

### 3.2 Towards a modern performance measurement system

*Why is this important?* The Board sets goals for a complex distributed system involving multiple partners, funders, service-providers, and locations. It needs to know the answers to questions like “how are we doing?”, “are we doing better than last year?” and “what else do we need to be doing next year?”. Answering these questions requires a timely flow of management information relating system performance to strategic objectives.

A modern, private, for-profit corporation producing goods or services for sale to consumers in a market setting has several tools and strategies it can use to monitor its progress. Operational measures, like material inventory, cycle times, scrap rates, down time, etc., will tell the company how efficiently it is adding value to raw materials. Sales reports and market share statistics will tell the company how consumers like its product. Profit and loss accounting statements will show how the enterprise is doing financially. Share prices will let it know how investors value the company. Scorecards will show the degree of periodic progress towards key strategic objectives.

*Public* enterprise poses more of a challenge for performance measurement. Government agencies have several missions other than profit. The program entities frequently have less clear boundaries. Public programs tend not to sell their services to consumers, but to provide them for free to those entitled. Program managers may have little or no discretion over the kind of services they provide and whom they must serve. All these aspects make monitoring government performance a much less clear task than in the private sector.

Nevertheless, there have been several attempts to put government activity on a more accountable, outcomes-oriented, performance-conscious basis over the past two decades (see sidebar).<sup>1</sup>

Frequently, these initiatives have tried to bring in private sector measurement tools and performance strategies.

The two most impactful reforms on this list are probably the Government Performance and Results Act (GPRA) and the President's Management Agenda (PMA).

#### The recent history of “improving government”

- 1982: Federal Managers Financial Integrity Act
- 1985: Balanced Budget and Emergency Deficit Control Act (originally known as Gramm-Rudman-Hollings).
- 1990: Chief Financial Officers Act, and Budget Enforcement Act (pay-as-you-go budget neutrality)
- 1993: Government Performance and Results Act (GPRA); and Executive Order 12862 ‘Setting Customer Service Standards’
- 1995: Presidential Memorandum for Heads of Executive Departments and Agencies: ‘Improving Customer Service’
- 2002: President's Management Agenda (PMA)
- 2002: Homeland Security Act (federal Chief Human Capital Officers provision)

The GPRA was intended to move government to “produce something of value that citizens care about”. It sought to hold agencies accountable for achieving results, and to improve budget formulation and Congressional decision-making. Agencies must submit plans that clearly state performance goals and indicators for each program, as well as reports that evaluate the program's actual performance.

<sup>1</sup> See the following for individual reforms:

GPRA: <http://www.whitehouse.gov/omb/mgmt-gpra/gplaw2m.html>;

President's Management Agenda: [http://www.whitehouse.gov/omb/budintegration/pma\\_index.html](http://www.whitehouse.gov/omb/budintegration/pma_index.html); and <http://www.whitehouse.gov/omb/budget/fy2002/mgmt.pdf>

Homeland Security: <http://www.dhs.gov/dhspublic/display?theme=46>;

GPRA was accompanied at the state level by the “Managing for Results” (MFR) system (*see sidebar*). MFR offers a systematic framework for laying out what government is trying to achieve and focuses on the “outcomes” – i.e. *what has changed in the world* as a result of government action. Outcomes are the desired “ends”, rather than the traditionally emphasized “activities” or “service levels”, which are seen as only intermediate steps.

<b>“Managing for results” (MFR) terminology:</b>	
VISION	The ideal being strived for.
MISSION	The organization’s role in achieving the vision.
GOALS	Abstract statements of conditions to be reached.
OBJECTIVES	Tangible expressions of goals.
MEASURES	Indicators of progress towards objectives.
STRATEGY	Chosen method of achieving objectives.
ACTIVITIES	Steps taken to implement the strategy.
INPUTS	Resources used in activities.
OUTPUTS	That which is produced with the inputs.
OUTCOMES	What changed in the world as a result.

GPRA’s successor regime, the PMA, is intended to be a strategy for improving the management of the Federal government. It focuses on five areas of presumed “management weakness” where it is believed improvements and the most progress can be made (*see sidebar below*).

The PMA makes heavy use of “balanced scorecard” concepts in measuring progress. A balanced scorecard helps an organization translate its mission and strategic objectives into measurable terms that are relevant to business performance.<sup>2</sup> It brings together in one summary framework all mission-critical performance information, from four different perspectives: *financial; customer; internal business processes; and learning and growth*.<sup>3</sup> The completed scorecard allows the organization to focus on strategic objectives, helps it communicate expectations about performance throughout the organization, and helps it to measure progress. It links accountability with continuous improvement, to build organizational capabilities in a way that offers a “line-of-sight” through different levels of the organization.

- | <b>Five government-wide initiatives in the “President’s Management Agenda”:</b>                                                                                                                                                                              |
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| <ul style="list-style-type: none"> <li>• Strategic management of human capital</li> <li>• Competitive sourcing</li> <li>• Improving financial performance</li> <li>• Expanded electronic government</li> <li>• Budget and performance integration</li> </ul> |

The four areas of focus are generic to any scorecard, but each individual organization has to choose which particular performance indicators are appropriate to employ in each area, and how each will be measured. Commonly, organizations adopt a mix of “leading” and “lagging” indicators. Leading indicators are those believed to best predict future performance, such as advance orders taken, intent to renew membership, and so on. “Lagging indicators” are the results of actions taken previously.

