

# A Review of The Coordination of Utah's Employment and Training Programs

## Chapter I Introduction

For nearly two decades, different groups have tried to find ways to coordinate the state's many job training, employment, and vocational education programs. During that time, several groups proposed a number of organizational changes designed to streamline the system, improve customer service and reduce program costs. However, none of these proposals received much attention from either the Legislature or the Governor. As a result, the state faces many of the same coordination problems today as it did twenty years ago.

The state's Job Training Coordinating Council is currently developing a number of new coordination procedures that they believe will address the problem of interagency coordination. Like previous groups, they are approaching it as an organizational problem that can be resolved through organizational changes and new procedures. While we are encouraged by the tremendous amount of work the council has done, we believe their efforts will produce only a modest improvement in interagency coordination.

Instead, the fragmentation and duplication within the system need to be viewed as symptoms of a more fundamental problem having to do with power and politics. It is a problem caused by the natural tension between several different federal and state systems required to provide similar employment and training services to overlapping client populations. The differences between these agencies have encouraged them to compete for control over clients and funds. These differences have also led to disputes over who has the authority to oversee statewide planning and oversight of employment and training programs. In our opinion, if the Governor and the State Legislature want a coherent work force development system, they must resolve a number of complex issues in order to ease the conflicts among these agencies. This report recommends a strategic planning process that will help the state do this.

### **Work Force Development is Critical to the State's Economy**

In order to remain competitive in a world-wide economy, having a coherent work force development system is becoming increasingly critical. Most countries now have access to the same types of natural resources, capital equipment, and technology. This means the competitive edge is held by those nations with the most highly trained workers. If workers in Utah do not acquire the skills required in today's high-tech work environment, it will become

increasingly difficult for employers in the state to continue offering its workers wages higher than those offered in other countries.

Currently Utah has an outstanding system of public and higher education and has more college-educated residents than almost every other state. However, many predict that future job growth will be highest in those fields requiring vocational and technical training instead of a college degree. One expert who has studied Utah's work force said:

*Utah faces an acute shortage of technically trained people--particularly of people trained in skills demanded in the modern work-place such as computer-numerically controlled equipment, computer-assisted design, and integrated manufacturing. Although the shortage is nationwide, it is particularly acute in Utah because of the rapid expansion of high-tech manufacturing employment in the state and because of the stress that Utahns place on four-year university degrees as the culmination of successful education<sup>1</sup>.*

This suggests that if Utah is to remain competitive in a world-wide economy it needs a world-class work force development system that can provide each of its citizens with the advanced training they need to obtain quality jobs. To the extent that Utah is successful in developing the skills of its work force, it will be able to increase the standard of living of its residents, reduce unemployment and offer the disadvantaged more opportunities to become economically self-sufficient.

## **Utah Has a Fragmented Work Force Development System**

Figure I shows that the delivery of employment and training services in Utah is fragmented among 23 separate state and federal programs which are administered by six different state agencies. Some programs are aimed at specific target populations. Others serve the public in general. Together they form what this report refers to as the state's work force development system. Problems occur when these programs are operated independently rather than as parts of a coherent system. Each program was created by a separate piece of legislation and is administered by different state agencies. These agencies in turn are accountable to separate state legislative standing and appropriations committees. Each program also has its own advisory board and regional network of service delivery offices. Figure II describes the relationship among these agencies and their governing boards.

Each of Utah's employment, training and vocational education programs plays an important

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<sup>1</sup>Roger J. Vaughan, Preparing Tomorrow's Work Force: A Technical Training Strategy for Utah, November 13, 1990, p. 4.

role in maintaining the state economy. Together, they help bridge the gap between the needs of the labor market and the needs of individuals for quality jobs. Those programs that offer employment services do this by matching a person's existing skills with available job openings. Job training programs help special target populations who do not have the

**Figure I**  
**Utah's Employment, Training and Vocational Education Programs**  
**Fiscal Year Ending June 30, 1992**

Department	Program	Federal Appropriation	State Appropriation	Total Appropriation
<b>State Office of Education</b>				
	Applied Technology Centers	-	\$16,270,500	\$16,270,500
	Carl D. Perkins Vocational Education Act	\$8,167,191	-	8,167,191
	Adult Basic Education	1,312,290	4,109,952	5,422,242
	Custom Training for Economic Growth	-	2,482,211	2,482,211
	Turning Point Program (Displaced Homemaker)	-	337,320	337,320
		<u>\$9,479,481</u>	<u>\$23,199,983</u>	<u>\$32,679,464</u>
<b>State Office of Rehabilitation (Federal Fiscal Year Ending 9/30/92)</b>				
	Vocational Rehabilitation Program	\$16,665,059	\$4,318,300	\$20,983,359
		<u>\$16,665,059</u>	<u>\$4,318,300</u>	<u>\$20,983,359</u>
<b>Higher Education</b>				
	College Based Vocational Education	\$6,227,889 <sup>1</sup>	\$52,440,000	\$58,667,889
	Short Term Intensive Training (STIT)	-	400,000	400,000
		<u>\$6,227,889</u>	<u>\$52,840,000</u>	<u>\$59,067,889</u>
<b>Department of Community and Economic Development</b>				
	JTPA Title II-A Economically Disadvantaged Youth & Adults	\$7,018,729	-	\$7,018,729
	JTPA Title II-B Summer Youth Employment & Training	2,716,482	-	2,716,482
	JTPA Title III - Employment & Training for Dislocated Workers (EDWAA)	1,499,084	-	1,499,084
	JTPA Title III - Discretionary funds	448,552	-	448,552
	JTPA Title IV - Migrant and Seasonal Farm Worker Program	231,297	-	231,297
	Single Head of Household Program	-	\$842,959	842,959
	High Technology Training Program	-	509,875	509,875
		<u>\$11,914,144</u>	<u>\$1,352,834</u>	<u>\$13,266,978</u>
<b>Department of Employment Security (AKA Job Service)</b>				
	Employment Service Placement Program	\$11,981,479	-	\$11,981,479
	Trade Act Program	359,832	-	359,832
	Labor Market Information Program	816,700	-	816,700
		<u>\$13,158,011</u>	<u>\$0</u>	<u>\$13,158,011</u>
<b>Department of Human Services</b>				
	Child Care for Self Sufficiency Participants	\$8,278,054	-	\$8,278,054
	Job Opportunities and Basic Skills (JOBS)	3,995,535	\$1,209,983	5,205,518
	General Assistance Self Sufficiency Program (GASSP)	-	4,672,695	4,672,695
	Emergency Work Program (EWP)	-	2,738,400	2,738,400
	Food Stamp Employment and Training Program (FSE&T)	725,683	725,683	1,451,366
		<u>12,999,272</u>	<u>9,346,761</u>	<u>\$22,346,033</u>
		<u>\$70,443,8</u>	<u>\$91,057,87</u>	<u>\$161,501,7</u>
<b>1 Federal, State, and Private Grants and Contracts</b>				

skills they need to obtain a quality job. They provide career counseling services, assessments of occupational skills and interests, and they pay for some of the expense of classroom and on-the-job training. Several job training programs also help local businesses upgrade the training of their existing employees. In addition, a variety of special employment and training programs are designed to help the disadvantaged become less reliant on public assistance. Finally, the state's system of higher education and the state's applied technology centers play an important role as the actual providers of the training funded by the other programs. The state's high schools should also be considered a part of the state's work force development system because they provide a number of vocational education courses. However, this report focuses mainly on those programs offered to adults.

This fragmented assortment of programs is difficult for individual clients and for the business community to understand. Even though many programs provide similar services to overlapping populations, each has its own set of rules, regulations, reporting forms, eligibility requirements, intake forms, and testing procedures. Because programs are so highly regulated, staff are required to focus most of their attention on implementing the procedures and regulations of their programs. As a result, the system tends to be driven more by the needs of the institutions than by the needs of its customers.

### **Some Displaced Homemakers Have Difficulty Obtaining Services**

The experience of a group of clients commonly referred to as "displaced homemakers" illustrates how difficult it can be for some clients to obtain the services they need. Displaced homemakers are single parents with children who either because of divorce or the death of a spouse suddenly need to work to support their families. Many have not been in the job market for years and do not have marketable skills to obtain the kind of job which will allow them to support their family. We determined that a displaced homemaker could obtain job training and employment assistance from as many as six different programs including Utah Displaced Homemaker Program, the Carl Perkins Displaced Homemaker/ Single Head of Household Program, The Single Head of Household program, the Self Sufficiency Program, the Job Training Partnership Act, and Job Service.

Displaced homemakers can have difficulty sorting through the different programs to find the exact set of services they need. Since no single agency provides all services, some clients must apply to several agencies to obtain all the services they need. At each location the client is required to fill out a different intake form, take various skill tests, talk with a case manager, develop a job training or job search plan and participate in some kind of training or job search class. In addition, clients may have to wait for the case managers from different agencies to get together so they can decide which agency will provide which service. Others never make it to more than just one or two agencies and therefore do not get all of the services they need. According to the state employees with whom we spoke, some clients become frustrated and drop out of their training program because other needs, such as child care, transportation or school fees are either not covered or must be obtained

## Figure II

from another agency. In addition, even if a client goes to other agencies there may not be sufficient funding to meet her needs. Many have suggested that it is unfair to expect displaced homemakers to sort through a complex network of programs because they may already feel discouraged by divorce or the death of a spouse. They can get the impression that government is not really interested in helping them solve their problems.

### **The System is Confusing to Businesses**

The state's work force development system can also be confusing to local businesses who need help filling job openings or who need to upgrade the training of their existing workers. For example, the director of training for one of the state's major defense contractors told us that she decided not to use any of the state's training programs even though six different organizations had offered their services. She said the reason was that she did not want to sort through what appeared to be a fragmented and uncoordinated system of job training programs.

The competition among job training programs can also be a hinderance to the state's economic development efforts. When a computer hardware manufacturer came to set up an assembly plant in the state, representatives from two different agencies both approached management and offered to provide placement and training services to the employees who would work at the new facility. The representatives from each agency tried to sell the company on their own service package and to discredit the other agency. The manager of the computer plant was surprised and confused by the hard-sell tactics of the two agencies. He was concerned that if he chose to participate with either agency, his company might become embroiled in some kind of government conflict. Fortunately, the government agency that had recruited the company to Utah was able to convince the employer that both programs could work effectively together and helped the company negotiate a joint contract engaging both of the training programs.

### **Local Agency Employees Are Also Frustrated**

Many of the state employees who work within the state work force development system have also expressed frustration because the system is not flexible enough for them to meet all the needs of their clients. In addition, each program faces an increasing demand for services at a time when federal and state funding has been declining. Several local agency managers told us that they have tried to combine their efforts and resources with those from other local agencies. However, they said they have had difficulty doing so because of the inflexibility of state and federal regulations and the state and federal department's that administer them.

