

WIA Reauthorization Testimony

**Clyde McQueen, President/CEO
Full Employment Council, Kansas City, MO
Fiscal Agent / One-Stop Operator
Kansas City & Vicinity and Eastern Jackson County
Workforce Investment Boards**

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Good Morning, Madam Chairman and Members of the HELP Committee:

My name is Clyde McQueen, and I have the privilege of serving as the Chief Executive Officer of the Full Employment Council, the Regional workforce agency for the City of Kansas City, Missouri, and the surrounding Counties of Jackson, Clay, Platte, Cass and Ray. This area covers 2,700 square miles with a population of 1,091,900 in urban, suburban, and rural areas.

I am fortunate to be representing the Kansas City Region, where business, organized labor, community and governmental leadership forge local partnerships to assist its citizenry. I have served in my career as an Economic Development Administrator, a State Workforce Development Director, and Regional Workforce Chief Executive, during every economic downturn that has occurred since 1978.

I am honored that the Senate has asked me to speak on the Reauthorization and Modernization of the Workforce Investment Act, as we face unprecedented challenges and opportunities to develop the skills of our workforce to compete in the global marketplace of the 21st Century.

In serving this diverse Region of major corporations, small businesses, Adults in Career transition, or Youth beginning their career journey, the Kansas City Regional workforce system has achieved significant successes. These accomplishments have occurred as the Kansas City Regional workforce system has been:

- Conveners of results-oriented partnerships
- Catalysts for innovative workforce strategies that serve growth industries and generate financial support
- Strategic leadership for the compilation and distribution of real-time workforce information
- Career Navigators steering through career pathways for Disconnected Youth, Low-Income Adults, Dislocated Workers and other Job Seekers in their search for meaningful careers and family-supporting incomes.

This bi-state Region is home to General Motors (Chevy Malibu production), Ford (Escape & F-150 truck production), Harley Davidson (V-Rod production), Garmin (GPS production), H & R Block Corporation, Cerner (medical records technology), Hallmark Cards and Sprint. There are at least 24 hospitals and innumerable nursing home facilities in the area. The most current May 2009 Regional rate of unemployment is 9.6% and the City of Kansas City's unemployment rate is 11.6%. There are 21 school districts, two State community college systems, and two major State university systems.

AN EXEMPLARY ORGANIZED LABOR PARTNERSHIP

The Organized Labor partnership is crucial to the local workforce system in the Kansas City region. We have achieved success with results, by working closely with the Greater Kansas City AFL-CIO, and its President, Bridgette Williams, in developing local workforce projects and programs. This partnership has led to the development of a pre-apprenticeship program, "known as Project Prepare", administered jointly by the Greater Kansas City AFL-CIO and the Full Employment Council. This program targets low income women, minorities and youth for apprenticeship opportunities in the various construction trade unions. We also work closely with the Heavy Highway Constructors Association, the Builders Association of Kansas City and the Mechanical Contractors Association. This initiative facilitated the creation of a Workforce Ordinance that established a First Source agreement, in which Kansas City residents are given the first opportunity to apply for jobs created by city-funded or tax-abated construction. In addition, it sets goals for hiring women and minorities for all construction trades and apprentice programs. This ordinance provides oversight by a city-appointed Construction Workforce Board that recognizes superior performers in this effort, as well as levies sanctions for non-compliance.

Project Prepare has also been effective in working with the Local Firefighter's Union to recruit and screen potential applicants to be trained as cadets for the City of Kansas City, Missouri, as well as the City of Independence, Missouri Fire Departments.

This organized labor partnership has also been effective in working with employers and their workforce(s) impacted by the economic downturn. An example of that partnership includes the workers of the Machinists Union impacted by the American Airline Overhaul Base downsizing at the Kansas City International Airport. In the previous four years, these reductions which have impacted at least 1,000 employees, the Kansas City Workforce System has worked efficiently with labor/management transition teams to provide on-site services for Union members. These services have included the hiring of Union peer counselors; the establishment of on-site computerized resource rooms to facilitate easy access to career center services; the implementation of "Fast Track" entrepreneurial training programs; and the implementation of on-demand training for emerging growth industries. Dislocated Union workers can access the bi-state individual training account system (ITA) to access multiple training options at community colleges, universities, vocational schools, and proprietary training institutions.

