

A Work in Progress

*Case Studies in Changing Local Workforce
Development Systems*



The Jobs Initiative Final Report Series – Volume 1



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Prepared for
The Annie E. Casey Foundation
701 St. Paul Street
Baltimore, MD 21202

Prepared by
Abt Associates Inc.
Scott Hebert
S. Rhae Parkes
Glen Schneider

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Since 1996 the Abt Associates evaluation team has produced a wealth of research on the Annie E. Casey Foundation's Jobs Initiative (JI) throughout its three phases – Planning, Capacity Building and Implementation. As we near the conclusion of the Initiative's implementation phase, the Abt team has focused its efforts on evaluating the Initiative's overall results, assessing its broader impacts and influence, and identifying lessons learned for the field of workforce development.

This document is the first in a series of final evaluation reports. Collectively, the reports address the JI sites' system change strategies and achievements, examine the role of sites as workforce development intermediaries, assess the sites' influence on local workforce development, and analyze the overall results and accomplishments of the Initiative.

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Contents

INTRODUCTION	1
The Changing World of Workforce Development (1995-2005).....	1
Improved Program Practices Versus System Change.....	2
The AECF Jobs Initiative: An Experiment in Intentional System Change.....	2
THE SEATTLE JOBS INITIATIVE	
Community College Partnerships	5
Overview of the Seattle Jobs Initiative.....	5
A Decision to Foster Improvements in the Services Offered by Community Colleges	6
Elements of the Challenge Faced by SJI.....	6
Strategies Used By SJI.....	7
Lessons Learned to Date.....	8
Assessment of System Improvements to Date.....	10
Future Activities	11
THE MILWAUKEE JOBS INITIATIVE	
Partnering with Business and Labor to Promote Sectoral System Change	12
Overview of the Milwaukee Jobs Initiative	12
Overview of Change Strategy.....	13
Operationalizing the Change Strategy.....	14
Lessons Learned.....	16
Results to Date.....	18
Future Activities	19
THE ST. LOUIS REGIONAL JOBS INITIATIVE	
System Change Through Developing a Model One-Stop Center	21
Overview of the St. Louis Regional Jobs Initiative	21
The MET Center as a Focus of SLRJI’s System Change Efforts	22
Challenges.....	23
Strategy for Transforming the MET Center	23
Progress to Date and Lessons Learned.....	24
Future Activities	25
THE PHILADELPHIA JOBS INITIATIVE	
Performance-Based Accountability: Using Data to Advocate for Accountability in Workforce Development	27
Overview of the Philadelphia Jobs Initiative.....	27
System Change Strategy.....	28
Strategies Pursued/Actions Taken	29
Results to Date.....	30
Future Activities	32
COMMONALITIES IN SYSTEM CHANGE EFFORTS	34

INTRODUCTION

The Changing World of Workforce Development (1995-2005)

Over the past decade, there has been tremendous creative thinking and experimentation in the workforce development field. One factor contributing to these developments was the passage of federal welfare reform legislation that brought a sense of urgency for finding ways to help large numbers of disadvantaged workers succeed in obtaining employment. For a brief period, welfare reform also brought a substantial spike in the amount of federal funding available to help welfare recipients make the transition to work. These developments prompted welfare-to-work experimentation by states and municipalities across the country.

Another factor prompting new thinking and practices was passage of the Workforce Investment Act (WIA), which restructured the principal federal employment and training programs. In shifting from a system of contract-based to voucher-based assistance for training, this federal legislation changed the way many workforce development services receive support at the local level. Unfortunately, under WIA all training activities are viewed as a last resort, and available to individual job seekers only after a variety of job search options have been exhausted. Moreover, the overall amount of federal funding available for training through the U.S. Department of Labor has declined dramatically. As a condition for receiving this federal assistance, WIA also requires states and localities to set high performance standards for training providers. Although in some ways commendable, these performance standards have had the (presumably unintentional) consequence of discouraging localities from targeting their scarce WIA training dollars to assistance for the neediest, least job-ready individuals. A related effect of these changes is that it has become more difficult for many smaller, community-based providers, which often direct their efforts at the hardest-to-employ, to operate training programs (or at least to access WIA funds to support their training efforts).

In addition to these federal policy changes, various foundations and advocacy groups have widened the workforce development debate over the last decade. This process has inspired some new ways of thinking about practices and desired outcomes, particularly relative to serving the needs of disadvantaged job seekers. For example, out of this debate has come a growing recognition within the field that long-term worker retention and advancement ideally should be the metrics by which the effectiveness of workforce services are measured. In turn, this has prompted a closer examination of the quality of job placements, and experimentation around improved retention and advancement strategies. It has also led many workforce development practitioners to adopt a broader definition of the sorts of training and supports, both pre- and post-placement, that individual job seekers might need to succeed in the workplace. It has also encouraged more attention to “sectoral”

partnerships in the workforce development field – that is, training and service providers working with groups of employers in particular industry sectors. These sectoral partnerships are seen as offering perhaps the best chance to understand the specific employment requirements of industries and to promote meaningful employer engagement that in turn will lead to more responsive training and service programs, high quality job placements, and the identification of pathways for worker advancement.

In seeking ways to work closer with employers, the workforce development field has also developed a greater appreciation of the importance of adopting a true “dual customer” model – viewing both employers and job seekers/incumbent workers as equally important customers. The role of intermediaries – neutral brokers who can balance the competing needs of employers and job seekers, and can frame win-win situations – also began to emerge; such intermediaries are increasingly being recognized as essential features to an effective workforce development system.

Improved Program Practices Versus System Change

The changing policy and funding environment, and the new concepts emerging about “best practices,” have encouraged a variety of local workforce development practitioners around the country to experiment with different approaches to providing their services. However, even when the adoption of these new practices by the individual practitioners results in improved outcomes for clients, relatively few individuals actually benefit from them. This is because the workforce development programs operated by individual organizations rarely serve more than a few hundred individuals per year, at best.

A key issue, then, is whether there are ways for individual organizations to promote broader implementation of improved practices in a region so that many practitioners, or ideally the entire local workforce development system, reflect these best practices. That is, can a single organization, or a group of organizations working together, intentionally execute a strategy to transform the practices of a regional workforce development system, or at least a large portion of the system, to improve the outcomes of disadvantaged job seekers and workers? This was a central question that the Jobs Initiative of the Annie E. Casey Foundation (AECF) sought to test.

The AECF Jobs Initiative: An Experiment in Intentional System Change

The Annie E. Casey Foundation is committed to helping disadvantaged kids achieve better results. Through its experience with various initiatives, the Foundation concluded that kids do better when their families do better, and their families generally do better when the parents have access to good jobs and are economically successful. Therefore, AECF sought ways to help disadvantaged families improve their connections to quality employment with advancement opportunities.

The result was the Jobs Initiative, a multi-city, eight-year effort to identify improved workforce development approaches and to attempt to take those enhanced practices “to scale.” Beginning in 1995, AECF funded local organizations in six cities to serve as intermediaries, to mobilize local institutions and other stakeholders, and to identify mechanisms to improve workforce development services for disadvantaged job seekers. AECF believed, and the early Jobs Initiative experience seemed to confirm, that such intermediaries would be crucial in achieving a necessary balance in responding to the needs of both job seekers/workers and employers. AECF also encouraged the individual sites to experiment with both sector-focused projects, and projects that could respond to the unique skills and interests of individual job seekers (i.e., individual placement projects) by engaging with employers across many sectors.

Although each Jobs Initiative site was encouraged to design discrete “jobs projects” to test out more promising practices, the goal of the Jobs Initiative was far more ambitious. Once a site had identified a superior practice or approach that improved key employment and earnings outcomes for disadvantaged workers, its mandate was to find ways to promote the adoption of the better practices system-wide. That is, the ultimate test of the effectiveness of the Jobs Initiative sites was whether they could foster system change — large-scale improvements not only to job training and workforce development agencies and programs, but more broadly to “the multiple systems, public and private, that affect the creation of and access to decent jobs; for example, business, education, training, human services, welfare, transportation and economic development.”¹

The balance of this monograph examines the experience of trying to promote intentional workforce development system improvements in four of the Jobs Initiative sites: Seattle, Milwaukee, St. Louis, and Philadelphia. As will be seen, across these four case studies there is considerable variation in the nature of the system changes being sought and the strategies used to accomplish them. In Seattle, the Jobs Initiative intermediary has expended substantial effort pursuing changes in the community college system. In Milwaukee, the site has concentrated on creating labor-management partnerships to improve employer practices and worker productivity across industrial sectors. In St. Louis, the local stakeholders have sought to create an integrated, multi-service training center for working families and individuals that can serve as a model for other providers throughout the region. And finally, in Philadelphia the Jobs Initiative effort has sought to foster improved use of outcomes data to promote greater accountability and improved workforce development policies and practices throughout the region and state.

To a considerable extent, the various approaches selected by the sites to promote system improvements were guided by a theoretical framework developed for AECF by two consultants to the Foundation, Jobs for the Future, Inc. (JFF) and On Purpose Associates, Inc. Throughout the life of the Jobs Initiative, AECF provided technical guidance to the sites,

¹ *Jobs Initiative: Executive Summary*, AECF, 1995, pp. 3-4.

individually and collectively. The technical assistance spanned a wide range of issues, from analyzing regional economies and labor markets, to identifying effective placement, retention, and advancement strategies, to enhancing the cultural competence of providers and employers. Some of this technical assistance AECF staff provided directly, and some through consultants. As the sites were preparing to move from the Capacity-building Phase of the Initiative (which focused on the distinct jobs projects reflecting better practices) to the Implementation Phase (which would concentrate on system-wide improvements), AECF recognized that the sites were having trouble conceptualizing how to structure their system change efforts. The sites also did not know how to assess the relative merits of alternative system change strategies that might be available to them.