In some regions, however, local agencies are finding ways to work together to improve client services. For example, some Job Service Centers are working with the local Human Service agencies to provide public assistance clients with better job placement services. They do this by assigning a job service placement specialist to the Human Services Office. Using a

hookup to the computerized job listing system, these placement specialists are able to advise public assistance clients on where they might go to apply for a job.

## **There Has Been An Ongoing Effort To Coordinate Work Force Development Programs**

For decades Utah state officials have tried to find ways to improve coordination and to eliminate duplication among the state's work force development programs. Several different groups have already investigated this issue in depth and have recommended a variety of different solutions. Most of these efforts have called for changing the way state agencies are organized and how oversight boards function. The state's current Job Training Coordinating Council devoted a tremendous amount of time to this issue and are in the process of developing many new coordination procedures. In addition, the U.S. Congress, the Bush administration and several other states have recognized these problems and have proposed a variety of different solutions. In fact, 10 states have received waivers from federal regulations allowing them to make dramatic changes to their work force development systems.

### **The Committee on Executive Reorganization Recommended Consolidating Agencies**

In 1979 a group of highly respected business leaders were asked to sit on the Governor's Committee on Executive Reorganization and investigate ways to streamline the delivery of state government services. Even at that early date the committee reported that the coordination of employment and training services had been a long-standing problem. They said: *"For many years, officials in Utah have wrestled with the question of how best to organize the many programs administered by state government which are primarily aimed at providing employment, training and rehabilitation services... ."* The committee determined that *"program coordination has been hard to achieve, due primarily to the continuing organizational fragmentation of the employment, training and rehabilitative programs"* and they made the following recommendation:

*The committee has concluded that it is both desirable and feasible to develop a more coherent and rational organization which pulls together most employment, training and rehabilitation activities. The Committee recommends that there be one agency having fairly comprehensive authority for dealing with state programs having a primary relationship to employment. The Committee believes that such an organizational consolidation will lead to substantial cost savings in program administration, reduce duplication of efforts, provide increased accountability for the success or failure of programs, and ease the burdens of Utah citizens who now are confronted by a bewildering maze of conflicting and competing programs.*

During the 1980 general legislative session, a bill was drafted to create a new Department of Employment and Training which would include most of the state agencies providing employment and training services. However, because of objections from the affected agencies and their advisory boards, the bill never came up for a vote.

### **The Job Training Coordinating Council Has Considered Several Proposals**

The passage of the Federal Job Training Partnership Act in 1983 was the latest attempt by Congress to improve coordination and reduce duplication among federal employment and training programs. The act establishes a state-level Job Training Coordinating Council (JTCC) made up of business leaders, state agency directors, labor union representatives, and members of community-based organizations, giving them the responsibility to coordinate all federal employment and training programs. The **Utah Code** requires the JTCC to coordinate all state-sponsored training programs as well. Since its creation, Utah's JTCC has considered many different solutions proposed by individual members and by its special committees. However, most of these proposals called for significant organizational changes which many JTCC members were not willing to consider.

One of the many proposals considered by the JTCC was made in May 1989 by the Director of the Division of Business Development. His report first describes many of the same problems which were identified in 1979 by the Committee on Executive Reorganization. He then states that the JTCC has not been able to fulfill its mandate to coordinate job training programs because:

1. *Approximately 95% of the time and effort of this JTCC are focused upon the major responsibility of the council, that is to provide oversight responsibility for the federal JTPA program.*
2. *Because the JTCC is currently organized and operated under the federal Dept. of Labor guidelines, I feel that leaders of other state agencies that administer federal and state funds under other legislative mandates do not accept and recognize the responsibilities of the JTCC... .*
3. *There does not seem to be legislative or executive recognition of the responsibilities outlined to the JTCC by [the JTPA Act].*

He then proposed the following solution:

*Create a new 'Utah Human Resource Commission' composed of the Superintendent of Public Instruction, Commissioner of Higher Education, Executive Directors of Job Service, DCED, Social Services and six CEO level private sector representatives. This commission under the direction of the Governor,*

*would have the authority to develop and implement a State Human Resource Policy that would coordinate and integrate all programs for adult education, service and retraining to respond to a `market driven' industrial need.*

This was just one of many proposals that has been considered by the JTCC and its committees.

## **JTCC Has Made an Honest Effort But is Not Addressing the Fundamental Problems**

The current members of the JTCC have shown a greater willingness to discuss coordination issues than any previous council. They are in the process of developing a number of new procedures which should provide a modest improvement in the way agencies coordinate their efforts. We consider it a very positive sign that agencies are at least discussing some very difficult coordination issues. However, the current proposals will not resolve the fundamental conflicts that exist between many local agencies. The cause for these conflicts is that it is unclear how the roles and responsibilities of each agency differ from those of other agencies, what their common goals and objectives should be, and which oversight council has authority to make sure that these common goals are met. For this reason, we believe the JTCC's procedural reforms will only produce a modest improvement in the way agencies work together. In order to produce the lasting reforms that are needed, we believe policymakers must take a more comprehensive approach in reevaluating the state's work force development system.

Based on our review of the actions taken by several other states, we have concluded that the best way to achieve a well coordinated work force development system is to conduct a strategic planning process for work force development. This will require that state policymakers address a number of tough issues relating to power and politics. It may also require the state to reevaluate its underlying goals and objectives for its work force development system. Only after these fundamental issues have been resolved can the state address the organizational and procedural issues relating to how the state should actually deliver services.

## **Audit Scope and Objectives**

This audit was requested by several different Legislators who had concerns about how well the state's employment and training programs were coordinating their efforts. We were not asked to evaluate the overall effectiveness of the state's work force development system or whether the objectives of individual programs were being met. However, during the course of our audit we did identify a number of instances in which individual employment, training, and vocational education programs were providing an outstanding service to the people and businesses in need of employment and training services. Our general impression is that most

of these programs are providing a valuable service. However, it is the manner in which these programs work together in meeting the needs of the community that is our main concern. Specifically, the legislators asked us to:

1. Determine whether the administrative responsibilities for the various job training programs in the state could be consolidated in a manner which would improve service and the cost-effectiveness of job training programs.
2. Determine if the Department of Community and Economic Development's (DCED) Office of Job Training and the Job Training Coordinating Council have effectively coordinated the use of state and federal funds for employment and training according to provisions of **Utah Code 55-17-6** and the Federal Job Training Partnership Act.

## **Chapter II**

### **Need For Better Coordination Is Widely Recognized**

It is widely recognized that the nation's employment and job training problems have not been addressed in a very coherent manner. Both the federal government and most states have created one job training program after another without adequately considering how each new program related to the existing ones. This has resulted in a fragmented employment and training system which is cumbersome to those who administer the programs and to the clients they serve. For this reason, both the Bush Administration and Congress have been considering new job training initiatives which would give states greater flexibility to administer all these programs as a single system. In addition, several states have received waivers from federal requirements allowing them to implement new initiatives of their own.

There has also been a great deal of interest in improving the coordination of Utah's employment and training programs. Utah's Job Training Coordinating Council has done a good job of identifying the barriers to a coordinated work force development system and is developing new procedures to eliminate them. The state's private industry councils have also been active in identifying barriers to coordination and some are studying ways to improve the delivery of services.

While the JTCC and other groups have already identified most of the problems relating to coordination, we have included a few additional problems in this chapter which need to be addressed.

#### **Attempts by the Federal Government to Address the Problem**

In recent years there has been widespread recognition that the fragmented assortment of employment and training programs is not as effective as it should be in meeting the needs of the business community or the individuals who need training. As a result, there has been a renewed interest at both the federal level and among the states in developing a more integrated approach to employment and training. The Bush administration has proposed a Job Training 2000 initiative that centralizes the delivery of all job training and employment services into a single "one-stop shopping center." Congress has passed legislation allowing states to centralize oversight of employment and training within a single Human Resource Investment Council. Ten states have been given waivers from federal regulations so they can

make changes to the way job training and employment programs are administered. It should also be noted that President-elect Clinton said that job training programs will be strengthened during his presidency.

## **President Bush's Job Training 2000 Proposal**

The Bush administration's Job Training 2000 proposal is the latest comprehensive plan to reform the nation's work force development system. In an attempt to clarify the problems he observed with the nation's employment and training programs, President Bush made the following comments while announcing his Job Training 2000 proposal in April 1992:

*Currently, a myriad of programs administered by a number of federal agencies offer vocational education and job training at a cost of billions of dollars each year. This investment in the federally supported education and training system should provide opportunities to acquire the vital skills to succeed in a changing economy. Unfortunately, the current reality is that services are disjointed and administration is inefficient. Few individuals, especially young, low-income, unskilled people -- are able to obtain crucial information on the quality of training programs and the job opportunities and skill requirements in the fields for which training is available.*

To address these problems, Labor Secretary Lynn Martin said the Job Training 2000 would provide the following:

- One-stop local Skill Centers to provide workers and employers with easy access to information about job training, employment opportunities, and other services available in their community. No longer will individuals have to go through a baffling maze of service providers to find out what is best to meet their needs.
- Vocational training vouchers to allow more participant choice in training decisions. Individuals will have a say in how and where to train-decisions which will have a major impact on their future.
- Accountability of training programs and providers. These programs must meet high standards visibly connected to success in the labor market.

Congress did not act on this proposal before the end of the Bush Administration. However, it has been an important part of the national debate and reflects the views of those who represent business and labor. There appears to be a fairly broad consensus that reforms of this magnitude are needed. President-Elect Clinton has also expressed an interest in reforming the nation's employment and training programs and his administration will likely propose reforms of its own.

## **JTPA Amendments Allow States to Create a Human Resource Investment Council**

Congress has also begun to recognize that they have created a number of different employment and training programs that are too complex and inflexible for states to create a unified strategy for work force development. During the past few years Congress has considered a number of different initiatives to reform the system. Their most recent action was to pass an amendment to the Job Training Partnership Act which allows states to create a single Human Resource Investment Council (HRIC). The bill was signed into law in September 1992 by President Bush.

The JTPA amendments were designed to strengthen and streamline oversight of the federally-funded work force development programs that are currently overseen by separate advisory councils. It authorizes states to consolidate those councils into an HRIC that has the responsibility to (1) identify the state's human investment needs, (2) recommend goals for the development and coordination of the human resource system, and (3) prepare a strategic plan for the accomplishment of those goals. The HRIC would also have the responsibility to review the use of funds and the services provided under most federally-funded job training programs including the JTPA program, the Job Service system, vocational education programs funded through the Carl Perkins Act, adult basic education programs, and job training programs for those on public assistance.