This partnership has received over \$400,000 in support from the City of Kansas City; \$200,000 in support from the Missouri Department of Transportation; and significant in-kind support from various construction trade unions. This partnership has also led to community dialogue between the unions, construction contractors, City administrators, community residents, and the Workforce System, and resulted in developing a common vision and approach for addressing training and workforce needs in the construction sector, as well as other skilled occupations.

SECTOR PARTNERSHIP: HEALTHCARE / WORKFORCE SYSTEM INCREASES NURSING STUDENTS AND NURSE EDUCATORS

The Kansas City Regional Workforce System, in collaboration with the Kansas City Metropolitan Healthcare Council, has generated over \$2 million dollars in public and private funding to reduce the shortage of nurses in the Greater Kansas City Region; increase the number of nurse educators; and increase the training capacity of local schools, community colleges and other secondary educational institutions.

This local Workforce System / Healthcare partnership led to the development of a Nurse Preceptor Academy that provide mentors for new nurses and nursing students; provides financial support to nurses pursuing masters' degrees to become nurse educators through a \$500,000 privately-funded bi-state scholarship program administered by the Full Employment Council; and establishes a bi-state workforce system protocol that governs how Missouri and Kansas Workforce Systems interact with Missouri and Kansas Hospital programs in the Region bordering the State Line. This partnership also increased the number of nursing students by 30% or 300 nurses.

This close association with the Healthcare industry also led to the first Healthcare online training program in the Region through Truman Medical Center (Kansas City, Missouri's public hospital), where licensed practical nurses are trained to become registered nurses on the hospital premises by Excelsior College of New York. Tuition costs are funded equally by the Kansas City Workforce System and Truman Medical Center. This online training program reduces the impact of childcare and transportation expenses on trainees; increases the number of registered nurses at the public hospital; and significantly increases the wages of training graduates.

SUCCESSFUL BOARD MEMBER PARTNERSHIPS LEAD IN SUPPORT OF THE WORKFORCE SYSTEM

Great Plains Energy / Kansas City Power & Light has maintained a successful workforce partnership with the Workforce Investment Board over a span of 20 years. Initially, this partnership was established to provide summer interns to KCP&L's facility, but has now evolved to placing persons in their plant operations, such as utility linemen and responding to other career opportunities resulting from retirements and transitioning of an aging workforce, and implementation of "Green" technologies. In addition to utilizing the career center system for its corporate workforce needs, Kansas City Power & Light has been a financial supporter of the local Workforce Investment Board,

providing over \$2 million dollars in private funding to support career center programs. Kansas City Power & Light's Senior Vice-President and Corporate Secretary, Barbara Curry, also serves as Chairperson of the Workforce Investment Board. Great Plains Energy/KCP&L has been the community leader in Workforce/Economic Development partnerships.

The Board members of the Kansas City/Eastern Jackson Workforce Investment Boards have created the opportunity for the local workforce system to innovate, and move beyond traditional workforce approaches. Strategies working with Organized Labor; linking with Economic Development entities; developing sector-specific initiatives with manufacturing, healthcare, and bioscience training; developing innovative training course design and delivery; and innovating fund development are driven by the Board members who have created opportunities within their own organizations, affiliates, or organizational peers.

LOCALLY-APPOINTED BUSINESS LED WORKFORCE SYSTEM

The appointment of a Local/Regional Workforce system by Local Elected Officials has increased Workforce System responsiveness, resulting in a more user-friendly Workforce System that meets business and job seeker needs, as determined by the Board of their respective Regions. As mentioned previously, the Full Employment Council serves as the One-Stop Operator/Fiscal Agent for two Workforce Investment Regions that border each other, yet are unique in their constituent and employer market. These Boards incorporate similar, but distinct job training approaches, yet have reduced operational/administrative costs by using the same operational entity. These Boards, in partnership with their local elected officials, have effectively determined structure and service delivery, budget, strategic priorities, and board size.

This approach has generated substantial local financial support, and reduced duplicate workforce systems in two regions.