To fill this knowledge gap, JFF and On Purposes Associates created a framework that the Jobs Initiative sites could use to map the system change opportunities that were available, and to identify the more promising strategies for generating such change.² Among other things, this framework helped the Jobs Initiative sites to recognize the key “drivers” of system change – relationships, resources, power and authority, information signals, policies, and operational competencies. The framework also assisted the sites in identifying where there were points of leverage, reflecting the sites’ unique circumstances and assets, that could be used to influence these drivers. Using this framework, the individual sites designed and implemented intentional system change efforts, with JFF providing ongoing technical assistance in helping the sites to refine their strategies if difficulties were encountered. AECF believed that, with this framework and technical assistance, the individual Jobs Initiative sites would be able to achieve system change and broader impacts that would take the improved practices to “scale.”

In the following pages, we examine the experience of the Jobs Initiative sites in Seattle, Milwaukee, St. Louis, and Philadelphia with this system change process.

² See, for example, *Strategies for System Change: Mapping the Opportunities for the Jobs Initiative Sites*, Jobs for the Future, Inc. and On Purpose Associates, Inc., November 1998; and *A Framework for Labor Market Systems Reform for Jobs Initiative Sites (Revised)*, Jobs for the Future, Inc. and On Purpose Associates, Inc., May 1999.

THE SEATTLE JOBS INITIATIVE

Community College Partnerships

In Seattle, the Jobs Initiative site viewed community colleges as an integral part of the workforce development system, and has sought to shape their programs to better meet the needs of inner-city residents

Overview of the Seattle Jobs Initiative

The Seattle Jobs Initiative (SJI) was established in the fall of 1995 as a program incubated within the City of Seattle's Office of Economic Development (OCD). For over seven years, its location within municipal government helped SJI to be an effective advocate and innovator influencing the City's workforce development policy and programs directed at disadvantaged job seekers and workers. However, in January 2003, SJI was spun off as a separate non-profit in the interests of ensuring a permanent institutional home for its advocacy and workforce development research and development functions.

As a nonprofit, SJI has a ten-member board of directors reflecting a broad range of institutions and perspectives relevant to workforce development. Its board includes representatives from the City of Seattle's economic development office, the state's economic development office, the state board for community and technical colleges, the Federal Home Loan Bank, a local law firm, local businesses, provider agencies, and a national workforce development think-tank.

SJI is focused exclusively on employment and training services, and related issues. Through most of its existence, and continuing as a nonprofit, SJI has served as a fund administrator for various public funding streams for workforce development services. Through this role, it supports several direct services programs that link Seattle residents who are disadvantaged job seekers or workers with employment and advancement opportunities. SJI uses this position to encourage the service providers with whom it contracts to adopt improved practices. In its activities supporting service delivery, as well as in its policy advocacy, SJI stresses providing residents with access to good jobs and opportunities for career advancement. It also fosters innovation, accountability, and capacity building among the region's training and service providers.

As of 2005, SJI had an annual budget of \$3.8 million, and a staff of 17 FTEs. Its principal funding came from the City of Seattle, the Annie E. Casey Foundation and the Rainier Valley Community Development Fund as well as other foundations, businesses and state agencies.

A Decision to Foster Improvements in the Services Offered by Community Colleges

Early on, SJI decided to devote considerable attention to working with local community colleges to improve the capacity of the Seattle community college system to address the workforce development needs of the inner city's disadvantaged job seekers and workers. In particular, SJI has sought to help the community colleges to develop shorter-term courses and hard skills training programs in which credentials could be achieved relatively quickly.

From its inception, SJI has sought ways to support existing workforce development service providers in making improvements in the effectiveness of their services. Its system change strategy has involved finding ways to take these improvements and “best practices” to scale. SJI has attempted to leverage the best efforts of the existing workforce development system, rather than to create new, independent training institutions operating in parallel to the current system. In this context, SJI saw the Seattle community college system as an important part of the broader regional workforce development system, with lots of resources and expertise that potentially could be brought to bear. The challenge that SJI faced was how best to work with these community college institutions to enhance their programs and services to meet the needs of inner-city residents.

Elements of the Challenge Faced by SJI

Many community college officials and faculty members do not necessarily view their central mission as one of meeting the vocational needs of inner-city residents. That is, as with community college systems around the country, some of the Seattle community colleges primarily view themselves as feeders to four-year college degree programs, and many of their faculty tend to look with disfavor at the idea of shorter-term “vocational” programs.

In addition, even in the Seattle community colleges more favorably disposed towards vocational programs, many practices needed to change before the colleges could be effective in responding to the needs of low-income job seekers looking for short-term training opportunities. These included changes in the scheduling of courses and the location of classes to provide more convenient access to inner-city residents who were also working and/or had family responsibilities. Restrictions on financial aid eligibility needed to be addressed. In some cases, the colleges also needed to implement cultural competency strategies to effectively accommodate the diversity of their student population.

Even when acknowledging that vocational education was part of its mission, a college could find it very difficult to get its bureaucracy to change its policies and behavior. Moreover, although some policies were within the control of individual academic or administrative departments within a college, the power to make other necessary changes – such as determining eligibility for using Pell grants for tuition – rested with officials or institutions outside the college itself.

Other challenges included getting the colleges to modify the indicators that they were using to judge the success of their activities. Traditionally, some colleges assessed the success of their programs primarily on their record of filling classes and maintaining high graduation rates. These colleges did not look past graduation, and therefore did not see the importance of judging their performance on the basis of the ability of their graduates to secure related employment and to succeed in these jobs. Once a college accepted that the job placement and retention rates of graduates were meaningful metrics of its performance, however, the institution was forced to take a more serious look at the competencies that it was imparting to its students.

SJI also found that some community colleges were expanding their vocational programs because they were attracted by the large amount of welfare-to-work funding that became available following passage of federal welfare reform legislation. For these institutions, a challenge for SJI was in getting these colleges to see the importance of moving beyond the minimum wage jobs encouraged by the “work first” federal welfare-to-work model, and to focus on jobs that offered pathways to advancement and real economic self-sufficiency for inner-city residents.

Strategies Used By SJI

Although the characteristics cited above are not unlike the situations reflected in many community colleges elsewhere in the country, SJI had the added challenge of approaching these issues as an “outsider” – an entity outside of the community college system. Therefore, the strategies it selected had to acknowledge this limitation.

In its work with the community colleges, SJI has used three main strategies:

- **Explicitly pursue an exploratory process in partnership with the colleges.** When it began its efforts with community colleges, SJI acknowledged that it lacked expertise relative to post-secondary education for its target population and “didn’t have all the answers.” Instead, it explicitly sought to work together with individual community colleges to learn what were the essential elements to serve the vocational needs of disadvantaged residents from the inner city. SJI hoped that any successes that emerged from these exploratory efforts would serve as examples of more effective practices that the other community colleges in the area would emulate.

SJI admits that its first forays in this area were largely “disasters” in terms of mismatches between the training and services offered and the needs of the job seekers and/or employers. However, through the exploratory process, both SJI and the community colleges gained insight into training models for the target population that would prove effective for various industry and occupational sectors.

- **Buy credibility:** SJI recognized that, like most institutions, community colleges faced competing demands on their resources and attention. Therefore, SJI had to create positive

incentives for the colleges to be willing to focus on the needs of inner-city residents, particularly if a college had not concentrated on this population in the past. SJI did this in a couple of ways. First, it used its role as conduit of public workforce development funding to contract with the colleges for the delivery of training programs directed at SJI's target population. Second, SJI brought supplementary services for the students (through subcontracting with community-based organizations), including case management and wrap-around supportive services. These services helped the students to overcome or avoid personal crises that would have otherwise interfered with their ability complete their training programs. In demonstrating the importance of these services for generating positive outcomes, SJI also encouraged the community colleges to think more broadly about the training-related services that it should routinely offer for this population.

- **Focus on the institutions that offered the greatest potential.** SJI had a number of community colleges, or departments within colleges, to choose among in trying to promote more attention to the vocational needs of disadvantaged inner-city residents. Over time, SJI learned which institutions represented the greatest potential impact, either because of the college officials' receptivity to SJI's core principles, and/or because of the institution's location and clientele base. It is on these "high potential" institutions that SJI focused the bulk of its efforts to foster improvements in community college vocational services for disadvantaged job seekers and workers.

Lessons Learned to Date

Over the period of 1998 to 2004, SJI engaged in partnerships with five different community and technical colleges in greater Seattle to offer a variety of training programs for disadvantaged inner-city residents. These training programs covered an array of vocational specialties: computerized numeric control (CNC), electronic assembly, manufacturing, office skills, automotive maintenance, printing and binding, web design, and IT help desk skills. Through these experiences, a variety of important and (according to SJI) generalizable lessons were learned about the essential features of training programs/course designs, and the process of establishing them.