## **Several States Have Made Major Reforms**

Several states have already made a number of dramatic reforms to improve the coordination of their work force development systems. For example, 10 states have received waivers from federal regulations allowing them to consolidate the oversight and service delivery of a wide range of employment and training programs. Other states have worked within the existing federal rules to make a number of the same kinds of reforms.

Several states, including Maine, Massachusetts, New Jersey, New York, North Carolina, Oregon, Rhode Island, Washington, and Wisconsin, have already taken action to consolidate the planning and oversight of their work force development programs. Some have also centralized local planning of work force development by creating regional work force development councils. Many of these statewide councils have been instructed by their Governor to produce a comprehensive strategic plan for their state's work force development systems. These plans are often used as the basis for further reforms to the state system.

A few states have also consolidated the administration of all state-level job training programs into a single advisory council and a single state agency. For example, Rhode Island has created a Department of Employment and Training to centralize the administration of that state's employment and training programs. That agency serves as the support staff to Rhode Island's single "Work Force 2000 Council."

In an effort to make service delivery as customer-focused as possible, several states have centralized the delivery of employment and training services. Some states, including Michigan, New York, and Pennsylvania, have created one-stop shopping centers that allow clients to apply for a wide-range of employment and training programs through a single office. Some states have done this by creating a single agency to administer the delivery of services. Others have allowed agencies to continue to be independent but are requiring that they "co-locate" in the same facility so that those in need of employment and training services can easily move from one program office to another.

### **Utah's Problems are Also Widely Recognized**

Those who administer Utah's work force development programs also recognize that the state faces many of the same problems other states have in coordinating their programs. In fact, Utah's JTCC has spent a great deal of time and effort examining this problem. For years, members of the JTCC have struggled over how to improve interagency coordination as well as the delivery of employment, training and vocational education services. For example, in 1989 the Program Integration Task Force of the JTCC reported the following about the programs aimed at Utah's poor:

*Many of the same services are duplicated by various agencies and programs. Some coordination does take place between service providers but more often than not they compete for the same clients causing frustrations for the individuals seeking help from the programs.*

In response to concerns like this, the JTCC created a coordination committee that was asked to identify barriers to interagency coordination. The coordination committee held meetings with the employees from all of the agencies providing employment and training services in four different regions in the state. They also conducted a written survey of the staff from throughout the system asking them to identify the major barriers to coordination. The JTCC summarized its findings in a list of "areas to address for statewide coordination." We have included this list as Figure III.

**Figure III**  
**The Job Training Coordinating Council's List of**  
**Areas to Address for Improvement of Statewide Coordination**

1. Duplication of basic client management services.
  - a. case management
  - b. assessment
  - c. testing
  - d. job development and placement
  - e. client self/sufficiency/employability plans
  - f. multiple case workers
  - g. data collection/entry
2. Unclear agency/program role definitions/organizational lines. Confusion between program objectives (some programs place a client on a job as soon as possible, some do more in-depth assessment, provide longer term training). Lack of uniform definitions across agencies which creates obstacles to communication and coordination. Lack of overall state employment and training plan.
3. Insufficient overall agency and line worker support of other agency programs due to lack of program understanding, turfism, client manipulation, and large caseloads. Inadequate process for on-going coordinated staff/local staff exchanges both internally and across agencies.
4. Conflict between state and local policies, and state agency policies (ie: sharing of client information, eligibility for programs). Lack of shared access to agency client information systems.
5. Several coordinating bodies with similar missions.
6. Difficulty in providing multiple agency contacts/referrals to clients.

During our review, we verified that this is an accurate description of some of the main problems facing the state's work force development system. We did this by reviewing the minutes of the Coordination Committee's statewide hearings and the written responses from agencies. We also interviewed dozens of staff from different employment and training agencies throughout the state.

### **Additional Problems We Have Observed**

In addition to the problems identified by the JTCC, we identified three additional issues that should be addressed. First, we determined that a significant portion of program funds is

being spent to cover salaries of the staff who provide case management services. Second, we determined that the absence of comparable performance data makes it difficult for state policy makers to find out which programs are most effective so they can allocate program resources wisely. Third, new budgets and policies for job training are considered by several different legislative committees. Consequently, legislative committees may approve budgets and set policies without assessing the impact on programs overseen by other committees.

### **Staff Costs Represent the Largest Job Training Expense Category**

Managers from several agencies expressed concern that the work force development system does not offer enough funds for training clients. However, they each believe their agency should be the primary provider of case management services and that other agencies should provide more money for the actual cost of tuition, books, and on-the-job training. For example, the Private Industry Councils (PICs) believe they should be responsible for providing case management services. They have suggested that the Department of Human Services should devote a larger portion of its Job Opportunities and Basic Skills (JOBS) funds to training. At the same time, Human Services employees told us that they are the primary providers of case management services and that they would like to send more of their clients to the PICs. However, they said the PICs often have insufficient funds to train their clients. Several Turning Point counselors also believe their primary function is to provide case management services and help clients access the training services offered by other agencies.

Utah's work force development programs may be providing an excess of case management services at the same time there is a lack of funding for tuition, books, and other school fees that may help clients work toward self-sufficiency. For example, Figure IV identifies the funds allocated to the Southwest Service Delivery Area for providing employment and training services to displaced homemakers and other single heads of households. It shows that 59 percent of the funds from five different programs were used to pay the salaries of local office staff and case workers. This staff provides essential services such as intake, assessment of basic skills and interests, occupational skills and interests, development of employment plans, life-skills training, job development and placement and follow up services. Another 15 percent was spent on administrative costs including office space, utilities, and staff travel. The remaining 27 percent was spent on tuition, books, and other support services for clients to participate in training programs.

We determined that this relationship between staff costs and training costs is typical of most of Utah's job training and employment programs. For example, field staff salaries comprise the single largest expense category for each of the JOBS, Job Service and Displaced Homemaker programs. This is to be expected for some services which are staff intensive. For example, the employment services provided by the Job Service Centers are essentially a staff function. In addition, the case management function is an important staff intensive service that agencies provide. As important as these staff services are, it may not be necessary to have all

the programs offer these services.

<b>Figure IV</b>							
<b>Use of Employment and Training Funds for Displaced Homemakers in Southwest SDA Fiscal Year 1991-1992</b>							
<b>Expense Category</b>	<b>State Single Head of Household</b>	<b>JOBS</b>	<b>Wagner Peysner</b>	<b>Carl Perkins</b>	<b>Utah Displaced Homemaker</b>	<b>Total</b>	<b>Percent of Total</b>
Local Admin. and Office expenses	\$9,941	\$16,607	\$9,211	\$9,908	\$4,947	\$50,614	15 %
Local staff salaries/benefits	11,215	109,283	8,630	55,135	12,341	196,604	59
<b>Subtotal</b>	<b>\$21,156</b>	<b>\$125,890</b>	<b>\$17,841</b>	<b>\$65,043</b>	<b>\$17,288</b>	<b>\$247,218</b>	<b>74%</b>
Client training - tuition, books, OJT	9,293	65,291	-	-	1,345	79,013	24
Client Support Services	-	6,148	-	2,873	655	9,676	3
<b>Total</b>	<b>\$30,449</b>	<b>\$197,329</b>	<b>\$17,841</b>	<b>\$71,000</b>	<b>\$19,288</b>	<b>\$335,907</b>	<b>100%</b>

There are some program administrators who argue that the current allocation of funds is justified because one of their services is to assist clients to obtain Pell Grants from the federal government. As a result Pell Grants are the principal revenue source to cover the cost of books, tuition, school fees, and the living expenses of single parents and other disadvantaged clients attending school. For example, in St. George displaced homemakers received \$82,638 in Pell Grants from the federal government.

### **Performance Data are Needed to Monitor The Effectiveness of Each Program**

Many of the state's job training programs have management information systems that provide plenty of descriptive information about their programs but little of it can be used to demonstrate how effective each program is in helping people get and maintain quality jobs. As a result, there is no way for the Governor, the State Legislature and agency directors to monitor the effectiveness of the state's work force development system as a whole. For

example, some agencies report demographic information about the populations they serve, the type of training courses in which clients are enrolled, and how much is being spent on clients. This information may be useful for internal management purposes but it does not give the Legislature and other policymakers the information they need to evaluate how effective the state's work force development system is in achieving its goals. Each program claims to save taxpayer dollars by taking people off public assistance and by increasing the state's economic base, however, they need to provide the Legislature with accurate performance data to verify that this is actually the case. Unfortunately, it may be difficult to change this situation because most of the existing reporting systems are mandated by the federal agencies funding these programs. Most agencies believe it would be too expensive to set up an additional reporting system.

The JOBS program administered by the Department of Human Services is an example of an agency that can provide a great deal of descriptive information about its programs. However, it does not provide the Legislature with enough information about how effective the program has been in helping clients achieve self-sufficiency. During the 1992 legislative session, the department provided the Legislature with information regarding the average earnings of recipients of Aid To Families With Dependent Children (AFDC), the growth of the AFDC case load, the amount of grants and payments made to AFDC clients, and the number of staff devoted to the program. This information shows that this program addresses a critical need but it does not provide any evidence that the programs in place are actually addressing that need and that clients are actually achieving self-sufficiency. Human Services staff agree that there is inadequate performance data for the self-sufficiency program. This, they say, is largely due to the way the federal government has set up the program. The federal government, not the Department of Human Services, determines what information will be produced by the program's management information system. Furthermore, DHS does not have additional funds to pay for a separate system.

Unlike the JOBS program, the state's applied technology centers have a system for measuring the effectiveness of their individual vocational training programs. However, the accuracy of those data has been questioned. An internal State Office of Education report titled **A Performance Audit of State Applied Technology Centers** states that *"some ATCs have reported students entering with jobs as placements"* and that *"students who leave a program prior to completion are also sometimes counted as placements."* In addition, they reported that *"there is some inconsistency regarding what ATCs count as a placement."* For these and other reasons, the auditors concluded that *"ambiguous and incomplete placement statistics can impact perceptions of each ATC's effectiveness."* As a result of this audit, the State Board of Education recognizes these problems and is working to resolve them.

The performance data collected by programs funded through JTPA are perhaps the most useful data for evaluating the effectiveness of a job training program. However, even this information does not give an accurate reflection of the program's performance because they are unable to distinguish clients placed through the JTPA program from JTPA enrollees who may have actually been placed through the efforts of another agency. JTPA reports how many

clients have received training, how many have been placed in a job, how many of those have retained employment, and at what salary they were hired. These data are very useful for determining how effective JTPA programs are at helping people achieve self-sufficiency. However, even these data are questionable because they do not take into account that some JTPA clients may have been placed or trained by other agencies. In other words, if a JTPA client is also enrolled in the vocational rehabilitation program and in the self-sufficiency program and at the applied technology centers, all four agencies would take credit for the placement. Each agency reports to its legislative committee how many of its clients were placed in jobs during the year. However, they do not report how many of those placements were actually due to the efforts of another agency.

