of the Board of Directors, organizational members, and staff of the Chicago Jobs Council, I am submitting the following comments on the Illinois Department of Commerce and Economic Opportunity and the Illinois Department of Employment Security's Draft Strategic Five-Year Plan for Title I of the Workforce Investment Act of 1998 and the Wagner Peyser Act.

Our comments focus primarily on three parts of the plan: 1) the Governor's vision; 2) waiver requests; and 3) and improving services to at-risk populations. Additional clarifying questions and suggestions are also included, organized chronologically to correspond with page numbers. Given the tight timeframe provided by the federal government, we congratulate you on the plan's level of detail and clarity and appreciate the opportunities provided by the state to shape its content. We hope you will consider sharing a summary of the comments received by various stakeholders and your response to the comments, as was done for state's the first five-year plan.

Governor's Vision

CJC has been a strong and long-term advocate for a workforce development system that is closely aligned with economic development needs of the state. We have supported and participated in the Critical Skills Shortages Initiative (CSSI) in both the Northeast Economic Development Region as well as the efforts in Winnebago-Boone counties. With *sustained* support from the DCEO, we believe CSSI is a promising effort to address needs of many businesses and workers in the Illinois. However, we are concerned with the emphasis that the plan places on CSSI as the mechanism to address the educational and workforce needs of all of Illinois' workers. Because each of the Economic Development Regions' will be evaluated according to the number of shortages addressed within a short time period and current skill shortages are concentrated in technical, not entry-level positions, efforts to address individuals with limited skills are not being supported through the CSSI initiative. Descriptions of CSSI throughout the document purport otherwise, describing it as an effort that will build a pipeline of workers and address long-term supply issues (see pages 67 and 77, for example).

We believe that a more holistic vision must include a coordinated, educational system that will prepare workers for good jobs important to Illinois' regional economies. The state's response to I.C. on page 4 regarding a vision for continuum of education and training opportunities briefly cites a few priorities of the state but there are no details. This section should be expanded to include a description of how the state will build the skills of people with limited work experience (e.g. transitional jobs programs), expand access to college (e.g. bridge programs and/or dual high school/college credit), and coordinate college level programming to meet employer needs (e.g. career pathways). The labor market section emphasizes the growing demand for educated workers (page 51) yet career pathways are only mentioned once in the plan (page 133). There is also little discussion throughout the plan about how DCEO will work with other state agencies such as the Illinois Department of Human Services and the Illinois Department of Corrections to engage individuals who are just entering or reentering the job market.

Request for Waivers

1) *Use of ITAs for Out of School Youth*: We support the request for a continuation of the waiver that allows out-of-school youth to obtain Individual Training Accounts. We hope you will encourage local areas to engage out-of-school youth providers in a discussion about how to achieve effective implementation of this waiver. To date, we understand that few providers and youth know that of this opportunity, funds have not been set aside to train this population, and few appropriate training options exist.

2) *Co-enrollment of TAA Participants*: The state should be responsible for the provision of case management services to TAA participants and it makes sense to coordinate the delivery of these services with the one stop system. We also think that Illinois makes a sound argument for not including TAA participants in the WIA performance measures. However, we do have several concerns about the potential impact of this waiver: 1) limited WIA resources may be redirected to serve TAA participants when there are not enough resources to meet the needs of current WIA registrants; 2) core and intensive service providers may experience a larger case management burden without receiving additional resources; and 3) it is not clear whether TAA participants would be able to continue getting training services without having to jump through additional hoops of having to get registered at a local one stop (oftentimes a long and bureaucratic process) or if effective training providers will have engage in reverse referral (a system that often results in customers "falling through the cracks").

3) *Incumbent Worker Training*: While we support local flexibility and a demand-driven system, we do not support this waiver request as currently crafted. Limited public resources should not be granted to employers to train managerial and/or skilled employees that they might otherwise train on their own. Also, state-funded programs such as the Employer Training Investment Program can already be leveraged for this purpose. We especially oppose the allowance for local areas to use youth funding, since eligible WIA youth will almost definitely not be among the incumbent workers that get trained. In order to promote career advancement, we would support a waiver that allows local areas to redirect a

percentage of adult and dislocated worker funds to support entry level and low-wage employees.

4) *Other*: The State should make a case for a waiver that would allow a limited number of disadvantaged individuals to be excluded from WIA performance measures so that local areas can experiment with different models for serving very hard-to-serve populations. Additionally, the state should apply for a waiver request that would allow the state to commingle Title I and Title II funds to support integrated training programs (e.g. bridge programs) and have the registrants be evaluated according to only one set of measures (either Title I or Title II). CJC would be pleased to participate in a discussion or in a task force of the Illinois Workforce Investment Board aimed at figuring out the details and argument for either or both waiver idea(s).