Program/Course Design

- **Access to the courses:** facilitating convenient access to the training program, whether through the location of the training site within the inner city itself or adjacent to public transportation routes, proved crucial. This was particularly essential for the lower-income students who lacked reliable private automobiles, or had to coordinate dropping their children at child care services with their course schedules.
- **Shorter modules:** training modules that allowed students to achieve some form of certification quicker than the 2-year programs of study typical of the community colleges were also essential features. These shorter modules were important for providing the disadvantaged students with motivation and marketable results from their training efforts as soon as possible.

- **Evening classes:** Many of the students targeted by SJI’s vocational training efforts were attempting to pursue vocational education while also working full-time or part-time jobs to support their families. The option of evening classes dramatically reduced the scheduling conflicts and stress faced by these students.
- **Improved front-end student assessments:** SJI found that often there was inadequate attention to comprehensive, up-front assessments of a student’s pre-existing skill levels, career interests, and the services that the student might need to succeed in the course of study. With improved assessments, and referrals to the courses and supports suggested by those assessments, the colleges did a better job in matching applicants to appropriate training programs and course completion rates increased dramatically.
- **Soft skills training:** although “hard skills” training was critical for providing the technical competencies that employers valued, SJI found that to succeed in training and on the job many of the disadvantaged students also needed soft skills training relative to interpersonal communications, rules of workplace behavior, conflict resolution, and dealing with personal crises.
- **Cultural competence:** the students were not the only ones that needed training. SJI also found that some of the instructors at the community and technical colleges needed cultural competence training to learn how to deal effectively with individuals from different racial, ethnic, and socio-economic backgrounds.
- **Fuller employer engagement:** SJI and the community colleges learned that it was not sufficient to consult employers only in the design of the technical curriculum. To help ensure that job openings would be available for graduates, and that there would be a proper match between graduates and job placements, it was also very helpful to have employers involved in screening applicants for the training programs, in presenting lectures to the students, and in providing internships and job shadowing activities. This approach contributed to more successful placements, which reinforced for employers the value of greater engagement and maintaining a relationship with the training program. This was particularly important for the sectoral projects.
- **Case management and wrap-around services:** With the recognition of the barriers that the disadvantaged students faced came an appreciation of the value of case management and wrap-around services. These services proved essential as a way of anticipating and solving many of the students’ personal crises which otherwise would have caused a good number of the individuals to drop-out of or fail in their training programs.
- **Taking a cohort approach:** Somewhat similar to the case management services, SJI found that enrolling the disadvantaged students as cohorts in the training programs was often an effective and inexpensive way to create a peer support network among the students. This was particularly true if the training programs were located at institutions that were physically distant or culturally different from the students’ communities.
- **Use of CBOs for recruitment and supportive services:** SJI found that CBOs could become helpful recruitment vehicles for the training programs at the community and

technical colleges, and useful providers of case management and supportive services for the students. However, achieving success in these roles was dependent on the CBOs becoming educated about effective engagement in sectoral projects, especially in learning to view employers as customers. Success was also dependent on the community and technical colleges becoming more open to the value that CBOs could add by assuming those roles.

Process Factors

- **The importance of having leadership commitment at the community college.** Through a trial and error process, SJI discovered that there was no substitute for having true leadership commitment, and at least one influential champion, at the community or technical college. These internal champions were critical in mobilizing resources and overcoming the college's bureaucratic barriers. However, if the administrators and faculty principally saw the mission of the community college as being a feeder to a four-year institution, even the efforts of a committed champion, no matter how highly placed, often were not sufficient to overcome institutional resistance. Moreover, SJI found that turnover in committed administrators and champions was not uncommon, and once the administrator/champion departed, some of the in-roads made with the college bureaucracy could be lost.
- **Funding alone cannot be the college's principal motivation.** SJI also found that if funding, and not a basic sense of mission, was the key driver for the institution's involvement in the training efforts, when funders' priorities inevitably shifted, so did the college's commitment.
- **Sometimes a "big bang" approach is the way to go.** In hindsight, SJI realized that it had invested substantial resources in certain community colleges. But because it had done so in incremental amounts, often SJI had not achieved as much influence in the institutions as the aggregate funding and supports would have suggested. Consequently, SJI believes that if it had an opportunity to start over with these partnerships, it would "come in the front end with a big package," such as a large investment in return for establishment of a worker center at the community college. In that way, SJI believes, it would generate more responsiveness and results on the part of the community college for the investment received.

Assessment of System Improvements to Date

SJI views its efforts to foster improvements in the vocational programs of community and technical colleges as a continuing "work in progress." Nonetheless, local informants point to some significant changes that have occurred in the practices of some of Seattle's community and technical colleges that make them better equipped to meet the vocational needs of inner-city residents and disadvantaged students. Most of the area's community and technical colleges now see "soft skills" as a necessary part of the curriculum of their

vocational programs. Some of these institutions continue to use the soft skills curriculum that SJI originally developed, while providing the soft skills trainers themselves. Also, many of the region's community and technical colleges now routinely accept the idea that retention and advancement are appropriate indicators to use in evaluating the effectiveness of their vocational training programs. In addition, several have been pursuing much stronger relationships with employers. At least two of the colleges are institutionalizing case management services as a core component of their vocational programs, and one of these is using CBOs to provide the case management, independent of any relationship with SJI.

These changes were not solely due to SJI's efforts, but it is fair to say that SJI played a major role in identifying and reinforcing the importance of these practices. It is also true, however, that not every community college in the region has internalized the principles that SJI has been espousing. Moreover, even in some of the community colleges that are following the practices, the commitment still does not exist institution-wide.

Future Activities

SJI will continue to partner with local community colleges to disseminate its learnings about improved approaches for offering vocational training to inner-city residents. SJI expects that in the immediate future it will focus on exploring three alternative options for carrying forward its system improvement efforts: a merger with a community college, a joint venture partnership with a community college, or implementing the SJI model in several community colleges simultaneously.

In addition, SJI plans to join with other advocates to push for changes at the state level in how the funding formula for community colleges is defined. Under the current formula, part-time students, such as those that take the short-term vocational courses that SJI has promoted, count for very little in the funding allocations. SJI believes that through changing the funding formula, community colleges can be provided much greater incentives for expanding their vocational training programs. SJI is also interested in expanding the availability of financial aid for students enrolled in vocational programs.

THE MILWAUKEE JOBS INITIATIVE

Partnering with Business and Labor to Promote Sectoral System Change

The cornerstone of Milwaukee's change strategy was the formation of sectoral partnerships involving both management and labor to simultaneously enhance the quality of employment opportunities and the productivity of the workforce.

Overview of the Milwaukee Jobs Initiative

In response to an opportunity for funding from the Annie E. Casey Foundation (AECF), the City of Milwaukee was selected in 1996 to participate in the Jobs Initiative. This led to the formation of the Milwaukee Jobs Initiative (MJI) that was envisioned to be a broad based coalition of business, labor and community stakeholders. Consistent with the overall guidelines for Jobs Initiative sites established by AECF, MJI was dedicated to the development of family-supporting employment that offered the opportunity for job stability and career advancement for disadvantaged job seekers.

MJI was initially led by the Campaign for a Sustainable Milwaukee (CSM), an organization that was strongly aligned with labor and community groups in the city. In an effort to gain a broader and more politically balanced base of support, the Milwaukee Jobs Initiative was spun-off in 1996 as a separate non-profit, shortly after CSM was selected as the project intermediary. Specifically, it was felt that a more independent standing (outside of CSM) would be beneficial in implementing the types of workforce development initiatives that ultimately require the support of both business and labor.

Once the new non-profit was in place, the MJI board of directors opted to maintain a lean organizational structure without a direct service capacity. Its preferred role was to act as an investor, providing funding and other support to established provider organizations to promote new or expanded workforce development initiatives. This was seen as a cost efficient approach that built upon the existing expertise within the workforce development community in Milwaukee.

As the pilot progressed, however, it appeared that the long-term sustainability of the Jobs Initiative required a more institutionalized anchor within Milwaukee's workforce development system. After extended planning and preparation, MJI was eventually integrated into the operation of Wisconsin Regional Training Partnership (WRTP) in 2003. The MJI board chose WRTP to carry on its legacy in part, because it shared a commitment to innovation and a common vision for improving the workforce development system in Milwaukee. As important, though, was the fact that WRTP had developed a strong track record of performance and had

accounted for a disproportionate share of MJI outcomes relative to its funding. Accordingly, in many ways WRTP was being positioned over several years to take over MJI's role.

WRTP is a non-profit association of more than 125 member companies and labor unions. As an “intermediary” in the labor market, WRTP seeks to identify and address workforce development challenges in a manner that is mutually beneficial to both workers and employers. According to WRTP, their “solutions to the staffing and training needs of its members companies and unions improve the access of low-income and unemployed community residents to family supporting jobs.”

WRTP has an annual operating budget of approximately \$1,800,000. The budget consists of funding from the public workforce development system (WIA), state and local governmental agencies (Milwaukee Metropolitan Sewage District, Wisconsin Department of Transportation, City of Milwaukee CDBG), foundations (Annie E. Casey, Mott, Helen Bader, McBeath) as well as some fee-for-service consulting. A professional staff of fifteen is organized to support the major industry sectors of its members.