For example, at some point the Legislature may wish to know which of the five programs aimed at displaced homemakers is the most effective and which, if any, should be dropped. Without accurate and independent performance measures it will be difficult for Legislators to make this kind of decision.

### **The Legislature Considers New Programs and Policies Without Assessing Their Impact on Other Existing Programs**

Perhaps unknowingly, the Legislature is contributing to the lack of coordination among programs by the way it addresses new demonstration projects, policies and budgets relating to work force development. By dividing its oversight of work force development programs among several different committees, the Legislature is not able to provide the system with a unified set of programs and budgets.

**The Legislature Needs to Coordinate its Oversight of Programs and Policies.** In the past, legislative committees have considered proposals for new job training programs without finding out how the legislation might affect the existing programs overseen by other committees. When new programs are proposed, the Legislature needs to consider how they fit within the larger work force development system and how the proposal might affect existing programs.

One example is the Single Parent Employment Demonstration Program approved by the Human Services Committee during the 1992 General Session. Normally, the Department of Human Services only requires 40% of its AFDC recipients to participate in employment and training programs. The Human Services Committee approved a demonstration project which requires all AFDC public assistance recipients to work toward self-sufficiency. However, the Committee approved this demonstration project without obtaining input from many of the other state agencies which also provide employment and training services to this same population. For example, several PIC members expressed concern that the legislation committed Single Head of Household funds for the training of the AFDC clients enrolled in this demonstration project. Although the PICs support the concept of requiring AFDC recipients to work toward self-sufficiency, they have other equally important programs which rely on those funds and

they would like to have been consulted before the measure was passed. The PICs were also concerned that they might be sent large numbers of additional Human Services clients without the funds to cover the cost of their training.

One of the reasons we have so many similar work force development programs is that different U.S. Congressional committees have created new employment and training programs without coordinating their activities with each another or with the activities of individual federal agencies. The Utah State Legislature needs to ensure that it does not add to the problem by having several different committees independently addressing overlapping work force development issues.

**Five Appropriations Subcommittees Review the Budgets for Work Force Development Programs.** The legislative budget review process for work force development also needs to be better coordinated. As described in Figure II, funding for the state's 23 job training programs is appropriated through five different appropriations committees. Each committee reviews the budget proposals for the programs under its jurisdiction without considering the budgets being considered by other committees overseeing programs serving a similar client population. For example, Figure V shows that three different subcommittees oversee the funding for five programs serving single parents.

<b>Figure V</b>			
<b>Single Head of Household Programs</b>			
<b>Program</b>	<b>Funding Source</b>	<b>Department</b>	<b>Subcommittee</b>
Single Head of Household	State	DCED	Community and Economic Development
Carl Perkins Single Parent or Displaced Homemaker	Federal	Vocational Education	Education
Utah Displaced Homemaker	State	Vocational Education	Education
JOBS	Federal	DHS	Social Services and Health
JTPA	Federal	DCED	Community and Economic Development

We interviewed the legislative fiscal analyst for each of the major employment and training programs. They told us that they tend to limit their attention to the budgets of agencies for which they are responsible. They said that they have difficulty keeping informed about the budgets of other, related programs. We heard similar comments from the Governor's Planning and Budget Office staff. In our view, some sort of mechanism is needed to coordinate the budget process for programs providing similar services to the same client populations. The current approach does not provide the Legislature or the Governor

with a means of weighing the benefits of increasing funding to individual employment and training programs. Instead, agencies have the opportunity to approach different committees for the funding they need to serve similar client groups.

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## **Chapter III**

### **JTCC Faces Obstacles To Interagency Coordination**

The JTCC's Coordination Committee has done a good job identifying some of the problems with the state's fragmented and duplicative work force development system and they are now developing a number of new procedures to address them. While we believe that they have correctly identified the problems, we are concerned that their solutions are aimed more at the symptoms than at the cause of the problem. Instead, more attention should be given to resolving the natural conflicts between agencies that are the main barrier to coordination. These natural conflicts are the cause for the "turfism" for which the JTCC Coordination Committee has expressed concern. These conflicts have also made it difficult for agencies to agree on what the role and authority of the Job Training Coordinating Council should be. We believe that until these fundamental issues pertaining to power and authority are resolved, and until the unique roles and responsibilities of each agency are clarified, the JTCC's current efforts will only modestly improve coordination. In this chapter we describe the natural conflicts between agencies that seem to be causing the problems with the state's work force development programs. In the final chapter, we recommend an approach for resolving these conflicts.

#### **JTCC Is the Existing Mechanism For Statewide Coordination**

Federal law clearly indicates that the state Job Training Coordinating Council is the focal point for the coordination of federally-funded employment and training programs. For example, the Job Training Partnership Act (JTPA) requires each state to create a JTCC consisting of leaders from government, business, labor, education and community-based organizations. They are to advise the Governor and the State Legislature on the condition of the state's job training and employment programs and to coordinate their activities. In addition, each of the statutes establishing other federal job training programs also requires that they coordinate their activities with the JTCC. Finally, the Utah Job Training Coordinating Act requires that all of the state's employment and training programs be coordinated at both the state level by the JTCC and at the local level by Private Industry Councils.

## **The Job Training Coordinating Council Is the Focal Point for Interagency Coordination**

The Job Training Partnership Act (JTPA) of 1982 directs each state to establish a Job Training Coordinating Council having the responsibility to see that all employment, training and vocational education programs take an *"integrated, coherent and coordinated approach"* to meet the state's work force development needs. The extent to which programs will be integrated and what mechanisms will be used to coordinate them is largely left up to each JTCC to decide. However, the act does not give the JTCC any direct authority over individual job training and employment programs except for a few programs directly funded by the JTPA act. The JTCC only serves as a forum for all of the interest groups to come together and decide how they will coordinate their efforts. Whether or not they actually do this depends on the support the JTCC receives from the Governor and the willingness of individual agencies and interest groups to work together.

One way the JTCC promotes coordination is by preparing a Governor's Coordination and Special Services Plan (Governor's Plan) every two years. The JTPA requires that this plan serve as a guide for coordinating all of the state's employment, training and vocational education programs. The plan must contain the state's work force development goals and objectives. In addition, the plan must identify "coordination criteria" that should be used as standards for determining whether each individual program is consistent with the goals and objectives of the Governor's Plan. The law requires that this plan be approved by the Governor in order to ensure that it reflects his strategy for addressing the state's work force development needs.

JTPA also requires the JTCC to report to the Governor and to the Legislature on the "relevancy and effectiveness of the employment and training and related service delivery systems in the State." In addition, the JTCC is required to review the plans of service for each program to make sure that they comply with the goals, objectives and coordination criteria in the Governor's Plan. However, the JTCC has no formal authority to require agencies to coordinate their programs. Whether or not agencies comply with the Coordination Plan depends on the goodwill of the agencies. When agencies disagree on how to coordinate it is up to the Governor to resolve the dispute.

## **Federal Laws Require Agencies to Coordinate Their Federal Programs with the JTCC**

In the past, each federal statute establishing a major employment and training program also requires that the program coordinate its activities with the JTCC. This suggests that it was the intent of Congress that each employment, training, and vocational education program would be coordinated with other employment and training programs and that they would not

operate independently. For example, the Job Opportunities and Basic Skills program of the Department of Human Services was established by the federal Family Support Act of 1988 which states:

*The governor of each State shall assure that program activities under this part are coordinated in that State with programs operated under the Job Training Partnership Act and with any other relevant employment, training, and education programs available in that State. Appropriate components of the State's plan developed under section 482(a)(1) which relate to job training and work preparation shall be consistent with the coordination criteria specified in the governor's coordination and special service plan required under section 121 of the Job Training Partnership Act.*

*The State plan so developed shall be submitted to the State job training coordinating council not less than 60 days before its submission to the Secretary, for the purpose of review and comment by the council.*

Similar language is found in other federally-funded programs such as the vocational education programs created under the Carl Perkins Vocational Education Act, the Employment service (Job Service) created through the Wagner Peyser Act, and the Adult Education Programs funded through the National Literacy Act. Like the Family Support Act, these statutes require each program to be operated in a manner consistent with the Governor's Plan prepared by the JTCC.

## **Private Industry Councils Oversee Local Coordination**

JTPA also recognizes a need to have local coordination of all work force development activities. For this reason, the act creates Private Industry Councils (PICs) which are the local equivalent of the JTCC. In Utah, the Governor has designated nine service delivery areas or regions (see map on Appendix page B-1), each with its own PIC. Like the JTCC, the PICs have a twofold responsibility of (1) providing local oversight for the job training programs funded directly by JTPA and (2) coordinating all job training activities within the area. So that the PICs can carry out these responsibilities, the State Job Training Coordination Act (**Utah Code 9-2-1108**) requires the following:

*A private industry council shall function within each service delivery area to provide policy guidance and oversight for programs delivered under the Job Training Partnership Act and to coordinate all job training programs operating within the area. Specific functions include:*

- (1) preparing the local job training plan;*
- (2) reviewing plans and operations of other agencies involved in job training or placement activities;*



- (3) *determining administrative structure and selecting administrative, training, and other service providers;*
- (4) *providing program oversight;*
- (5) *assessing needs and problems in the labor market;*
- (6) *determining services to be provided;*
- (7) *assisting in economic development efforts for the purpose of creating new jobs in the area;*
- (8) *coordinating agencies involved in job training and placement activities; and*
- (9) *monitoring and evaluating performance of the job training system within the area.*

This statute gives local leaders from business, government, and educational institutions the opportunity to sit on the Private Industry Council and assemble a strategy tailored for the work force development needs of that region. However, as with the JTCC, the effectiveness of a PIC largely depends on the willingness of local government officials, the managers of local state agencies, and local business leaders to participate on that council and to coordinate their individual programs with the local job training plan.

### **After Years of Difficulty, The JTCC Has Recently Made Progress**

After years of not being able to agree on how to coordinate the state's employment and training programs, JTCC members are now working very hard to improve interagency coordination. Historically, JTCC members have not been able to resolve a number of issues relating to how the state's employment and training programs should interact. As a result, the Governor's coordination plan has traditionally contained only vague and general goals and objectives that have not provided agencies with much guidance as to how they should coordinate their programs. In addition, questions about the role of the PICs and their authority to oversee local coordination have made it difficult for them to perform many of their responsibilities. However, JTCC members have recently shown a dramatic improvement in their willingness to discuss coordination issues. They have drafted a fairly specific Governor's Coordination Plan, and they are attempting to develop several new coordination procedures.