Targeting At-Risk Populations

The initiatives that DCEO and other state agencies have undertaken to support at-risk populations (described in the Executive Summary, pages viii-ix) appear to be promising. Our members are interested in monitoring the implementation of these projects and hope that the state will make an ongoing financial commitment to any and all of the pilots that achieve effective outcomes. Some hopes are that the K-12 Career Development Program promotes nontraditional career options for boys and girls and that the E-Learning Pilot does not have the unintended consequence of pushing students out of school because this option now exists.

Despite the state's commitment to new innovative pilots, the plan does not include a comprehensive approach to serving at-risk populations. The WIA legislation defines special populations as being low-income and either an offender, limited English proficient (LEP), homeless, or "other," as defined by the Governor. In Illinois, the Governor has designated people with disabilities as a special population.

While several of the aforementioned initiatives begin to address the needs of people with disabilities, there are no specific initiatives aimed at improving services or integration of services to the other special populations defined by WIA. People with limited English proficiency are mentioned only once in the plan on pages 154-155. CJC is unfamiliar with the cited state's efforts to provide technical assistance to local areas to serve the LEP population equitably and are concerned, based on anecdotal evidence, that translation services are not often available. We saw no specific mention in the plan of services for the homeless population and only IDES' RESP program is mentioned as targeted services for offenders. The state must make a more concerted effort to provide information about best practices for serving *all* WIA-designated special populations and should use a portion of the Governor's WIA set-aside funding to ensure that these populations are getting served through models such as transitional jobs programs.

A proven strategy for ensuring that at-risk populations are better served in the one stop system is to coordinate and contract with community based organizations (CBOs) and faith based organizations (FBOs) that have expertise in recruiting and retaining this population. CJC supports the state's recent creation of one stop portal as a way to provide increased access to information by customers and to include CBOs and other providers in the system.

We feel however that the state's response to IX. H. regarding strategies for engaging community and faith based organizations is lacking. Although some CBOs and FBOs do receive WIA contracts and/or on the state certified training list, we have found that the majority do not understand or know what services are available in their local one stop system. Many believe that the one stop centers are not meant to serve at-risk populations. The state should encourage local workforce investment boards to engage in partnerships with CBOs and FBOs to leverage respective resources and to ensure that at-risk populations are better served. On a positive note, the state has made very good use of CBOs in rapid response activities such as pre-layoff workshops and job placement activities.

Although the state released guidance to local areas regarding the option to contract training for special populations (as referenced on page 78), we are unaware of this option being used by local workforce investment boards. In fact, we remain very concerned about the lack of customer choice that disadvantaged individuals have in the WIA-funded training system. The state says (on page 104) that customer choice is a priority objective of its WIA training system. Further, on page 124, the plan says that local boards are encouraged to provide preparatory training for populations with special needs. CJC believes the state should take a more proactive stance when it comes to ensuring that local areas are providing training for disadvantaged populations and should, as a place to start, begin by evaluating current training options available to adults without a high school diploma in each local workforce investment area.

Clarifications and Suggestions

The balance of our comments focus on parts of the plan where we thought language might be modified or added to strengthen the content.

Executive Summary

- p. xii. Why are procedures for serving Veterans, limited English populations, and migrant and seasonal farm workers described for Wagner Peyser and not WIA implementation?
- p. xii. Please clarify that the Illinois Workforce Development System (IWDS) supports the one stop system, not just Illinois' One-Stop centers. A significant number of WIA registrants in Chicago are served by affiliate providers that are also supported by IWDS.

I. Governor's Vision

- p. 4. Please provide the timeline for the release of the remaining three Opportunity Returns plans.

II. Governor's Investment Priorities

- p. 14. Chart 2. Please clarify the funding source(s) for the Opportunity Returns projects.
- p. 17. IDES' Re-Entry Services Program is a statewide program, not Chicago only.

III. State Governance Structure

- p. 18. Add the Job Training and Economic Development (JTED) program to the list of DCEO programs; Add the Re-entry Services Program (RESP) to list of IDES programs.
- p. 21. CJC supports the restructuring of the Illinois Workforce Investment Board to include task-oriented committees; however, the current structure lacks an implementation

structure. The IWIB is the designated body to advise the Governor on ways to implement his vision yet it is not clear how non-Board members can engage in shaping this process. There needs to be a more conscientious effort to engage more stakeholders in the committee level work of the Board.