Overview of Change Strategy

System change under the Milwaukee Jobs Initiative was led by Wisconsin Regional Training Partnership. The cornerstone of the change strategy was the formation of sectoral partnerships involving management, labor and community partners to simultaneously enhance the quality of employment opportunities and the productivity of the workforce. From an implementation standpoint, the strategy entailed the establishment of joint labor/management committees within individual firms, as well as partnerships across employers in a common industry. WRTP's packaging of resources to support employer-supported training initiatives enhanced the strategy.³

Working through these collaborative vehicles, WRTP's aim is to address specific workforce development challenges, particularly for entry-level workers (e.g., skill enhancement, productivity, workforce stability and turnover, career development) that are common to an industry or group of employers. The WRTP approach presumes that broader, system-wide change and scale is ultimately achieved when employers facing similar workforce development challenges increasingly recognize the value of this collaborative approach in developing solutions. WRTP is particularly well suited to aggressively pursue this approach to system change. As a membership association structured around sectoral needs, the organization provides a natural platform for the communication, sharing and collaboration that can provide the traction for widespread change.

³ Where WRTP has been unable to use traditional sources of funding to address employment concerns, it has creatively worked with partners like technical colleges, the WIB, foundations and others to craft training responses that meet employer needs.

The basis for WRTP's system change approach was a recognition that key sectors of the Milwaukee economy (e.g., initially manufacturing and machining followed by, healthcare and construction) potentially offered significant opportunities for employment with family sustaining wages. Yet the existing workforce development system was not seen as effective in addressing the needs of employers or job seekers, particularly those facing multiple barriers to employment. Moreover, although employers and organized labor both had a significant stake in improving the situation, there were few collaborative models in place to pursue their mutual interests.

The emergence of the manufacturing sector from a prolonged downturn in the mid-1990s set the stage for the evolution of the system change strategy. In a 2002 profile called "Taking the High Road In Milwaukee" (WorkingUSA, Winter 2001-02), WRTP reported that employers recognized that to remain competitive it was critical that they upgrade the skills of their existing workforce. WRTP argued that this had to be done on a significant scale, and in attempting to shape the approach, advocated that the best way to do this was through a collaborative strategy among labor and employers.

Further fueling the perceived importance of change was the traditional labor exchange model that focused primarily on the needs of individual job seekers. Under this model the involvement of employers and unions was limited to the tail end of the process when a training participant began the job search process. WRTP sought to change the approach so that quality job openings and commitments from employers increasingly drove the process from the outset. Under this more proactive and collaborative approach, prospective employees are recruited, screened, and trained with specific job opportunities in place. This mutually benefits employers by addressing their specific skill requirements and hiring needs, as well as the job seekers and unions by generating more solid employment and career opportunities.

Operationalizing the Change Strategy

To operationalize this system change strategy, WRTP supported the development of a collaborative infrastructure both within and across companies. This has taken the form of either joint labor/management planning committees within a firm or cross-employer partnerships within a particular sector. Working through either of these collaborative vehicles, WRTP offers its members a menu of services from which to customize specific solutions to workforce related challenges. Collectively referred to as **quality employment practices**, these services provide the building blocks from which to address a full range of issues from skill deficits to job turnover to absenteeism. Core offerings include:

- **On the job training**, including peer-to-peer training and mobilizing staff to become trainers;
- **Workplace education**, including GED attainment and development of in-house learning resources;

- **Career advancement strategies** to promote stability through development of job ladders and internal career growth opportunities;
- **Workplace mentoring**, including implementation of “buddy systems”, recruiting and training volunteer mentors, and the development of mentoring networks;
- **Supervisor training** to enhance the capacity of managerial staff, by incorporating more effective communication, leadership, problem-solving, and coaching skills into their jobs;
- **Essential skills training** for new hires in such areas as quality, safety, efficiency, problem-solving, conflict resolution, etc.;
- **Employee assistance services**, including the development of an EAP, a progressive discipline policy, and/or supportive service referral networks;
- **Retention services**, including the development of positive attendance strategies; and
- **Language services**, including ESL or workplace Spanish for supervisors or team leaders.

In addition to the above program tools, WRTP also offers consulting support to help develop the infrastructure for sustainable change. This includes developmental support in such areas as workplace modernization, sectoral organization, facilitation of training partnerships, and grants assistance.

Together, these quality employment practices and consulting support provide the basis for employers to pursue what has been referred to as a **“high road” strategy**. Described in detail in profile of Milwaukee in WorkingUSA (“Taking the High Road in Milwaukee,” Winter 2001-02), the approach is based on the formation of a “social partnership” in which labor and employers recognize the efficiencies and mutual benefits of their collaborative efforts. The preliminary impact of this “high road” approach can be seen in several key sectors of the Milwaukee economy, including:

The Manufacturing Sector: WRTP has created an employer network of over 70 manufacturing employers and unions. Together, these firms represent nearly one-fifth of all employment in the sector, as well as the largest proportion of WRTP members. Despite a period of comparatively slow manufacturing growth in recent years, member firms continue to be faced with significant concerns over the replacement of an aging workforce, the productivity and stability of the incumbent workforce, as well as possible relocation decisions. To date, 30 of these firms have adopted one or more of the WRTP quality employment practices designed to address these pervasive concerns.

The Hospitality Sector: Milwaukee’s downtown revitalization (i.e., its new convention center, stadium and museum) contributed to significant growth in the hospitality industry in the late 1990s. To fully understand the training and employment dynamics of this sector, WRTP conducted a needs assessment for the Greater Hotel/Motel Association that ultimately gave rise to a working partnership among several key unionized employers, including the Hilton, Hyatt, Pfister and Sheraton Four Points hotel properties. Together, these properties have overseen the design and implementation of several quality employment practices that include pre-employment training modules, On the Job Training, and career

advancement and turnover reduction strategies. Although the impacts of 9/11 dampened the hospitality sector significantly, the partnership remains in place and committed to promoting a productive and stable workforce as the sector emerges from the downturn.

The Health Care Sector: The health care sector in Milwaukee has been plagued by severe shortage of workers often exacerbated by pervasive turnover particularly in entry-level positions. Additionally, changes in Medicaid regulations have also increased demand for professional certifications among workers, such as for Certified Nursing Assistants (CNAs). To address the myriad issues generated by these labor market conditions, WRTP has built a partnership among twelve union-represented health care employers. In addition to establishing new training programs for entry-level workers, WRTP and the employer partnership have worked to reduce bottlenecks in the CNA training and certification process, and to develop a career ladder program for CNAs. WRTP has also developed a business plan for a Professional Employment Organization (PEO) that will provide staffing support to health care employers. Most importantly, it will serve as the employer of record, which will ensure that lower wage workers will have access to health care coverage via membership in the SEIU.⁴

The Technology/Utilities Sector: WRTP also has worked to create a sectoral partnership with employers and unions to increase the opportunity for central city workers to fill emerging job openings in the utilities and IT sectors. WRTP's collaboration with employers has also increased hiring opportunities through the development of a professional certification track (Utilities Construction Certificate Program) and the creation of a new job classification (meter technician) in the utilities industry. WRTP also worked with other members in this sector to implement various quality employment practices to reduce absenteeism and turnover, through initiatives such as positive attendance workshops, mentoring and pre-employment training.

Against this backdrop it should also be emphasized that WRTP has played an active advocacy role in the public policy arena. Based on its experience and expertise gained through these specific sectoral initiatives, WRTP has contributed to several key policy developments including; the expanded availability of workforce development funds, regulations regarding the participation of TANF recipients in training, and the implementation of placement wage standards for PIC funded initiatives.

Lessons Learned

System change in Milwaukee is philosophically driven by a commitment to collaboration among employers, labor and community partners for the mutual benefit of each. However, experience to date suggests that the collaborative planning and oversight framework is not sufficient in and of itself, to substantively transform the workplace. Rather, the specific

⁴ At the writing of this case study, the PEO was not fully launched.

workforce development solutions (i.e., quality employment practices) must also be crafted in a manner that fully supports the overriding commitment to “high road” employment opportunities. WRTP’s experience working with employers and labor across key sectors in Milwaukee underscores the importance of several design principles:

Comprehensive: WRTP recognizes that implementing a single quality employment practice is generally not sufficient to transform the workplace or sector in a substantive way. That is, for labor and management to jointly pursue the “high road”, requires that they address employment and productivity issues that are complex and multidimensional (e.g., lost productivity due to absenteeism may ultimately be linked to the structure of, and accessibility to internal career ladders). This requires comprehensive solutions that are implemented over time, incrementally and often through multiple points of intervention.

Customized: Employers and workers both bring a unique set of needs, interests and capabilities that must shape the content, focus and emphasis of effective workforce development solutions. While WRTP offers a standard menu of quality employment practices and tools, it is important to emphasize that they cannot be effectively implemented in a standardized, “off the shelf” manner. Rather, they must be adapted and refined to reflect both the uniqueness of stakeholder needs and the labor market in which they operate. It should further be emphasized that it is the process of developing a customized intervention that ultimately creates the collective sense of ownership needed for a collaborative solution to thrive, take hold and expand.

Flexible: Changing economic and political conditions provide a highly dynamic backdrop against which workforce development solutions are implemented. As such, interventions must remain flexible to ensure their viability as conditions change. For instance, many of WRTP’s initiatives initially focused on the recruitment and training of new employees. However, the ensuing economic downturn limited the number of new hires particularly in manufacturing and hospitality. This resulted in a flexible shift to address more immediate and pressing concerns such as reducing turnover costs, supporting and retaining existing employees, and ultimately, retaining jobs in Milwaukee. Similarly, when structural problems at Milwaukee Area Technical College (MATC) hindered WRTP’s ability to deliver “just-in-time” training (MATC initially applied for funding directly from the Milwaukee PIC), WRTP adapted its model to apply for direct funding from the PIC, and then subcontract with MATC for specific training.