## **For Years The JTCC Has Not Focused On Program Coordination**

Historically, the JTCC and the PICs have focused most of their attention on the programs and services funded directly by the JTPA, not on statewide coordination issues. Until this year, the Governor's Plan has not provided a clear statement of the goals and objectives for a coherent employment and training system. In addition, the coordination criteria have either been too vague or have not addressed statewide coordination issues. As a result, in the 10 years since the council was created the JTCC has made little progress toward the "consistent, integrated, and coordinated approach" to employment and training envisioned by the Job Training Partnership Act.

The lack of clear coordination goals and criteria has made it difficult for the JTCC to review the plans and operations of each employment and training program and give comments to the Governor and Legislature as to how work force development can be improved. In 1989, a Division Director within the Department of Community and Economic Development said that this was largely the cause of the state's fragmented work force development system. He said:

*I believe that the review and advisory responsibilities of the JTCC are not being accomplished...Consequently, it appears that the lack of review and coordination of these many federal and state programs by a recognized state coordinating council results in what appears to me to be a complex and oft-times competing delivery system to the intended industry and/or individual. Further, many experiences have demonstrated to me that the resulting impact upon individuals and industries is frustrating and not fully productive.*

For several years, those who sit on the JTCC have not been able to agree on what the exact role of the JTCC should be. Several members of the JTCC and the support staff to that council told us that until recently the JTCC has felt that its primary responsibility was to oversee the programs funded directly by the JTPA and that they considered other programs only insofar as they dealt with the client groups being served by the JTPA program.

## **Private Industry Councils Have Not Coordinated Local Employment and Training Programs**

The Private Industry Councils have also had difficulty coordinating programs at the local level because local agencies are subjected to a number of competing oversight bodies. The State Job Training Coordination Act (**Utah Code 9-2-1101**) requires PICs to "*coordinate all job training programs operating within the area.*" However, each of those job training programs has its own separate advisory council to oversee its activities. In addition, each program must adhere to the program rules and service plan of its own state agency. As a

result, each program finds it difficult to respond to a number of different advisory groups at once. This is particularly difficult if the advice of the PICs conflicts with a program's state plan or the advice of its own advisory council.

Because local agencies are reluctant to follow the advice of the PICs, many PICs have not tried to address the problem of local coordination. Instead, they have limited their attention to the services and programs funded directly by JTPA, which is only a small part of the entire work force development system. As a result, many of the responsibilities given to the PICs by the Utah Job Training Coordination Act are not being performed. For example, PICs are not fulfilling their responsibility "to coordinate all job training programs operating within the area" by "reviewing plans and operations of other agencies involved in job training or placement activities" as required by the State Act. Figure VI shows that the PICs reviewed the plans of only a few agencies in 1992.

<b>Figure VI</b>				
<b>Agency Plans Reviewed by Private Industry Councils in 1992</b>				
<b>Service Delivery Area</b>	<b>Job Service</b>	<b>Vocational Education</b>	<b>Vocational Rehabilitation</b>	<b>DHS Job Opportunities and Basic Skills (JOBS)</b>
Bear River	Yes <sup>1</sup>	No	No	No
Central	Yes	Yes	No	No
Davis	Yes <sup>1</sup>	No	No	No
Mountainland	Yes	No	No	No
Wasatch South	Yes <sup>1</sup>	No	No	No
Southeast	Yes	No	Yes	Yes
Southwest	Yes	No	No	No
Uintah Basin	Yes <sup>1</sup>	No	No	No
Weber Morgan	Yes	No	No	No

*1 No budget data were provided, only a general description of their activities*

The Job Service Centers have a good record of submitting their plans of service to the PICs because they are required to have PIC approval before submitting their plan to the Department of Labor. However, several PIC directors expressed concern that even those reviews need to be more thorough. Some local PIC directors pointed out that the local Job Service Centers often ask PICs to approve Job Service plans without the financial information that goes with the plan. As a result, when PIC members review the Job Service plans they have difficulty understanding spending priorities. In addition, several PIC members are concerned that they

are often asked to approve Job Service plans within days of the deadline for their submission to the Department of Labor. This does not give them enough time to carefully review the plans. Some PIC directors also pointed out that they are sometimes criticized or ignored when they have suggested ways to improve Job Service plans.

## **The JTCC Has Recently Worked Hard to Improve Coordination**

After years of making little progress, the JTCC has recently made interagency coordination a top priority. We view this as a very positive sign that agencies are becoming serious about improving coordination and reducing duplication. In May 1992, the JTCC drafted a Governor's Plan for the first time that provides a list of areas to address to improve statewide coordination. The plan also identifies specific goals and objectives for resolving those issues. In addition, a coordinating committee was formed to find ways of accomplishing each goal. That committee then formed several task force groups to find ways to resolve some of the coordination issues.

**A Coordination Committee Identified the Barriers to Coordination.** The dramatic improvement in the latest Governor's Plan can be attributed to the work of the Coordination Subcommittee of the JTCC. In late 1990, a Coordination Committee was given the responsibility to identify the barriers to statewide program coordination. To do this, the committee held meetings in several of the state's service delivery areas. Representatives from JTPA, Job Service, Human Services, Public and Higher Education, and Vocational Rehabilitation were each asked to identify reasons why it has been difficult for them to coordinate with other programs. The feedback received at these meetings was the basis for the list of "Areas to Address for Improving Statewide Coordination" which is included as Figure III (page 15) in this report.

This list of "Areas to Address For Improving Statewide Coordination" was used to formulate the goals and objectives identified in the latest Governor's Plan. Unlike those in previous plans, the goals and objectives are clearly stated and are aimed at specific problems facing the state's employment and training system. In addition, the plan also contains criteria that can be used to evaluate whether agencies' individual plans are consistent with the goals in the Governor's Plan. These criteria are much more specific than those of previous plans. For the first time, they give agencies clear guidelines for bringing their programs into compliance with the Governor's Plan.

### **The Coordination Committee Formed Task Force Groups, Set Standards.**

The Coordination Committee has done two things to encourage agencies to meet the goals and objectives in the Governor's Plan. First, they formed several state-level task force groups that were asked to develop approaches to resolve several of the key coordination issues. Second, they established coordination standards and offered financial incentives to service delivery areas that develop and implement a coordinated approach in one of four key areas by July 1992. Unfortunately, each of the task force groups was asked to address procedural issues first

and left many of the fundamental policy issues unresolved.

Task force groups were asked to address three specific coordination issues identified in the Governor's Plan. Specifically, the task force groups were assigned to (1) develop a coordinated client-centered method of case management that eliminates as much duplication as possible, (2) examine areas of unnecessary duplication of assessment for clients seeking employment and training services and (3) review job development and placement activities of each agency and recommend a process to ensure that all clients are placed in jobs effectively, and that agencies receive appropriate placement credits.

To encourage each service delivery area to develop and implement processes on their own, a set of standards was established for each of the following four areas:

- a. *Implementation of a common intake and eligibility determination process;*
- b. *Implementation of a unified assessment approach;*
- c. *Implementation of a coordinated case management system;*
- d. *Implementation of a unified job development and placement process.*

The service delivery areas are being encouraged to develop their own approach to each of the above processes and have been offered a financial incentive for meeting the JTCC's standards for one or more of the processes by July 15, 1993. The financial incentives come from the state's JTPA allocation and will be divided among those service delivery areas meeting the state's coordination goals.

### **Interagency Conflicts Discourage People From Working Together**

We are encouraged that the agencies represented on the JTCC have shown a great interest in improving interagency coordination. However, we believe their efforts will not produce the dramatic improvements needed because they are not addressing the interagency conflicts that have prevented cooperation in the past. For years the social, organizational and political differences among agencies have been a source of conflict and a major barrier to cooperation. Because of the environment in which they operate, it is only natural for state employees to show a greater commitment to their own programs and agencies than to the broader interests of the local community and the clients they serve. There is no incentive to coordinate even if it might benefit the community, because such efforts usually threaten the independence of each agency.

We did find a few regions of the state in which agency staff have a great commitment to the local business community and the individual clients they serve and are willing to adjust their own programs if it benefits their clients. This shows that coordination is possible if local

agency managers are willing to set aside their natural differences and resist the pressures on them not to coordinate.

### **Staff Want to Preserve the Unique Features of their Own Programs**

Program managers at all levels tend to have a great deal of pride in the accomplishments of their own programs and tend to be skeptical of another agency's ability to serve those groups who they consider to be their clients. In addition, each agency rewards its managers for effective oversight of individual programs but not for coordinating with other agencies. As a result, when someone proposes a way to combine the resources from several agencies in order to improve client services and reduce duplication, agency managers are extremely reluctant to participate because it might dramatically change the way they operate their programs. Many of these proposals can also seem threatening to the integrity and the continuation of funding for the existing programs as well as to the ability of each agency manager to make sure his or her program continues to operate effectively.

We found that the conflict between the agencies is especially intense in regions in which one or more agencies have put together what they believe to be very good programs. For example, there are some regions in which the vocational education institutions, under the direction of the Regional Vocational-Technical Planning and Coordination Council, have created some excellent training programs. They are extremely reluctant to allow the Private Industry Council to offer them advice because they already have their own council of business advisors. In addition, many of the PIC members do not have a good understanding of all of the rules, regulations and procedures associated with the programs sponsored by other state agencies. Some of the managers of the other programs expressed a reluctance to follow the direction of their PIC because they did not believe the PIC members represented the local business community. For example, in some areas the PICs have council members who are retired, who do not have a background in business or who do not work for one of the major employers in the area.

### **Agency Staff Have Differing Backgrounds and Affiliations**

The conflicts between agencies can also be attributed to the different backgrounds of the people who are responsible for each program. The state's work force development system brings people from several different institutions together. These agencies, each with its own value system and culture, are trying to address some of the same problems in their own way. For example, the JTPA programs are sponsored by the U.S. Department of Labor and are administered by the Utah Department of Community and Economic Development. Employees within these institutions have backgrounds in business, economic development and labor. They have their own philosophy about how to help people get the skills they need to obtain a quality job. On the other hand, the employees of the Department of Human Services have

expertise in social work. They view employment and training programs mainly as a means of helping the disadvantaged become self-sufficient. As human services specialists they are less attuned to the needs of the business community than are the employees from the Department of Community and Economic Development.

The state's education system is yet another distinct institution with its own philosophy about how to achieve a better educated and better trained work force. Many educators believe they have the primary responsibility to help people get the skills they need to obtain quality jobs. They view many of the job training programs of other agencies as an encroachment into a matter that is mainly the responsibility of the education system. From their perspective, the education system is the place where people go to obtain the training they need. For this reason, many educators believe they should oversee the state's work force development efforts and that the other agencies should only be responsible for providing the funding for their clients.