EDUCATIONAL PARTNERSHIPS FOR JUST-IN-TIME / IMMEDIATE RESPONSE TRAINING

In the Kansas City Region, we have formed partnerships with four-year colleges, vocational schools, proprietary schools, Job Corps and community colleges to develop a just-in-time/immediate response/credentialed training system. The foundation of the partnership is the Missouri Department of Secondary and Elementary Education retained by the Workforce Investment Boards to verify and certify the curriculum and training to be provided by potential training vendors. DESE approval is necessary before training can be assessed by job seekers enrolled in the local Workforce System. This system enables the Kansas City Region's job seekers to access training programs that cover both Missouri and Kansas, including its 8 county areas, as long as the programs meet DESE criteria. Training Providers include proprietary schools, community colleges, vocational schools, universities and private training establishments.

The time frame of semester-based skill training has become increasingly incompatible with the quarterly business cycles of employers or the fierce velocity of global competition. Utilizing only semester-based training compromises the ability to be proactive in meeting workforce needs required by economic expansion, or respond to sudden economic dislocation. Therefore, the Region has prodded training providers to create more on-demand and just-in-time training courses to respond to the ups and downs of Regional economies.

The Metropolitan Community College of Kansas City responded by reorganizing its administrative structure to provide immediate response to on-demand/customized training needs. This realignment has led to immediate response training courses in Advanced Manufacturing, Certified Medication Technician, and Welding, to name only a few.

The University of Central Missouri based in Warrensburg, Missouri, with local branches in the Region, has responded by providing on-demand courses in Healthcare, Weatherization, Warehouse / Supply Chain and Customer Service careers.

In March 2009, the University of Kansas responded by initiating a course in Bioscience Technician training. Vocational and proprietary schools have other job-related fields. This diverse and growing menu of on-demand training in the total post-secondary training structure increases responsiveness to Job Seekers and Employers.

ECONOMIC DEVELOPMENT PARTNERSHIPS THAT HELP EXISTING BUSINESSES TO BE RETAINED OR TO EXPAND IN THEIR REGION

Economic Development Partnerships are necessary to provide assistance to businesses to keep them in the area, or help them to expand. The Full Employment Council served as the catalyst to form a Regional Business Retention Council, whose sole purpose is to assist existing businesses in Retention and/or expansion efforts. The Council is comprised of the Economic Development Partners on the WIB, as well as those in the Region.

The Business Retention Council (BRC) is a diverse conglomerate of Economic Development agencies in the Region that includes:

- The Economic Development Corporation of Kansas City
- Clay County Economic Development Corporation
- Lee's Summit Economic Development Corporation
- Independence Council of Economic Development
- Blue Springs Economic Development Council
- The Liberty Partnership for Growth
- The Greater Kansas City Chamber of Commerce
- Richmond Chamber of Commerce
- Grandview Chamber of Commerce
- Grain Valley Economic Development Corporation

Members of the Business Retention Council make on-site visits to existing businesses to determine their needs in workforce, financing, marketing, etc., and begin immediately to accommodate their requests. A Business Retention Coordinator hired by the Full Employment Council, serves as the primary contact for the Economic Development Agencies and coordinates the total Workforce System support to the client businesses in this effort.

In the last two years, over 367 businesses have been provided support and 837 jobs have been retained or added through this effort. Funding to support this effort for the upcoming year has been provided by the Governor's 15% fund, and the American Recovery and Reinvestment Act (ARRA) Stimulus fund.

Another critical support agency has been the Manufacturing Extension Partnership (MEP), a program funded by the U.S. Department of Commerce in all 50 states, to provide technical support to manufacturing companies to increase their efficiency, and market penetration for their products. Missouri Enterprise, the State of Missouri's MEP program, has provided technical support to over 50 companies identified through the Business Retention Council in areas of business, such as Energy and Efficiency audits and Supply Chain analysis. This technical support is highly valued by companies assisted by the Business Retention Council.