Integrated: System change initiatives cannot succeed in a vacuum. Rather, program initiatives must be integrally linked to other successful functions or processes within the workforce development system. For example, WRTP has struggled to maintain an effective network of community partners to ensure an adequate flow of prospective participants into the system. Without this integrated link to an effective feeder system, the potential for lasting change will be compromised.

Results to Date

System change in Milwaukee has begun to reshape the role of employers and unions in the workforce development and labor exchange processes. Working with either individual firms or sector-based partnerships, WRTP has implemented a wide range of “quality employment practices” that collectively promote the mutual interests of employers and workers.

To date over 30 employers have implemented one or more of the various quality employment practices with eight firms implementing two or more. Among these firms, twelve have implemented joint labor/management committees to support the internal planning, implementation and oversight process. WRTP would be the first to acknowledge that its system change efforts are a work in progress, and to date, no sector has fully adopted the range of quality employment practices that it advocates. Nonetheless, as a result of its interventions, WRTP’s internal performance management system reports that positive results have been generated for both employers and workers. The following self-reported outcomes data provide examples of the nature and range of the impacts generated by system change in Milwaukee:

- **Employment Stability:** All hotels participating in the hospitality industry partnership reported reductions in employee turnover of between 10 and 40 percentage points. Similarly, one facility in the health care industry partnership reported a reduction in turnover from 95% to 15%, largely due to their internal mentoring program.
- **Wage Standards:** The four largest properties in the hospitality sector have implemented a structured wage increase timetable achieving an average starting wage of \$8.36 per hour. This reflects a baseline commitment to achieve an average starting wage that is 140% of minimum wage.
- **Work-based Learning:** In the manufacturing sector, eight firms have implemented new work-based learning systems to provide formalized on-the-job training for new and current employees.
- **Absenteeism:** One telecommunications firm successfully trained 50 attendance coaches through a series of positive attendance workshops. By early 2004, the firm reported a reduction in absenteeism from 21% to 8%. This reduction was critical in the firm’s reconsideration of its decision to relocate away from Milwaukee.
- **Firm Retention:** Implementation of quality employment practices, with an emphasis on positive attendance workshops, in part, resulted in the reversal of a decision at four manufacturing and telecommunications firms to relocate outside of region. The net impact was the saving of over 400 jobs in Milwaukee.

In addition to results achieved at the firm or sector level, WRTP’s system change efforts also resulted in a number of refinements to the broader policy and service delivery structure.

- **Resource Availability:** Through its role on the Governor’s Task Force on Technical Education, WRTP played an influential role in promoting the redirection of surplus TANF funds to create the Workforce Attachment and Advancement fund. This significantly enhanced the resources available for more flexible, innovative and customized training to better support the needs of employers and job seekers.
- **Training Access:** WRTP has worked with Waukesha County Technical College to offer classes in the central city in addition to the college’s outlying campus location. This has significantly improved access among inner-city job seekers to CNA training and certification that is, as we have noted, an increasingly important hiring credential for entry-level health positions.
- **Provider Support:** WRTP worked with the Milwaukee Area Technical College to facilitate its curriculum development processes to become a more flexible and responsive training resource. For instance, WRTP has helped MATC move towards a more modular approach to training that helps position the college to better serve employers and non-traditional populations.
- **Policy Reform:** The achievement of solid placement wages has allowed WRTP to “raise the bar” in system-wide discussions of job quality. Specifically, their success in securing an average placement wage in excess of \$10.00 per hour in the manufacturing sector was used to leverage a commitment from the Private Industry Council (PIC) to raise its placement wage threshold from \$7.00 to \$8.00 per hour.

Future Activities

Moving forward, WRTP’s system change strategy will increase its emphasis on the construction industry. It is anticipated that a number of major construction and public works projects (schools, roads, and most notably the Marquette Interchange) will generate significant employment opportunities in the coming years. The overriding aim of change in this sector is to increase the representation and success of minority workers particularly in apprenticeships and skilled trades.

As a precursor to this emerging priority, WRTP orchestrated a partnership in 2003 with the BIG STEP program that is designed to “acquaint under-represented individuals with employment and career opportunities in the skilled trades.” Although the organizations maintain separate boards and executive directors, they have nonetheless established a working partnership that allows for the planning and implementation of various workforce development initiatives on a sector-wide basis.

The collaborative process began by conducting a workforce needs assessment with representatives of building trades contractors and unions for all trades. Based on the results of the survey, WRTP reports that the construction industry expects to increase minorities

and women in apprenticeships by fifty percent. In response, WRTTP's 2005 Strategic Investment Plan calls for:

- The formation of an employer network (six by mid 2005) providing quality employment practices (e.g., mentoring, pre-employment training, career advancement) in support of commitments to hire and retain females and minorities.
- Targeted efforts to reduce turnover in entry-level construction jobs to not more than 50 percent through improved retention strategies and career advancement opportunities.
- Identification and communication of job ladders that ultimately lead to 25% of those holding entry-level construction jobs advance to apprenticeship positions.

It should be stressed that the success of this sectoral effort will in part, depend on whether the “construction boom” and the associated demand for workers, fully materializes as currently envisioned.

In conclusion, the pursuit of system change under the Milwaukee Jobs Initiative has allowed labor and employers to collectively take the initial steps down the “high road.” Clearly, the journey is an extended one that will require continued commitment to collaborative workforce development solutions. More importantly, it requires an unwavering belief that family supporting job opportunities will mutually benefit both workers and employers as solid earnings and career opportunities serve to enhance workforce productivity and stability.

THE ST. LOUIS REGIONAL JOBS INITIATIVE

System Change Through Developing a Model One-Stop Center

The St. Louis Regional Jobs Initiative elected to focus on establishing an integrated one-stop employment and training center for working individuals and families. The site felt that an effective center would be a workforce service delivery model for St. Louis and the greater region.

Overview of the St. Louis Regional Jobs Initiative

The St. Louis Regional Jobs Initiative (SLRJI) began in 1995 as a program under the auspices of the East-West Gateway Council of Governments (EWGCG). EWGCG is both the council of governments and the metropolitan planning agency for the greater St. Louis region, which includes the City of St. Louis, four Missouri counties and three counties across the Mississippi River in Illinois. With its emphasis on implementing direct service and system change projects, SLRJI represented a departure from EWGCG's traditional focus on planning studies, although it complemented EWGCG's policy advocacy interests.

During its early years, SLRJI developed and invested in a series of demonstration “jobs projects.” These jobs projects, like those being developed by the other AECF-supported Jobs Initiative sites, were intended to test out improved practices for connecting disadvantaged job seekers to employment and career advancement opportunities. Some of SLRJI's jobs projects had a sectoral orientation, including projects focusing on the health and construction industry sectors. However, the most successful jobs project that SLRJI nurtured through its investments was a pre-employment program called WorkLink. WorkLink focuses on job readiness and soft skills training leading to entry level positions for individuals who lack substantial prior work experience and/or have limited marketable skills. WorkLink also provides post-placement support and mentoring to its graduates over an extended period. Through these post-placement services, WorkLink supports its graduates in becoming successful workers, but also encourages them to play more productive roles in their families and communities.

In 2003, as its AECF funding began to wind down, SLRJI faced a decision about how to concentrate its efforts in order to generate the greatest, sustainable impact on the regional workforce development system with its available resources. After considering various alternatives, SLRJI concluded that it could best promote system-wide improvements through its continuing investments and efforts to improve practices at the Metropolitan Education and Training Center (the MET Center).

The MET Center as a Focus of SLRJI's System Change Efforts

The MET Center is located in Wellston, a community in St. Louis County that abuts the City of St. Louis. The MET Center is housed in a 6-story renovated industrial building owned by St. Louis County. This site has had a somewhat checkered history as a vocational training facility. It was originally the home of the Cornerstone Project, which focused on training for manufacturing jobs. However, there was a disconnect between the Cornerstone training courses and available manufacturing positions. Few successful placements were made, funding declined, and eventually the Cornerstone Project was terminated. St. Louis County continued to maintain the facility, but the space was underutilized. Moreover, although several vocational training programs operated out of the site, there was little coordination among these programs and no overall vision for the facility.

During the period that Cornerstone Project was the principal tenant of the facility, WorkLink had its primary office in one portion of the building. Following the demise of Cornerstone, the directors of WorkLink and SLRJI began conversations about what the two entities could do to revitalize the training center. Both organizations viewed the building and its location adjacent to a public transit station as a tremendous asset. They also believed in the potential to build on the foundation of the training programs, including WorkLink, that were still functioning at the center, and on St. Louis County's support for the facility.

They felt that the MET Center could become a model of an integrated one-stop employment and training center for working individuals and families, reflecting Jobs Initiative principles. These principles include following a dual customer approach, in which the interests of both job seekers and employers are addressed. It also includes the availability of both soft skills and hard skills training, and pre- and post-placement case management and supportive services. The case management is seen as critical for mobilizing resources and coordinating across training programs for clients. There is also a focus on judging the effectiveness of the training and services based on the placement, retention and advancement rates of graduates. In particular, longer-term retention (that is, continued employment over twelve months or more) is emphasized. The use of data is valued as a way to monitor performance relative to these outcomes and to identify ways to improve practices over time.