Each agency is also closely affiliated with a federal agency providing the major source of funding for job training programs. As a result, Human Services agencies and educational institutions look to the U.S. Department of Human Services and the U.S. Department of Education respectively for their direction and guidance. They are reluctant to become involved in a coordinated effort guided by the PICs and the JTCC because they are viewed as extensions of the U.S. Department of Labor. Because of their affiliations with other federal agencies, it is easy for the education community and the Human Services agencies to perceive the JTCC and the PICs as outside groups having different goals and objectives from their own.

### **Some Question the Authority of the JTCC, PICs**

Conflicting interpretations of federal and state statutes have also made it difficult for the JTCC and the PICs to fulfill their responsibilities. Many state and federal laws appear to give the JTCC the responsibility to coordinate the activities of all of the state's work force development programs. However, many disagree over how these statutes relate to other laws addressing the governance of individual programs. In addition, there is disagreement over the scope of the responsibilities of the JTCC and the PICs as defined by the Job Training Partnership Act and the Utah Job Training Coordination Act.

**Conflicting Roles of the JTCC and the State Board of Vocational Education.** There is a dispute over how to distinguish the responsibilities of the JTCC from those of the State Board of Vocational Education. Some believe there is a conflict between the federal and state laws regarding this matter. They maintain that the **Utah State Constitution** and the **Utah Code** give the Board of Education, not the JTCC, sole responsibility for the coordination of vocational education programs. Specifically, the **Utah State Constitution** Article X section 3 indicates that *"the general control and supervision of the public education system shall be vested in a State Board of Education."* The State Board of Education also functions as the State Board for Vocational Education. In their latest master plan for vocational education,

they maintain that the **Utah Code** Title 53A, Chapter 15 establishes that *"The State Board for Vocational Education has a primary role in the overall*

*coordination and funding of vocational-technical programs in the state of Utah.*" Some members of the education community use these statutes to argue that the vocational education system should be governed independently of any outside agencies.

On the other hand, others believe the Job Training Partnership Act calls for broad leadership from the JTCC. The act requires the JTCC to identify the *"goals and objectives for job training and placement programs within the state..."* and *"establish criteria for coordinating activities under this Act with...vocational education agencies..."* as well as *"assess the extent to which employment and training, vocational education...represents a consistent, integrated, and coordinated approach to meeting such needs; ... ."*

**Confusion Over the Scope of the Responsibilities of the JTCC and PICs.** There are also some who question the authority of the JTCC and the PICs to coordinate employment and training programs aimed at the general population. They argue that the JTCC and the PICs are responsible only for those programs offered to clients who are directly eligible for JTPA services. JTPA pays for job training and employment programs aimed at several specific client populations who have "barriers to employment." Some argue that the responsibility of the JTCC should likewise focus its coordination efforts at programs for those special populations. In addition, where the Utah statute gives PICs the responsibility to *"coordinate all job training programs operating within the area,"* some believe that the intent of the statute was that the coordination efforts only extend to employment and training programs offered to JTPA-eligible clients.

Many within the JTPA system argue that the statute gives the PICs the responsibility to plan and coordinate all state employment and training activities offered to the public in general. They believe the partnership between public and private sectors is necessary to improve the skill levels of the entire labor force, not just those who might be put in a special category. In their view, the JTPA system was created to bring all the different groups together so the problem of worker training could be addressed from a broad perspective.

We found that the JTCC's inability to resolve this issue has been a major obstacle to coordination. JTCC members spent a lot of time and energy debating the role of the JTCC and the PICs. In our view, this is a fundamental policy issue that must be resolved before other coordination issues are addressed.

## **There are Many Practical Reasons Why Coordination is Difficult**

Even if agencies wanted to increase coordination, there are several practical reasons why it would be difficult. Each agency has its own operating practices that are difficult to combine with those of other agencies. These include different federal regulations, reporting requirements, reporting periods, definitions, computer systems, planning cycles and client eligibility standards. For some managers, difficulty in sorting out these differences outweighs the benefits of coordination.



Because many job training programs are funded by the federal government, they come with a host of program rules, reporting requirements, audit standards and client eligibility rules that must be observed in order to maintain funding. Federal auditors do not criticize agencies for their lack of coordination with other programs or for duplicating the services of another agency. Instead they focus their attention on an agency's compliance with the many operational regulations that come with each program. Agency directors believe this could present a tremendous risk to any agency considering a combined effort with another agency. For example, Human Services might consider subcontracting the job placement and training functions of the JOBS program to the Department of Employment Security's Job Service Program. However, the U.S. Department of Health and Human Services would hold Utah's Department of Human Service accountable for an audit exception, not the Department of Employment Security. Many state officials are very reluctant to combine their programs because they are concerned that it might put them at risk of an audit exception.

Joint planning is also difficult because some agencies have different planning cycles and different regional boundaries. Agencies often have to submit their annual plans of service to their respective federal agencies at varying times of the year. This can complicate the coordination of local planning. The layout of the regional boundaries also complicates the planning process because some agencies do not have matching regional boundaries. For example, Human Services regions encompass portions of several JTPA service delivery areas. These are shown in Appendix B.

## **The Fundamental Policy Issues Need to be Addressed**

Unless the JTCC resolves the interagency conflicts described in the previous section, it will not be able to fulfill its legal mandate to coordinate the state's work force development system. Currently the JTCC is trying to address these issues by developing a number of new procedures. In our opinion, this will only produce small improvements in the way agencies interact. If, however, the state is to achieve a highly effective work force development system that can focus on the needs of the business community and on the needs of individuals, it should address several fundamental policy issues regarding the mission and mandate of the state's work force development system. The state must decide who has the power and authority to see that the state's work force development goals are met.

### **The Absence of Clear Answers to the Fundamental Policy Issues Has Been An Obstacle to Change**

The reason it is essential first to clarify the goals and power issues was demonstrated by the efforts of the case management task force established by the Coordination Committee of the

JTCC. The task force was asked to identify a "client centered" approach to case management and eliminate the duplication existing among agencies. Although they considered some highly innovative approaches that could achieve those goals, they chose to recommend a much less effective alternative because it would preserve the existing agency structures.

The case management task force was asked to develop a *"unified 'client-centered' method of case management for all human development programs which eliminates as much duplication as possible."* As reported in Chapter I, we currently have a system that can be very frustrating to clients and businesses because several different agencies have their own case management systems. Clients needing a wide range of services are required to go to more than one agency. Because a single agency may not have the resources to cover a client's full cost of training, they may have to refer the client to another agency for additional assistance. This can be very frustrating to clients.

The task force considered one highly innovative approach to case management developed by the Center for Human Resources of Brandeis University. Many consider this "one-stop shopping" system to be the most client-centered approach and one that could dramatically reduce duplication. Under this system, a number of interagency agreements would be made to allow case managers to function as the single access point for a wide range of programs and services. The single case manager could draw from a variety of different programs and resources to meet a client's unique set of needs. Case managers from several different agencies told us that they would like the state to adopt a one-stop approach because they feel it would dramatically improve client services.

The task force, however, chose not to recommend a one-stop case management system because they felt it would be too disruptive to the existing organizational structure. An interim report of the case management task force states that:

*The task force determined early on that recommendations would be based on existing logistical and regulatory requirements of the various employment and training programs. It would be impractical at this time to propose recommendations for models such as one-stop shopping or co-location. Instead, the proposed recommendations and action plans are based on existing program operations and locations.*

In other words, the concept of one-stop shopping was, in fact, recognized as a client centered approach that could reduce duplication. However, in the face of the interagency conflicts that exist, this was not considered to be a viable option.

The task force chose, instead, to recommend the creation of another tier of coordination committees in each service delivery area. Case managers from different agencies would be required to meet together on a monthly basis and discuss the needs of their common clients. The task force admitted that this approach has a number of drawbacks including that it *"creates another level of bureaucracy; requires more meetings to attend; [and] takes the case manager away from his or her duties."* But it was considered the best alternative because it would

preserve the "*existing program operations and locations.*"

In our opinion, the need to preserve the organizational structure is a natural consequence of the political environment in which agencies operate. We cannot expect local agencies to resolve these conflicts among themselves because they feel they have a responsibility to protect the interests of their own agencies. If the goal of the state is to move toward a more integrated approach to work force development, state policymakers must change the incentive system inherent to the political environment in which agencies operate.

We found a few regions in the state in which agency staff have been able to set aside the interagency conflicts described in this chapter. Many of these areas have started to move toward the one-stop shopping approach. In St. George, for example, those who administer Job Service, JTPA, and Human Services programs have completely integrated the case management portion of their employment and training programs. The case managers at the local Job Service Centers administer all the services offered through three different federal programs and one state program. Local agency administrators in that region told us that they have a shortage of funds and that it did not make sense to them to have several different agencies providing case management services when one agency can provide those services. They claim it reduces program costs and prevents people from having to travel all over town to contact different agencies. In our opinion, the reason agencies in St. George have been able to develop this innovative approach to clients services is that they have been able to set aside the tendency to put the interests of their own agency first. Instead, they have a great sense of community and feel that they have an obligation to provide St. George clients and businesses with the most efficient employment and training program possible.

### **The Problems Must Be Addressed at a Higher Policy Level**

The reason the JTCC continues to struggle with the problem of interagency coordination is that they have tried to address it as a problem that could be resolved at the organizational level by developing a few new procedures, forming more coordination committees and increasing the flow of information between agencies. They have not recognized this as a higher policy-level problem that has to do with power and fundamental political conflicts that encourage agencies to maintain the independence of their programs. For this reason, we do not believe that an "integrated, coherent, and coordinated approach" to work force development can be achieved by the JTCC's current efforts. Because they have not resolved the interagency conflicts, their efforts will only moderately improve coordination and provide a small reduction in the duplication of services.

Rather than address this problem at the organizational and procedural level, we recommend that it be viewed as a problem of (1) not having a clearly defined mission and mandate for a state work force development system and (2) not clearly defining how the roles and responsibilities of the each agency differs from the others providing employment and training services. Only after these issues are resolved can the state make a rational decision regarding what kinds of organizations and procedures should be used to achieve its goals. In the following chapter we provide a more detailed description of these issues and recommend a

strategic planning process that will help the state resolve them. We believe that unless these issues are resolved, the interagency conflicts described earlier in this chapter will continue to prevent the JTCC and the PICs from fulfilling their mandate to coordinate the state's work force development system.

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## **Chapter IV**

# **Utah Needs a Strategic Plan For Work Force Development**

If the Governor and the State Legislature want to improve the coordination of the state's work force development system, they need to resolve the issues pertaining to power and politics. It is incorrect to assume that the state's work force development problems can be solved through organizational changes alone. It is the political environment in which these programs operate that has caused the fragmentation and duplication we observe in the system. For this reason it is unfair to place blame on the agencies or the state employees who try to operate within the system. They are only responding to the institutional and political environment in which they work.