THE KANSAS CITY WORKFORCE SYSTEM AS A "CAREER NAVIGATOR" THROUGH CAREER PATHWAYS FOR DISCONNECTED YOUTH, LOW-INCOME ADULTS, AND DISLOCATED WORKERS

The Full Employment Council has been a catalyst in facilitating and developing career pathways and employment opportunities for economically disadvantaged/ disconnected youth through enrollment in universities, community colleges, vocational/ proprietary schools, and apprenticeship programs. The Workforce Investment Board has introduced the 21st Century Workforce Scholarship program to provide tuition scholarships in healthcare, manufacturing, and bioscience careers. The Kansas City Region sponsored the "Dream It Do It" campaign to promote manufacturing careers as viable options for young adults and successfully raised the visibility of manufacturing careers.

In addition, the Workforce Investment Board has led local efforts to promote youth employment policy and programs designed to facilitate employment opportunity and work advancement. In September 2009, a partnership of the Full Employment Council, Kansas City Public Library, Kansas City Parks and Recreation Department; and Black Archives of Mid-America will open a 20,000 square foot LEED-certified "Green" facility. This facility will house an education and resource facility highlighting the historical accomplishments of African-Americans in the Midwest, and a Youth Opportunity Career Center focusing on education and career pathways for Low Income/Disconnected Youth.

This \$2.5 million dollar historic facility is locally funded, but was initially seeded through \$300,000 in grants leveraged by the Workforce Investment Board. This center is adjacent to the Negro Leagues Baseball Museum and the American Jazz Museum in the 18th Vine Street Historic Jazz area. This focus on post-secondary training opportunities and careers for youth was further reinforced in the Summer Job Program funded through the American Recovery and Reinvestment Act. Each high school or GED graduate that successfully completes the 8-week summer internship will be provided a \$1,000 scholarship to attend a vocational school or community college, or a \$500.00 book scholarship to attend a four-year institution.

The Kansas City & Vicinity Workforce Investment Board has been a programs catalyst and convener in developing career pathways for low income populations such as Project NOW (New Opportunities for Work.) The Missouri Career Center worked with the University of Central Missouri and Metropolitan Community Colleges to develop training courses that combined basic education course work to increase basic skills or GED certification; skill training courses to acquire a specific skill credential; and career readiness skills that emphasize teamwork, conflict resolution, and problem solving. These courses were provided at accessible community training sites or at local career centers. These training formats have increased the participation of basic skill-deficient clients and high school dropouts in job skill training programs. This has led to the development of an entirely new design of coursework for basic skill-deficient persons in customer service, warehouse/supply chain management; certified medical technician; certified nurse assistant careers; and will lead to more and a greater variety of career pathways.

THE LOCAL WORKFORCE SYSTEM AS AN “INNOVATION SYSTEM”

Innovation, entrepreneurship, workforce development and resource leveraging are critical in order for the Workforce System to become a catalyst and convener as has been outlined. The 501c3 status of the Workforce Investment Boards, and Full Employment Council as the One-Stop Operator, provides the ability to leverage local public and private resources as it mobilizes the region to move forward with different workforce approaches not readily available as an option for governmental agencies, primarily due to the preference of philanthropy to support non-profit agencies. This organizational framework has resulted in 91% of the prototype programs undertaken, attracting private funding and local government financial support. The governor’s 15 percent reserve has been the primary seed funding in the majority of these special initiatives because of its spending flexibility. This “demonstration” funding is critical to spurring new program design and innovation in the local workforce system.

THE ONE-STOP CAREER CENTER

The One-Stop Career Center concept has also been an organizational platform that has led to resource sharing; better job seeker and business access to program services; and workforce and labor market information sharing that enables the local system to more effectively serve job seekers and employers. This co-location and enhanced

customer information function helps career counselors to use more accurate/real-time job market data to assist job seekers in making informed training and career choices. Simultaneously, the assimilation of data relating to the skill, work histories, and training options of career center job seekers is of major strategic importance to employers as they determine how to meet their workforce requirements in the region.