SLRJI felt that if the transformation of the MET Center could be accomplished, it would not only serve as a model for workforce service delivery in St. Louis, but also for greater region. SLRJI believed that institutionalization of the Jobs Initiative principles at the MET Center would lead to substantially better outcomes for the center's clients, which in turn would inspire other workforce development providers throughout the region to adopt the improved practices. In this way, SLRJI felt it could maximize its influence on the region's various workforce development systems.

Challenges

SLRJI faced a number of challenges in promoting the transformation on the MET Center into a multi-service workforce development center that would be a model for others to emulate. Some of the more significant are highlighted below:

- **Governance:** The pre-existing programs housed at the MET Center were funded and staffed by a variety of different county and city agencies. This resulted in a series of program “silos” with independent, parallel lines of reporting and accountability. There was little information-sharing among programs, and almost no coordination in service delivery.
- **The uncertainty of public funding streams:** Although it is funneled through various local agencies, the majority of funds for the Center come from state and federal public funding sources. Many of these workforce development funding sources have been experiencing continuing cuts. Moreover, even for the funds that remain, the decision to allocate a portion of this funding to the MET Center is subject to annual review and approval of a variety of local public officials. Turnover among the individuals holding key public offices or changes in a local administration’s priorities could mean a dramatic shift in the level of financial support allocated to the MET Center. Such financial uncertainty makes it more difficult to pursue a long-range re-building strategy.
- **Absence of business engagement:** Most of the training programs operating out of the center did not have strong pre-existing relationships with more than a few employers. Only WorkLink incorporated a strong dual customer approach in its program design. Therefore, to get the MET Center overall to truly reflect a dual customer approach would require a fundamental shift in how many of the programs defined and delivered their training services.
- **Lack of connections to supportive services:** Most of the MET Center training programs largely saw themselves as operating independently, with few if any links to the other training programs at the center or to other service agencies throughout the region. As a result, there were few mechanisms in place at the center to connect the participants in the training programs with the supportive services that they might need to help them succeed in the training or on the job.

Strategy for Transforming the MET Center

Representatives of SLRJI and its parent organization EWGCG consulted with other local stakeholders who shared the vision for what the MET Center could become. These stakeholders included the county administrator for St. Louis County, representatives of St. Louis Community College and Better Family Life, Inc. (the organization that operates WorkLink), and the head of St. Louis Agency for Training and Employment (SLATE), the principal workforce development agency for the City of St. Louis. Together, they decided to pursue the transformation of the MET Center through a “top-down” approach, beginning

with addressing the governance issues at the center. The initial elements of the transformation strategy included:

- **Incorporating the MET Center as a non-profit organization with a diverse board of directors:** The stakeholders felt that incorporating the MET Center as a non-profit entity and involving all key funders in making collective decisions through a board of directors would be the best way to deal with on-going governance issues. That is, although St. Louis County would continue to own the facility and there still would be employees from a number of agencies operating there, the various program staff would see the Center's policies and procedures emanating from one central body.
- **Creating a program coordinator position:** To further reinforce the idea of collaboration across programs, a position of Director – MET Center Programs was created.⁵ This position was filled by the former director of the WorkLink program, who not only brought her previous training experience but also a background in business administration. Among other activities in her new position, this individual instituted monthly meetings among the directors of the MET Center training programs to foster inter-program information sharing and improved coordination in service delivery. She also used these sessions and other Center meetings to expose the program directors and their staff to the ideas underlying the Jobs Initiative principles of effective workforce development practices.
- **Defining a common sets of outcome indicators and a center-wide MIS system:** At the time that the MET Center Program Director assumed her new position, there was great variation among the Center's programs in the performance data that was being collected and reported. Many programs, however, did not collect any output or outcomes data beyond training graduation and/or placement. Working with the programs directors, the Program Director developed a common set of performance indicators that all Center programs would track, including one-year retention and advancement measures. She also negotiated explicit performance goals for each of these indicators with the directors of the various training programs. By doing this, the Program Director was establishing accountability relative to longer-term client success measures, as well as a basis for assessing the comparative efficacy of the Center's programs.

Progress to Date and Lessons Learned

A board of directors was established and has approved an extensive set of by-laws for the operations of the MET Center. As of December 2004, the board had not yet filed for its 501(c)(3) non-profit status, but planned to do so by mid-2005. The board is also focusing on the development of a business plan for the Center that would reduce the facility's dependence on public funding sources, as part of the Center's long-term sustainability strategy.

⁵ For the remainder of this St. Louis case study, this position will be referred to as the "Program Director."

The MET Center currently houses a range of skill-based and job readiness programs, including WorkLink and hard skills training programs focusing on business services, medical office skills, construction prep, diesel mechanics, and licensed practical nurse (LPN) training. The Program Director has worked with the directors of each of these programs to enhance the quality and productivity of the programs. For example, significant progress on implementation of the centralized MIS has occurred, with client information from all but two of the Center's training programs integrated in the common database. The Center has also improved the adult basic education and transportation services available to its clients. It is also working to ensure consistency in the quality and to avoid duplication in the recruitment, assessment, placement and retention services offered to clients.

In addition, the Center has created an Employer Committee of the MET Board coordinated by the St. Louis County Economic Development Council, and an Employer Advisory Council coordinated by the St. Louis Community College, to facilitate employer input in the design and operation of the MET Center as well as college skill-based programs.

In general, however, the Center has found employer engagement to be very challenging. The MET Center found that there was no single business organization in St. Louis that had the type of relationship with individual firms such that it could be a reliable broker or source of referrals to employers who would be interested in the Center's programs and graduates. Accordingly, developing relationships with individual employers has proven to be a more painstaking and time-intensive process than anticipated.

In terms of "lessons learned," the MET Center also has found that the effort to implement the centralized MIS was a much more complex undertaking than had been expected. The extra time and effort that has been spent on this task has impacted the ability of the Program Director and other Center staff to address some of the other aspects of the transformation strategy. Among the things that have been somewhat deferred is the Program Director's ability to get the two remaining training programs that have not yet developed longer-term outcomes targets to specify and adopt such targets.

Future Activities

In the near future, the MET Center hopes to supplement its existing hard skills training programs with the implementation of a Career Pathway Life Sciences/Healthcare training initiative. The MET Center has been working with the St. Louis Regional Commerce and Growth Association (the regional chamber of commerce) in the design of the Life Sciences/Healthcare initiative, which has the support of both the City of St. Louis and the state of Missouri. This will be part of a broader effort at the MET Center to increase the attention to career pathways as an approach to securing good-paying jobs for Center clients that also meets the needs of employers in growing economic sectors.

The MET Center also expects to continue to expand the integration of supportive services with its training programs, with special emphasis on an array of financial products and services. The Center staff see these financial services – which will include guidance on budgeting and maintaining good credit, and opportunities to participate in Individual Development Account programs to build assets – as particularly important to assist individuals in stabilizing their financial futures. The MET Center is also serving as a tax preparation site as part of its efforts to provide a range of supports for working families in the community.

Although significant progress has been made, overall substantial work remains before the MET Center's operations will have fully integrated the Jobs Initiative's principles and achieved its stakeholders' vision. Until such time, the Center's influence on the broader regional workforce development system is likely to be modest. Nonetheless, the continuing commitment of local funders and public officials to the transformation process is an encouraging sign that the MET Center can reach its potential, and can ultimately serve as a model for others. On the other hand, the MET Center's experience provides insight into how challenging such an undertaking can be, even when (and perhaps because) there are pre-existing programs and resources in place.

THE PHILADELPHIA JOBS INITIATIVE

Performance-Based Accountability: Using Data to Advocate for Accountability in Workforce Development

How does the Philadelphia Jobs Initiative advocate for workforce development system change — performance-based accountability — in the absence of credible data? This was the challenge that PJI was faced with and sought to address by focusing concerted attention on the need for credible and reliable data on the performance of the workforce development system.

Overview of the Philadelphia Jobs Initiative

The Philadelphia Jobs Initiative (PJI) was established in 1995 as a project of The Reinvestment Fund (TRF), a Philadelphia-based funding intermediary.⁶ TRF, founded in 1985, focuses on “building wealth and opportunity for low-wealth communities and moderate-income individuals through the promotion of socially and environmentally responsible development.” Currently, TRF has cumulative investments of over \$300 million in Pennsylvania, New Jersey, Delaware and Maryland. Its lines of business include housing finance, small business finance, venture capital and workforce investments, community facilities, data and policy analysis, and energy and environmental investments.

At the time TRF was selected by the Annie E. Casey Foundation as the Jobs Initiative intermediary in Philadelphia in 1995, TRF’s workforce development activities were minimal; its asset base was also relatively modest (approximately \$10 million). However, based in part on its experience with community organizing and its outcomes-based social investments, the Foundation, TRF and local planning partners expected that TRF could successfully develop a workforce development model. PJI became an important vehicle through which the majority of TRF’s workforce development activities were concentrated. PJI provided TRF with the opportunity, flexibility and resources to test and experiment with workforce development ideas that it might not have been able to, absent the Jobs Initiative project.⁷

The range of workforce development services and activities of PJI is extensive and has shifted since inception. The current PJI portfolio of workforce development system change projects includes workforce policy advocacy — the subject of this case study; a customer service training collaborative in partnership with the Jewish Educational Vocational Services

⁶ TRF was formerly named the Delaware Valley Community Reinvestment Fund (DVCRF)

⁷ Jobs Initiative funding provided flexible funds and long-term commitment.

that seeks, in part, to establish national credentials in customer service work functions; and an employer-focused workforce intervention project that aims to increase outcomes for entry-level workers through employer adoption and institutionalization of “quality workforce practices.”⁸ TRF itself has a broader workforce agenda that aims to increase the number and quality of entry-level jobs through direct investments. The intersection of TRF investments and PJI workforce activities is most evident in the workforce intervention project where PJI has targeted businesses that are part of the TRF investment portfolio.