Previous efforts to improve coordination have not succeeded because policymakers did not address the most fundamental issues relating to power and politics facing the system. Instead, they have recommended organizational changes to improve coordination and reduce duplication. However, these solutions were not acted on because they were not consistent with the political reality in which these agencies operate.

The Governor and the Legislature need to recognize that the causes of fragmentation and duplication are the power and political forces driving the state's work force development system. If they want to create an integrated, coherent and coordinated approach to work force development, they must address these issues first. We recommend that this be done by appointing a senior level task force to conduct a strategic planning process for work force development. In this chapter we describe a process that has been recommended by experts in strategic planning for the public sector. It is the same type of process that a number of other states have used to reevaluate their work force development systems. For example, this chapter describes the strategic planning effort conducted by New Jersey and some of the changes that were made in that state.

### **The Fundamental Policy Issues Must Be Addressed First**

While we applaud their commitment to solve some tough problems, we are concerned that the JTCC's recent efforts will only achieve a modest improvement to a system needing fundamental reform. For the past two years, the JTCC has addressed the problem of coordinating the state's work force development system by focusing on operational issues.

However, we believe the new coordination procedures do not go far enough. We are also concerned that as turnover occurs among department heads, local managers and staff it will be difficult for agencies to remain committed to these reforms.

Instead of tinkering with new coordination procedures, we believe a fundamental reevaluation of the state's work force development system is needed. This will require that the state begin by addressing the fundamental policy questions regarding the mission and mandate of each agency. This will require a reevaluation of the state's broad goals and objectives for its work force development system. Then decisions must be made regarding who will be given the power and authority to see that those goals are met. Clarifying these issues will help alleviate the conflicts between agencies described in the previous chapter.

After the issues of mission and power have been resolved, then state policymakers will be in a better position to make decisions regarding which organizational structure and procedures would be most useful in achieving that mission. In the past, it has been at this operational level that the JTCC has focused most of its attention. Perhaps they have not felt that they have the authority to address issues of mission and power. One final set of issues, pertaining to allocation of resources, should be resolved last.

### **State's Overall Goals and Objectives For Work Force Development Need Clarification**

Before anything else, the Governor and the State Legislature need to ensure that the goals and objectives for the state's work force development system are clearly defined. The JTCC has pointed out that the lack of clearly defined goals for a statewide work force development system has been an obstacle to coordination. In Figure III on page 15 the JTCC states that "*Unclear agency/program role definitions,*" "*Confusion between program objectives,*" and "*Several coordinating bodies with similar missions*" are areas needing to be addressed in order to improve statewide coordination. Specifically, they point out that there is some confusion whether their goal is to "*place a client on a job as soon as possible, do more in-depth assessment, [or to] provide longer term training.*" Certainly, if agencies are unsure what their goals and objectives are, it is difficult for them to know how to develop successful programs to accomplish those goals. In addition, if there is confusion regarding the different responsibilities of various oversight councils, such confusion needs to be cleared up if they are to function effectively. In our opinion, these issues must be clarified first.

### **Issues Pertaining to Power and Authority Must Be Resolved**

After the state has clarified the goals and objectives for its work force development system, decisions must be made regarding who has the power and authority to see that these goals are carried out. Currently, there are several different advisory councils and oversight boards that have overlapping responsibilities. At the state level, there is the Job Training Coordinating

Council, The Board of Vocational Education, the Board of Regents and the Employment Security Advisory Council. At the local level, there is the Job Service Employer Committee, the Private Industry Council, the Regional Vocational-Technical Planning and Coordinating Committee, and the Job Opportunities and Basic Skills Advisory Councils as well as a number of other special advisory councils. Because it is unclear how the roles and responsibilities of each agency and advisory council differ from those of other agencies, it has been difficult for them to get passed "turf" issues in order to develop a unified strategy for work force development and to oversee the activities for which they have overlapping responsibilities. In addition, policymakers need to decide who will be given the authority to monitor the effectiveness of the state's entire work force development system and to determine whether the state's overall goals and objectives are being met.

**Should Oversight be Centralized or Should There Be Multiple Councils?** State policymakers must decide whether to consolidate the governance of the state's work force development system or whether the state should continue to use a decentralized approach. The Department of Community and Economic Development has recommended that the state create a Human Resource Investment Council. Depending on how such a council is created, this could be a viable solution to the current problems of power and politics. However, the state would have to clearly identify how the responsibilities of that council would relate to the jurisdiction and authority of the individual department boards and program advisory councils. For example, would a Human Resource Investment Council replace the existing boards or would they act as subcommittees to the HRIC? Alternatively, the state may want to work within existing statutes and try to continue to improve coordination through the JTCC. If this approach is used, more needs to be done to define the unique role and responsibility of each council.

**Can the System Be Made Accountable for Achieving State Goals?** Evaluating the performance of the work force development system is another fundamental governance issue that must be resolved early in the process. There is currently no unified set of performance standards to show how effective state agencies are at helping their clients obtain quality jobs, improve their quality of life or get out of poverty. For this reason, policymakers must not only resolve the questions relating to who will govern the system but also those relating to who will monitor the system's progress toward achieving its mission and goals.

## **Structural Issues Relate to Organization and Procedure**

After the state has defined its work force development goals and has resolved governance issues, it will then be appropriate to consider all of the organizational changes and new coordination procedures that have been proposed over the years. In addition, the state should consider a number of innovative approaches that are being developed in other states. There may be a wide range of organizational structures that could be used to achieve the state's work force development goals. Which of these structures, if any, is adopted will depend on how the

issues regarding mission and power are resolved.

The challenge is to develop organizational structures and procedures flexible enough to adapt to a changing business environment and that meet the needs of individual clients in need of employment and training services. For this reason, it may be prudent to allow local oversight bodies the flexibility to adapt the local organizations to their unique local needs.

### **Resource Issues Should Be Addressed Last**

Once all of the other policy issues are resolved, it will be necessary to address issues regarding the allocation of resources. There are some who believe this is the primary issue facing the state's work force development system. We have been approached by many state employees who have suggested that the best solution to the state's work force development problems would be for the State Legislature to increase the funding for such programs. However, we believe a major funding increase would be unwise until the goals and objectives of each program are clearly defined, until the oversight and power issues are resolved, and until a well-organized system is in place to see that those funds are spent efficiently.

## **The Ingredients of a Successful Strategic Planning Effort**

Once we have committed ourselves to addressing the fundamental policy issues first, we must then agree on a process to actually resolve them. We recommend that the state conduct the following strategic planning process that we have borrowed from John M. Bryson, an associate professor of planning and public affairs at the University of Minnesota. Several other states have already used a similar process to reevaluate their work force development systems.

### **Initiate and Agree on a Strategic Planning Process**

The first step in the strategic planning process is to bring together the key decision makers and have them agree on the overall strategic planning process. It is important that the group recognizes the value of the strategic planning process and that they become committed to a plan of action for resolving a specific list of policy issues, otherwise the process can be diverted away from the primary policy issues. Normally, task force members will begin by drafting an initial agreement concerning the process they want to follow and the issues they want to address. In some cases, it may be helpful to hire an outside facilitator to act as an intermediary and manage the planning process. Participants should also commit to providing the necessary financial resources and staff support.

## **Develop a Common Vision of What the Work Force Development System Should Do for the State**

The literature on strategic planning and the experiences of other states suggest that one of the first steps in the strategic planning process should be to develop a vision of what the state wants to achieve in the area of worker training and employment. This vision serves as the foundation on which the state's strategic plan will be built. In order to formulate this vision, state policymakers need to make a careful diagnosis of the problems within the state's economy and the labor force. In addition, if this is to be a system which is truly responsive to the needs of individuals and businesses, planners must identify the features of a customer-driven work force development system. They should also evaluate how well the existing skills of individuals served by the system match the needs of employers. Then strategic planners must decide what kinds of employment and training services the state should offer. After they have completed their analysis of state needs, strategic planners must then articulate a set of policy goals for the state's work force development system and the specific mission of each program and agency.

## **Assess Opportunities, Threats, Strengths and Weaknesses**

The goals and objectives for the state's work force development system need to be considered in light of what is feasible in the environment in which the strategic plan must be carried out. For example, planners must evaluate the nature of the economy and whether the state has high unemployment or a labor shortage. In addition, social and technological trends could also have an impact on the state's ability to implement a strategic plan. Finally, strategic planners must find out what is legally possible with the existing state and federal laws and regulations accompanying each program.

Evaluating these environmental factors is an important part of the initial strategic planning process. However, it must also be a part of the ongoing planning process for work force development. As conditions in that environment change, the system must be ready to take advantage of new opportunities and be aware of new threats. For example, a new federal administration may offer new opportunities for states to improve their work force development systems or it may inhibit reform by requiring states to conform to a new set of regulations. Strategic planners need to be aware of any changes the Clinton administration and Congress are considering. They must also find out whether the Clinton administration will continue the Bush administration's practice of granting waivers from federal rules to allow Utah to make the changes that would otherwise be prohibited by existing regulations.

In addition to evaluating the external environment, strategic planners should assess the internal strengths and weaknesses of the state's own programs and agencies. To do this, strategic planners should take an inventory of all of the different programs and resources currently devoted to work force development. They also need to have a basic understanding of

the complex interrelationships between programs and funding flows to the service delivery areas. They must consider the skill level of the employees of different state agencies to perform the tasks required of them and the quality of the state's vocational education facilities. This analysis of the state's internal capabilities is necessary to ensure that the strategic plan is realistic, considering the resources the state has to offer its work force development system. A basic description of each of the state's work force development programs is provided in Appendix A. However, there may be additional state and local programs of which we are not informed.

## **Resolve the Key Strategic Issues**

Once the strategic planners have determined what is feasible considering the external environment and the state's internal resources, they must then identify and resolve the fundamental policy issues. This is perhaps the toughest, most controversial part of the strategic planning process. Among others, these include the power issues regarding who has the authority to see that the state's work force development goals are met and who is responsible for holding agencies accountable for their performance. During our review, we identified what we felt were the key strategic issues facing the state's work force development system. These are listed in Appendix C of this report. On September 9, 1992, we met with the directors of each of the departments offering employment, training, and vocational education services. That group agreed that the state must work toward resolving these issues. Those who conduct the strategic planning process should consider this list and add to it if necessary.