GREEN JOB INNOVATION

The Kansas City & Vicinity Workforce Investment Board has launched a number of Green Career initiatives as a result of receiving ARRA Stimulus funds. Working in partnership with the Metropolitan Energy Center and the University of Central Missouri, the first curriculum for career pathways for green jobs was established in the Kansas City & Vicinity Workforce Investment Board Region. This initial career pathway begins as a Weatherization Technician; transitions to an Energy analyst; and culminates in an Energy auditor. The first 12 graduates of this program as Weatherization Technicians graduated in June 2009, and 10 of them have secured employment in the field. The Metropolitan Community Colleges in Kansas City, Missouri have also initiated a number of new course offerings in Green Careers that will become a part of their on-demand course offerings. Across the State Line at Johnson County Community College in Kansas, an Energy Auditor Certification Training program has been in existence for over a year.

The Full Employment Council is also a Training Agency Designee for the Green Impact Zone, a special impact area of the 5th Congressional District, which targets 150 blocks of an area with some of the highest numbers of unemployment, poverty, and distress in the area. The zone will have a targeted focus on resources from job training, to housing, to transportation in a focused effort to reduce unemployment and economic decline. The Full Employment Council will be a part of the Community Impact Team to provide intensive assistance to this area.

Despite the success enjoyed by the Local Workforce System, there are areas of the law that must be changed or eliminated:

- 1) Public Sector Board Membership must be reduced unless the local Board determines it is a strategic value. Mandated public appointments increase Board size to sustain a business majority, and make quorum requirements difficult to achieve.
- 2) Mandated local partnerships must be eliminated unless the non-WIA partner also contributes funds to the Local Workforce System. Presently, the partnership agreements as configured, place all accountability and funding on the Local Workforce System and minimal reciprocal accountability from the non-WIA partner.
- 3) Youth Eligibility Requirements must be minimized to increase the services to Youth most in need (Low-Income and other barriers to employment.)

However, local options for determining eligibility, such as documentation from a TANF agency or Food Stamp entity could be a substitute for income information verified through check stubs.

INNOVATION-POLICY RECOMMENDATIONS

- 1) A Local Innovations budget. To support maximum two-year programs or projects that creates, enhance or expand training options/results for Low Wage Workers, Disconnected Youth, as sector-based training. The objective would be to increase training participation, require wage gains in target populations, or market penetration in specific industry sectors.
- 2) Establish a Training “Smart Pass”. To be used to facilitate the referral and enrollment of Economically Disadvantaged clients presently participating in HUD, HHS, or other DOL programs that are seeking training services. An Electronic Referral from these agencies would satisfy eligibility and audit requirements for the WIA Program, for enrollment or referral to appropriate workforce programs.
- 3) Establish a stand-alone Career/Internship/Summer Jobs program. Primarily for 16-24 year old Youth, focusing on subsidized employment experience that leads to a GED / H.S. diploma; enrollment into community college, vocational school, a four-year institution with certificate programs; enrollment into an apprenticeship or employment. This internship could be available anytime during the year for an 8-12 week period.
- 4) Adopt measures that reflect job placement, retention, earnings, and credential attainment. Discourage measures that encourage low investment approaches or discourage serving hard-to-place clients.
- 5) Funding to reflect the reality of a “Global Skills Competition. The United States must skill up its Youth and Adult populations at an accelerated rate to compete in the world market, and to make the economic adjustment necessary to arm large and small business with a skilled and agile workforce. This became evident to me as I looked at the formula budget that was provided to our Region for PY2009, leading to a 12% decrease in our formula funds. This decrease was offset by our ARRA budget, which provided needed relief to meet the 400% increase of clients in our system. However, it was unsettling that in a time when our unemployment rate is 10% in Kansas City, the highest recorded in 25 years, that without ARRA, our budget would be cut by 12%. I would recommend some type of budget “fail safe” mechanism that would act similar to the unemployment insurance mechanism that would trigger training fund budget authority when severe economic downturns occur.

In addition, employment and training budget authority has remained the same since I made the transition to the Workforce Development System from Economic Development more than 26 years ago, while its purchasing and programming ability has been severely diminished by the tremendous tuition increases in the post-secondary training system. We must strive for a target budget allocation of between \$7 billion to \$9 billion dollars to compensate for this erosion of purchasing power to the system.

In closing, I appreciate this opportunity afforded to me to be here today and look forward to working with you to increase the skills of our workforce in the present and future.