TRF staffing for PJI activities has been kept intentionally low. In its PJI activities, TRF has pursued an “investment model” in which TRF invests in organizations and partnerships that demonstrate capacity and a shared sense of mission. This “investment” approach means that PJI’s activities require few direct staff positions. PJI’s central staffing has ranged as high as 4 FTEs, to a low of 2.5 FTEs, with some additional administrative and overhead support. Currently, PJI operates two of its three system change projects internally at TRF, with the staffing equivalent of 1.5 FTEs.

Funding sources for PJI’s activities are diverse and include the Annie E. Casey Foundation, William Penn Foundation, Ford Foundation and Prudential Foundation, among others.

System Change Strategy

PJI chose a system change strategy that centered on using credible data to advocate for accountability and management improvements in the workforce system in the Philadelphia region, and ultimately the state. This strategy evolved from the early work of, and lessons learned in, the Jobs Policy Network. In 1997, PJI funded the Jobs Policy Network (JPN) to organize employers and other stakeholders to frame a workforce development agenda for the state and the region that responded to employer needs. JPN, a network of 200+ members including employers, community-based organizations and other stakeholders, had a broad and ambitious agenda that focused on better integration of workforce development and economic development, brokering the connection between workforce development and employer needs, eliminating barriers to family sustaining wage jobs in Philadelphia, and improving educational outcomes as a direct workforce development system change.

As the JPN organized to articulate and advocate for a regional workforce strategy, it became quickly apparent that the absence of credible data was a major factor in its ability to seriously influence the workforce development system. There was considerable and disparate information about funding at the individual source level (inputs), but not about the quality of the training such funding bought, and almost nothing about the outcomes that it achieved

⁸ Quality workforce practices include those practices (supervisor training, employee training leading to raise and/or promotion, HR functions, access to employee wealth building resources such of free tax filing assistance and information on how to file for Earned Income Tax Credit, etc) that lead to a reduction in turnover, increase in retention and career advancement for entry-level workers. PJI defines a menu of options for quality practices

relative to successful job placements (for job seekers) or a more qualified labor force (for employers). What was known about the workforce development system was mostly based on individual funding sources or funding “silos” and not at the system level. PJI also came to realize that it could position itself to collect, package and disseminate useful data in such a way that workforce development policy makers could use to make future policy decisions. This led PJI to reorganize the JPN, and this reorganization gave birth to the Regional Workforce Partnership as an initiative within JPN. The Regional Workforce Partnership (RWP) is a 30 employer-led initiative whose mission is to provide a forum for more focused employer engagement in workforce development and advocating for employer-led policy change, including advocating for accountability through data.⁹ This reorganization allowed PJI to more successfully organize a focused group of employer champions and position PJI to be a source of clear and credible data on the regional and state labor market and workforce development.

Through the efforts of the RWP, PJI repositioned itself to become a leading source of credible data and to push for greater accountability and management. A key assumption underlying the change approach was that changes in the workforce system were not possible until there was greater understanding of 1) what the system currently looks like, 2) the amount of funding in the system, 3) the types of investments, and 4) outcomes as a result of those investments. PJI also assumed and understood that by packaging data in a more credible and useful way, it might reach a broader audience and result in greater civic pressure to improve performance, accountability and, ultimately, how the workforce system was managed.

Pushing for data-driven investments, accountability and management meant that PJI needed to draw upon its political capital and assets — most notably, its 30-member RWP employer group and the board and management of TRF. By this time, TRF was easily considered a major workforce and economic development “player” given its investments and track record in the region for expanding employment opportunities.

Strategies Pursued/Actions Taken

By working with the 30-member network of employers at RWP, PJI outlined a set of activities and actions that built upon the recommendations of the JPN, and maximized the window of opportunity presented by the 2002 gubernatorial race to frame a progressive workforce development agenda. The key activities and actions included:

- Published **Workforce 2000: An Annual Report on Greater Philadelphia’s Labor Market**. This is the first report published by JPN in 2001 that examined the regional labor market and outlined a set of challenges and recommendations for workforce and economic development.

⁹ Ultimately, JPN and RWP were completely merged and JPN as an entity was disbanded in 2002, with RWP remaining to implement the workforce development agenda and recommendations that were endorsed by the JPN membership.

- Published **Workforce 2001: Responding to the Challenge**. This was a follow up to the 2002 report that more explicitly outlined solutions for addressing workforce challenges. It also articulated the need for greater accountability in workforce development. This report and the previous report both used data to support their recommendations.
- Published “**The Workforce Investment System in Pennsylvania**” (Funding Matrix) in 2002. This is a summary guide to all state-funded workforce programs and a key milestone in the packaging of data to advocate for accountability. The sheer size and fragmentation of the workforce development system at the state level was most evident in this publication where the RWP identified 49 different workforce programs scattered across five cabinet level departments, totaling \$1.2 billion. There was fragmented data on the outcomes related to these investments, and little information on how these investments led to a more qualified workforce for employers.
- Organized a gubernatorial candidate debate on workforce/economic development issues in 2003. For the debate, PJI prepared a briefing packet that was presented to both candidates. The briefing packet provided analysis and recommendations as outlined in the previous reports (1, 2 and 3) in 2001 and 2002. This represents an important window of opportunity that was targeted during the election. By drawing on its political capital and assets, PJI was successful at organizing this debate that focused attention on economic and workforce development issues.
- Outlined workforce/economic development agenda for new Governor. The agenda which was prepared for both Gubernatorial candidates in 2003, reflected the PJI’s change agenda with an emphasis on 1) leadership and strategy, 2) investment in new skills, 3) organizing a performance-driven workforce system, 4) measurement of outcomes, and 5) connecting students to careers. The state workforce agenda incorporated the recommendations from PJI (RWP and JPN) as articulated in various publications.

PJI was very strategic in working within the political system to push both of the gubernatorial candidates toward embracing a workforce/economic development agenda. PJI was also highly strategic in working with employer champions to articulate employer-led recommendations. Consequently, the strategy proved successful much more quickly than PJI planned, as the new governor was very quick to embrace the workforce policy recommendations. More importantly however, the Governor quickly hired one of PJI’s senior staff (who led the system change project) to lead the effort at the state level, signaling a strong commitment to implementing the workforce agenda.

Results to Date

Early indications point to several important policy and procedural changes in the workforce system in Pennsylvania as a direct result of PJI’s push on accountability and data-driven workforce investments. The most notable achievements to date are:

- **Resource mapping.** PJI prepared and published the first “The Workforce Investment System in Pennsylvania” in 2002 as a starting point for the conversation on accountability. PJI intended the “matrix” to be an activity to promote change, as well as a system change in itself. This matrix of state workforce investments provided a comprehensive resource map of workforce investments across the state, with a clear articulation of amount of funding in the system and the flow of resources. This publication resulted in the state’s endorsement of the concept of a resource map and its request that local Workforce Investment Boards (WIBs) conduct comparable local resource mapping to better understand their local workforce investment system. This was a precursor to the baseline data requirement which would in part serve as the basis for future funding decisions. Moreover, not only is resource mapping now a key part of local WIB activities, but also other states have requested assistance from PJI to complete their own workforce investment system resource map. This system change achievement has inspired similar efforts in 8-12 other states and at least one major U.S. city; another national foundation is funding some of those efforts.
- **Performance management.** The State of Pennsylvania adopted PJI’s recommendation to enact a *Performance Management Plan* for the state’s workforce investments, to report on the outcomes associated with the workforce investments. The Performance Management Plan includes the publication of an annual report on the performance of the investments across the state. In 2003, the state contracted with TRF and Keystone Research Center to develop the performance management system and outline the performance indicators for the system. The Plan also articulates the state’s workforce goals (where none existed in a formalized way before) which include the following:

 1. Implement market-based approach to workforce development (strong linkage between economic and workforce development)
 2. Generate more jobs with higher wages and benefits
 3. Provide a pipeline of future talent using career pathways
 4. Support lifelong learning opportunities
 5. Address special training and education needs of low income and minority workers
 6. Integrate and align the workforce system (eliminate funding silos)
 7. Measure outcomes and provide accountability to guide future public investments (hold workforce programs accountable by using common set of performance measures)

Importantly, these goals are consistent with PJI’s change principles.

The implementation of the system change changes are still in the early stages and the full impact of the change will not be known for some time. WIBs and training institutions that receive state workforce funding will be most readily impacted, as they will have to adapt to the new performance management system. Already, state WIBs have had to assess their

own resources and the baseline data for the performance management system was published in 2004, which highlights performance relative to peers. Indirect beneficiaries include workers and employers.

The system change strategy assumed that by concentrating on institutional changes, those changes would indirectly lead to improved outcomes for end users (training, placement and retention for job seekers). If institutions (trainers) are held more accountable and have to demonstrate performance, they would reorganize their operations to better serve the job seeker. Hence, high performers will benefit under the new system, while poor performers will likely have to change or not receive future funding.