- p.26. It is not clear what the state will do to address the current lack of knowledge about how funds are being spent locally (as mentioned in the paragraph on performance and program accountability). It is cited as a problem but no solution is identified.
- p. 28. We strongly support the inclusion of Women Employed's Career Coach in the one stop portal. This career information tool is very easy to use, written at an accessible literacy level, and allows consumers to customize career plans.
- p.31. CJC understood that no CSSI grants to develop career-specific web portals were given to individual economic development regions because of DCEO's plans to invest in a career portal that would serve the entire state. We have not seen mention of such a portal in either the Health Care Task Report's final recommendations or in this plan. Is it still the intention of the state to launch a portal for consumers to get career information, job listing, educational and certification information, etc?
- p. 36. Under the current administration, it has become much more difficult to find out information about the meetings of the Illinois Workforce Investment Board. It is not clear how to get on the email and/or mailing list for information about the meetings and it is not clear what website the state is using to post information about the meetings. More transparency and advance notice of meeting schedules is needed.

IV. Economic and Labor Market Analysis

- p. 49. Retention of younger workers is cited as a major concern of employers but service delivery activities do not appear to address this need directly.
- p. 51. English Language is ranked as the second most needed skill by employers, yet the plan's discussion of English acquisition and integration with ESL and adult basic education programs is almost nonexistent.
- p. 59. The chart is confusing; the numbers appear to be very low.

V. Overarching State Strategies

- p. 68. Please mention that the state's policy letter on training also included an option for LWIBs to contract training for special populations.
- P. 68. Can you quantify how many of WIA training completers secured employment with small businesses?
- p. 72. Although we fully support any efforts by the state to create incentives for LWIBs to serve at-risk youth, there continues to be challenges for providers serving this population to meet WIA performance measures. The state should encourage LWIBs to build the capacity of these providers to manage and meet WIA performance expectations. LWIBs should also be flexible, to the extent possible, with providers who are serving the most at-risk youth such as homeless and juvenile offenders.

VI. Major State Policies

- p. 76. Providers are very pleased with the state's move to a web-based tracking system however there are some implementation challenges with the Illinois Workforce Development System that still need to be addressed (eg. Individual providers complain

about difficulty with retrieving reports out of the system on their own data, getting knocked off the system when entering data and having to start all over again).

- p. 87. The Business Service Teams should include representatives from locally-contracted community organizations and other workforce development providers such as the affiliate organizations in Chicago. Employers continually express their appreciation for coordinated job placement efforts so it is best to include all the job development staff in a local area.
- p. 88. A description of RESP should be included in this section.

VIII. Administration and Oversight of the Local Workforce Investment System

- p. 95. The timeline for local areas to develop new plans or make modifications to existing plans is not clear. Also, do new local plans and/or modifications require a public comment period?
- p. 102. Under “Solicitation and Recommendations,” clarify that this process occurred for the development of the first five-year plan, in year 2000.
- p. 112 (also p. 138). The state’s vision regarding coordination of one stop partners is too narrowly focused on their respective roles in the one stop *centers*. Perhaps this is driven by the MOU process and the determination of shared administrative costs for the centers. However, CJC believes there are many more creative options for leveraging partners’ resources in the system. For example, TANF employment and training funds could be used to fund support services for low-income college students or Food Stamp employment and training funds could support a six month transitional job program for low-income individuals including ex-offenders who enter a one stop center and are determined as not yet ready for job placement services. This section and the state’s approach to coordination of one stop partnership should be broader.
- p. 122. Please clarify that the establishment of the two working groups for the creation of on-the-job and customized training performance information policies was for the development of the first five-year plan, in year 2000.

IX. Service Delivery

- p. 135. With the state’s new emphasis on access to training, this part of the plan should provide clearer guidance on sequential access to services. Too many local workforce investment areas still interpret access to services as a work first system and approach. Also, the list of services should include remediation of barriers and case management.
- p. 136. Please describe outcomes of and plans for improving Illinois Skills Match.
- p. 143. Please mention contracts for special populations as an alternative under exceptions to the use of ITAs.
- p. 186. When will proposed performance levels for Title IB be available?

X. State Administration

- p. 191. Can the state track outcomes of persons receiving training services according to how training was delivered (on-the-job, customized, ITA, contract for special population)? For future evaluation purposes, it would be extremely useful to be able to compare the different services received by similar customer populations.

In closing, thank you again for the opportunity to comment on the state's draft WIA Title I and Wagner Peyser plan. We hope there will be a similar, perhaps even more inclusive process, to help the state make significant policy decisions that will come with the impending reauthorization of WIA. I can be reached at 312-252-0466 or whitney@cj.net should you want to talk about or respond to any of the comments included in this letter.

Sincerely,

Whitney Smith
Associate Director

Cc: Therese McMahon, IDCEO, Deputy Director, Workforce Development Bureau
Julio Rodriguez, IDCEO & staff to IWIB Ad Hoc Committee on State Plan
Jim O'Brien, Consultant to IDCEO on State Plan
David Hanson, Mayor's Office of Workforce Development
Linda Kaiser, Chicago Workforce Board
Bashir Ali, Illinois Workforce Partnership