## **Formulate Strategies to Achieve the Objectives**

Once the key strategic issues have been resolved, the strategic planners will be in the position to consider the different strategies which might be used to achieve its vision of a successful work force development system. The choice of strategies should be based on their vision of a successful work force development system, on their assessment of the external environment, on the internal strengths and weaknesses of the current delivery system and on their answers to the key strategic issues. The strategic planners will have a wide range of strategies from which to consider. Some have been offered by Utahns who have already studied interagency coordination. A number of federal agencies and national organizations have also made a number of other proposals that should be considered. Several other states are also in the process of implementing a number of new initiatives in work force development. The strategic planners should consider all of these options in light of the state's unique needs.

## **New Jersey: A Case Study of Strategic Planning**

The strategic planning process used by New Jersey serves as a useful model for other states contemplating their own strategic plan for work force development. The Governor of that state initiated a strategic planning process after his Job Training Coordinating Council released a report describing duplication and fragmentation of that state's work force development system. The Governor responded to that study by creating a strategic planning task force that was asked to conduct a planning process very similar to the one described above. We provide this as an example of how the strategic planning process has been carried out in another state. We do not want to imply that the outcome of this process and the recommendations made by the New Jersey Task Force would be appropriate for Utah.

### **The Creation of a Strategic Planning Task Force**

Governor Thomas Kean formed a special task force with a mandate to "*determine the optimum employment and training system for the future of New Jersey.*" The task force was headed by the Governor's Chief of Policy and Planning and consisted of the Commissioners of Community Affairs, Human Services, Education, Higher Education, Commerce and Economic Development and Labor. The business community was represented by the Chairman of the JTCC who was also the Vice-President for Administration of Johnson and Johnson Inc. Specifically, the task force was asked to use the following guidelines:

- *The system must provide access to appropriate education and training opportunities for all citizens, including the economically disadvantaged, so that they may prepare for changes in the state's economy;*
- *the system must be streamlined;*
- *the business community must be a full partner in the design and operation of the system.*

### **Assessment of the State Work Force Development Environment**

In order to achieve the Governor's mandate, or vision of success, the task force examined three essential elements of the state's work force development system by: (1) assessing the supply of workers, (2) evaluating the scope and nature of the demand for workers, and (3) inventorying the state's existing work force development programs while evaluating their efficiency. The task force discovered that while the supply of workers was expected to decrease, the highest increase in the demand for jobs would be in professions requiring highly

skilled labor. This suggested to the strategic planners that New Jersey would need to dramatically increase the number of skilled workers in order to maintain the state's economic health. When they conducted an inventory of the state job training programs they found that New Jersey had 63 different programs spending over \$300 million each year. Regarding the efficiency of those programs, the task force reported that *"New Jersey's current employment and training system, while sophisticated, complex and diverse, lacks sufficient coherence integration, and uniform effectiveness to be of maximum utility in preparing the state's work force for the jobs of the future."*

## **Governor's Statement on Employment Policy**

To further clarify the goals and objectives of the state's work force development system, the task force issued a set of employment policies that was officially adopted by the Governor. It contained the following basic policies to guide the creation of the state's future work force development system:

1. The employment and training system must be designed to promote the long-term economic independence of New Jersey's people.
2. New Jersey's work force must be encouraged to invest in their own education and training.
3. New Jersey's employment and training system must incorporate the full range of services our people need to become and remain employed.
4. To achieve a more effective and coordinated employment and training system, state and local leadership of the system must be strengthened.
5. New Jersey's employment and training system must be pursued as the common endeavor of the public and private sector.
6. New Jersey's employment and training system must strive for excellence.

## **The Task Force Addressed Power Issues**

After clarifying the state's work force development policies, the task force then addressed the issue of how to create a governance system that would oversee the implementation of the state's strategic plan. The task force recommended that a new state Employment and Training Commission be created to replace the Job Training Coordinating Council. They recommended that the Commission become a policy-making body that would have authority to examine all parts of the state's employment and training system. It was also given the responsibility for developing a new set of standards for monitoring the performance of all programs within the state's employment and training system. The task force recommended

that the performance system focus on outcomes and the long-term impact of programs. The task force also called for common definitions and benchmarks that would be established across departments and programs.

At the local level, the task force recommended expanding the responsibility of the Private Industry Councils so that they could function as a board of directors over local education, employment and training programs. They also recommended that the configuration of the PICs be redrawn in order to better reflect the different industrial regions of the state.

### **Specific Strategies to Accomplish Work Force Development Goals**

Rather than create a new set of organizations and programs, the New Jersey task force recommended that the state attempt to improve the interaction among existing programs and services. The objective was to create a continuum of services that would *"interrelate the range of disparate programs, services and supports that comprise the current employment system."* Specific strategies include:

- Make client eligibility transferable across programs;
- Eliminate current disincentives for enrolling in multiple programs;
- Create common intake and assessment methods across agencies;
- Insure collaborative planning with the economic development system;
- Establish coordinated service delivery as a local PIC priority;
- Empower the Governor's Employment and Training Commission with review and approval authority for all employment and training initiatives.

### **Additional Initiatives By the Commission of Employment and Training**

Soon after the work force development task force released its report, the Governor created a Commission of Employment and Training as recommended. The development of new initiatives then became the responsibility of that commission. Two years later the commission introduced new legislation that was eventually adopted by the New Jersey Legislature. Some of the key features of this legislation are:

1. The role of the private sector on the commission was strengthened. Private sector representatives are predominately chief executive officers and executive committee members of the state's largest corporations.
2. The commission is responsible to review of all plans of service for the employment and training activities of all departments of state government. Private Industry Councils are given a similar review responsibility at the local

level.

3. A market-based planning system which focuses on the development of competency-based labor market analysis to measure the skill gaps between workers and jobs.
4. A local planning model that provides for substantive PIC involvement in all human resource development programs.
5. Goal setting, performance standard development and oversight which includes multiple agencies.
6. The Commission is given the flexibility to merge other employment and training councils and committees.

The Private Industry Councils were also given the responsibility to develop new procedures as part of their planning process. Specifically, PICs were required to include, as part of their annual plans of service, statements on how they would coordinate each of the following areas:

- the marketing of local employment and training programs under the common identity of "Jobs New Jersey;"
- intake process;
- assessment;
- job search assistance and placement;
- job development; and
- recruitment.

### **Utah Needs to Conduct Its Own Strategic Planning Process**

To be successful, the strategic planning process needs to have the support of the Governor and the State Legislature. It should also rely heavily on the input of the business community. The Governor should provide the political leadership to see that the strategic planning process is carried out and that the strategic issues are resolved. He can do this by creating a strategic planning task force of senior level government and business leaders. The Legislature can also support the process by providing their own input and by demonstrating an expectation that the planning effort will be completed.

## **The Process Needs the Support of The Governor**

The strategic planning process will not succeed unless it has strong support from the Governor. The Governor is the ultimate mediator of the power relationships in the executive branch. He should provide political leadership for his cabinet, the education leaders and the business community as they attempt to resolve the tough power issues that have been the source of conflict in the past. Every other state that has made major improvements to their work force development systems has done so under the strong leadership of a Governor who has taken personal interest in this issue. Unless state and local government, the education community and the business community recognize that the strategic planning process has been sanctioned by the Governor, they may be reluctant to support the results.

## **The Governor Should Appoint a Strategic Planning Task Force**

We recommend that the Governor appoint a special task force to conduct a strategic planning process for work force development. It should consist of cabinet-level officials and leaders from the business community. Additional members could be selected from labor organizations or community-based organizations. Although each of these groups is already represented on the Job Training Coordinating Council, it would be unwise to give that body the responsibility for the strategic planning process because the authority of that council has been the subject of controversy in the past. However, many of the business representatives who currently serve on Private Industry Councils are very knowledgeable about the existing system. Appointing one or more members of that group to the task force might give that group an historical perspective of the state's work force development problems.

Each agency which is asked to participate in the strategic planning process should be required to contribute a certain amount of staff and financial resources. Each agency should be required to devote one senior-level staff person to the task force to conduct research, compile data, and perform other support services as required. Each major federally funded employment and training program is appropriated funds for its administrative board. A portion of these funds from each program should be made available to finance the strategic planning effort.

The task force should focus most of its attention on redefining the broad goals and objectives of the state's work force development system, resolving the strategic issues pertaining to oversight and control, and establishing performance standards. They may also choose to recommend specific strategies for achieving the state's broad work force development goals. If they follow the pattern taken by several other states, the task force would recommend the creation of a statewide oversight body such as a Human Resource Investment Council. If Utah's HRIC were to have a different composition than is required by the recent JTPA Amendments, the state would have to apply for a federal waiver similar to

those already obtained by several other states that have created HRICs. Such a council would eventually assume the role of overseeing the ongoing development of the work force development system, preparing an annual strategic plan, and addressing the issues regarding organization, process and budgets.

### **The Legislature Should Also Support the Process**

Strong support from the Legislature is also important to a successful strategic planning process. To do this they should communicate their expectation that the strategic planning process will be completed and that the fundamental issues regarding power and politics will be resolved. They could do this by passing legislation directing the Governor to appoint a strategic planning task force and which appropriates funds for that process. The Legislature may also wish to include in that legislation its goals and objectives for the strategic planning process and identify a few general policy guidelines for the state's work force development system. It may also be appropriate to appoint a few Legislators to the strategic planning task force. The experience of other states has shown that participation by the State Legislature is important because any statutory and budgetary reforms that may be proposed by the strategic planners will require support from the Legislature. Some of the states that have not involved the Legislature in this process have had difficulty getting some of their recommendations enacted into law.

The Legislature also needs to reform its own procedures for addressing work force development programs and budgets. They should do this independently of the strategic planning process. They should either create a single set of standing and appropriations committees for work force development or develop another approach for ensuring that budgets and programs are reviewed in a consistent and coordinated manner.

### **Input from the Private Sector is Needed**

Strong leadership from the private sector is an essential part of strategic planning for work force development. Business leaders must recognize that government and business share the problem of worker training and that the development and implementation of an effective program for work force development must be a joint effort. Most employers recognize the seriousness of the problem of worker training but it may be difficult for them to stay involved in the time-consuming and frustrating process of government reform. For this reason, it is important to identify a few business leaders who have demonstrated an interest in work force development issues and ask them to participate in the strategic planning process. They should be given a status equal to the agency heads on the task force and other coordinating councils.

## **Recommendations:**

1. We recommend that the Governor appoint a strategic planning task force of high level government and business leaders to conduct the strategic planning process for work force development.
2. We recommend that the Legislature support the strategic planning process and provide their input regarding the fundamental policy issues of work force development. They could do this by enacting legislation that creates a strategic planning task force, appropriates funds to support the strategic planning process, and provides general policy statements regarding the state's work force development efforts.
3. We recommend that the Legislature coordinate the way it addresses the programs, policies, and budgets relating to work force development.

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## **APPENDICIES**

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## **Agency Response**

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