Future Activities

The state WIB has adopted PJI's system change agenda, and has designed and implemented the statewide Performance Management Plan. The state has also hired PJI's chief architect of the system change strategy to implement the change statewide through the Pennsylvania Workforce Investment Board.

The Performance Management Plan for the State of Pennsylvania has three major objectives¹⁰:

- Accurately and fairly measure outcomes for job seekers, graduates, incumbent workers and employers who access and utilize the Commonwealth's workforce programs and services;
- Improve performance by focusing attention on important programmatic and strategic challenges and implementing appropriate responses; and
- Communicate outcomes, establish baselines, set future goals, and provide incentives for high performance.

The state WIB delayed the full implementation of the Performance Management Plan in order to collect baseline data on state workforce programs to be able to more accurately measure change. By July 2004, the state WIB collected the first full year of data on each of the program areas. In spring 2005, the state published its first annual performance report **Pennsylvania's New Performance Management Plan and Benchmark Report on Current Workforce Programs**. The report presents an overview of the state workforce system, presents baseline outcomes data on each program area and explains components of the Performance Management Plan. According to Governor Rendell, "going forward, all workforce development programs will be held to the same set of high standards. This will ensure that PA continues to invest in the programs that work and ultimately help to put its citizens on successful, family sustaining career paths."

¹⁰ Objectives from 2003 draft "A Performance Management Plan for Pennsylvania's Workforce Investments."

TRF contributed to the finalization of the performance framework which specifies the specific workforce goals for the state, specifies indicators to measure progress, and sets both quantitative and strategic measures that will guide the evaluation of the state's performance. TRF will support the state's implementation effort through targeted data collection that will feed into the state's first annual report. TRF will also provide research and analytic capability to the state WIB on an as-needed basis.

COMMONALITIES IN SYSTEM CHANGE EFFORTS

One of the common features across the four case studies is that in each instance the system improvement effort is still a “work in progress.” That is, some changes in practices and/or policies already have been accomplished. But much work remains if the changes are to become institutionalized and the standard to which most (if not all) of the key actors in the regional system aspire. Nonetheless, if the cases are any evidence, it appears that it is possible for local organizations or intermediaries to lead intentional efforts that result in system changes.

In assessing the case studies, it is important to be attentive to the context in each site. That is, each of the sites was at a different starting point for its system change work, in terms of the relationships and/or champions that were in place, the expertise that the site had acquired, and how precisely the site had defined the system changes that were desired. Moreover, despite the extensive experimentation and partnership-building that had occurred during the earlier phases of the Jobs Initiative, in all cases the sites had to go through an additional learning curve and capacity-building process as they proceeded with their system change efforts. That is, the sites learned that the skills, knowledge, and partnerships that led to successful jobs projects were not necessarily sufficient to get the wider system to change its practices. Accordingly, the sites found that they needed to identify additional champions and acquire new partners; they also refined the specifics of the system changes being sought, based on a more realistic notion of what was both a more effective practice and feasible to be implemented given the political and bureaucratic realities.

The case studies are noteworthy in the variety of approaches used to promote the system changes highlighted. The cases reflect a number of different ways in which system change can be fostered. Among the most common strategies highlighted in the cases are making changes to:

- The information available to customers, providers, and/or funders;
- The allocation of financial resources and the focus of financial incentives;
- The relationships among key entities or individuals;
- The policies and procedures applied by the system; and/or
- The operational competencies evidenced by provider organizations.

As was described in the introduction of this report, these are among the key “drivers” of systems change that had been identified in the framework developed for the sites by Jobs for the Future, Inc. and On Purpose Associates, Inc.

Across the four case studies, we saw various combinations of the above strategies. The strategy or strategies that each site elected to pursue were a reflection of the site's judgment about its strengths and the issues that would resonate most effectively with the target audiences – that is, how to achieve the most leverage. The choice of strategies was also guided by the site's view of the best method to maximize impact. For example, the Philadelphia Jobs Initiative site focused considerable effort on increasing the information on system resources, goals and accomplishments available to stakeholders and the general public. PJI also impacted the policies and procedures being applied by the system, by encouraging the state of Pennsylvania to adopt a requirement that local workforce development plans need to include “resource maps” and have their future funding decisions reflect those analyses. The Philadelphia site believed it could garner widespread support for rationalizing and increasing the accountability of the public workforce development system. More importantly, it also believed that increasing the focus on key performance outcomes would generate better results system-wide.

The Seattle site saw the extensive resources and huge potential of the regional community college system. The Seattle Jobs Initiative sought to increase the extent to which the local community colleges viewed vocational training for low-income as part of their core mission, and to increase the college's effectiveness in meeting the needs of this population. Accordingly, SJI focused on changing how local community colleges allocate their financial resources to vocational programs for disadvantaged inner-city residents. SJI also worked with the colleges to increase the operational competencies reflected in the colleges' vocational training programs, both in the delivery of training and in the particular marketable skills that were being imparted to students. To a lesser extent, SJI also attempted to change the relationship between the community colleges and community-based organizations, to promote a better feeder system and more comprehensive supportive services for inner-city residents enrolled at the colleges.

In Milwaukee, a principal focus of WRTP was on changing the relationships between labor and management, bringing the parties together to find common interests that improved both worker productivity and employer HR practices. Although these efforts would begin within individual companies, WRTP's goal was to encourage adoption of similar practices throughout the industry sectors involved. In this way, WRTP aimed to extend the benefits of this approach to large numbers of businesses and workers.

In St. Louis, the Jobs Initiative sought to alter the nature of relationships among the training programs at the MET Center, and among the funders and parent agencies staffing those programs. In addition, the St. Louis site was seeking to dramatically enhance and standardize the operational competencies of the programs at the MET Center relative to recruitment, assessment, placement, retention services, and use of data. The long-term goal is to establish the MET Center as a model of effective workforce development practice, that would inspire other workforce development funders and practitioners throughout the greater St. Louis region to follow suit and reorganize their service delivery in a similar fashion.

As noted above, all the case studies also demonstrated the importance of forming strategic partnerships. No matter how influential the Jobs Initiative intermediary was individually, the potential for meaningful system change only occurred because the intermediary was able to partner with other entities and individuals that brought additional influence and resources. In many cases, this meant reaching out to engage business associations and employer representatives in lending their perspectives and credibility to the effort. The Jobs Initiative sites also sought out partnerships with local public officials, prominent training providers, community-based organizations, and funders. The resources that each brought to the local partnership differed, as did the roles each assumed. But all represented important “pieces to the puzzle” in the local sites’ efforts to promote meaningful system improvements.

One of the reasons why such partnerships were so important was that, for the most part, the Jobs Initiative sites were “outsiders” seeking to promote system change. None of the Jobs Initiative intermediaries represented the traditional local centers of the public workforce development system, the Private Industry Councils (PICs) or Workforce Investment Boards (WIBs). Moreover, with the exception of the early years of the Seattle Jobs Initiative, none of the sites were based within local government. Existing separate from the traditional public bureaucracy may have helped the Jobs Initiative sites to think “outside the box” and be more creative, but it also meant that they were often perceived (and sometimes resented) as relative newcomers to the workforce development field. As a result, finding ways to establish credibility was critical. Strategic partnerships was one of the ways that the sites found that they could create such credibility, as well as bringing money to the table, and/or doing a better job in documenting the results that their practices had achieved.

In addition to the partnerships that they formed, another strategic feature that each of the cases had in common was the approach to achieving scale. To a certain extent, each Jobs Initiative site was attempting to demonstrate innovations or improved practices on a limited scale, which it believed other practitioners or funders then would adopt based on the proven superiority of the practices. Unfortunately, it is too early to conclusively determine yet whether the sites’ optimism in this regard was warranted.

An additional shared characteristic among the case studies is that each effort involved not one, but a series of complementary enhancements or changes. Although it is possible to have a systems improvement that is a single “big bang,” the case studies suggest that perhaps more typically systems change consists of a series of small changes that ultimately can have a large impact. This step-by-step, iterative approach might be reassuring to organizations that otherwise would have a hard time envisioning how they could engage in a system change initiative. But it also means that the change agents need to be prepared to remain engaged in the effort over a prolonged period.

This leads to our final observations. As works in progress, each of the profiled system improvement efforts may only achieve its full potential if the intermediary organizations leading these efforts are able to maintain their level of engagement and “stay the course.”

AECF provided funding to each Jobs Initiative site over a number of years to help build the local capacity to promote systems change. As the AECF funding winds down, however, each of the Jobs Initiative intermediaries is experiencing difficulty in finding replacement funding that will allow it to continue its research and development, and advocacy functions. This is true even in instances in which the intermediary has been broadly recognized throughout the community, and sometimes nationally, as an incubator of more effective workforce development practices.

More funding sources, including public sources, philanthropies and private businesses, need to be willing to invest in the development and dissemination of improved workforce development practices. Unless this occurs, the overall productivity of the workforce development system, and our ability to address the needs of disadvantaged workers, are not likely to improve.

Moreover, the Jobs Initiative cases suggest that the length of time required to accomplish and institutionalize large-scale system change can be considerable. Therefore, while demanding accountability relative to progress and results, it is also important for funders to demonstrate a level of patience with the system change process.



The Annie E. Casey Foundation
701 St. Paul Street
Baltimore, MD 21202



Abt Associates Inc.
4550 Montgomery Avenue, Suite 800 North
Bethesda, MD 20814