Organizations can also assign numeric levels to the chosen indicators. In ascending order, the “threshold” level is minimum level of achievement with which the organization can survive. The “target” is the level being driven towards in the present period. The “aspiration” level is the best outcome envisaged in an ideal situation. Periodic reports then show actual performance against these three levels using a “traffic light” notation. A green shading on a measure means this area of the organization is performing according to plan. Yellow shading shows a target has been

<sup>2</sup> Kaplan R and Norton D (2001) *The Strategy-Focused Organization*, Harvard University Press, Boston, MA.

<sup>3</sup> See: <http://www.nga.org/cda/files/MFRSCORECARD.PDF>

missed, and investigation of why that happened is in order. A red shading signals performance is substantially adrift from the planned mark for this indicator and highlights a problem for immediate attention. For the federal agencies, the Office of Management and Budget (OMB) offers mid-year assessments on each agency's progress towards implementing the PMA, and awards such "traffic light" scores to individual programs within each agency. These provide the justification for increased or reduced funding in the Administration's budget, issued in February for the following fiscal year, and can also be used by Congress in its deliberations over that budget and its own, when it votes on the major spending bills each fall.

These frameworks and a variety of other individual practices within training evaluation and human performance management, are shown in Table 3.2.1.

### 3.2.1 Performance management in local public workforce systems

The term "public workforce system" encompasses the structures and activities of many federal,<sup>4</sup> state, and local agencies with responsibilities for employment, welfare, education, and training services. For the central "workforce" parts of this extensive system – that is, the WIA funding streams for adults, dislocated workers, and youth -- the federal government provides nearly all the funding, while the states and locals submit plans for how to use the federal funds. States allocate funds by formulae for distribution to the locals, who in turn make plans for their own jurisdictions and provide the staff and facilities to operate the one-stops and deliver the services to customers. Given this separation of funding and operations, and the distributed nature of service provision, a *performance management system* is required to ensure measurement of outcomes, accountability and continuous improvement.

Under the Job Training Partnership Act (JTPA) system that pre-dated WIA, there was a performance management system oriented towards post-service employment success and earnings of participants. There were four performance measures: entered employment rate, average wage at placement, cost per entered employment, and entered employment rate for welfare recipients. National rankings of local service delivery areas (SDAs, the previous incarnation of local workforce investment areas) were produced. Regression models were used to adjust the level of "satisfactory" performance for locally-varying economic conditions and participant groups. Some 6% of the JTPA budget was set aside for performance relative to standards based on labor market outcomes achieved by participants. As the system matured, more measures were added and the cost standard was dropped.

Reviews of the impact that earlier performance management system had on agency behavior<sup>5</sup> showed that: (1) there was modest evidence of "creaming", i.e. selecting certain participants on the basis they were more likely to be "successful"; (2) the performance measures that were typically used focused heavily on short-term outcomes for participants; these had little or no relationship to long-run impacts on employment or earnings; (3) the choice of performance systems seems to have had little effect on the *type* of services provided; (4) putting performance management requirements on local areas led to performance-based contracting between local areas and their subcontractors; (5) there is evidence that local programs devoted time and

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<sup>4</sup> See National Governors' Association's review of federal acts, agencies, and programs, at: <http://www.nga.org/cda/files/SUPPORTMATRIX.pdf>

<sup>5</sup> Barnow B and Smith J (2003) "Performance Management of U.S. Job Training Programs," unpublished manuscript, June.

resources to “gaming” their performance management systems in ways that increase their *measured* performance but not their *actual* performance.

<b>Table 3.2.1 Some common private sector performance evaluation frameworks, strategies and tools</b>		% of orgs using:
<p><b>Balanced Scorecard:</b>                      Customer satisfaction                      Financial performance                      Internal operations                      Learning and innovation</p>	<p><b>Training evaluation methods:</b>                      Kirkpatrick strategy ("K-levels") -                      Level 1: "Reaction"                      Level 2: "Learning"                      Level 3: "Behavior"                      Level 4: "Business Results (incl. ROI)"                      Others -                      Other unspecified:                      Return on expectation:                      Observation:                      Focus groups:</p>	<p>91%                      36%                      17%                      9%                      13%                      12%                      11%                      3%</p>
<p><b>Baldrige Criteria for Performance Excellence:</b>                      Leadership                      Strategic Planning                      Customer and Market Focus                      Information and Analysis                      Human Resource Focus                      Process Management                      Business Results</p>	<p><b>Human performance management practices:</b>                      Annual performance reviews:                      Individual development plans:                      Skill certification:                      Training information systems:                      Documentation of individual competencies:                      Peer review of perf/360 deg feedback:</p> <p><b>Work practices:</b>                      Task forces, problem-solving teams or quality circles:                      Job rotation or cross-training:                      Employee involvement in business decisions:                      Employee access to key business information:                      Self-directed work teams:                      Total Quality Management:</p> <p><b>Compensation practices:</b>                      Incentive compensation:                      Profit-sharing or gain-sharing:                      Employee Stock Ownership Plan:                      Knowledge- or skill-based pay:                      Group- or team-based compensation:</p>	<p>97%                      93%                      78%                      77%                      75%                      62%                      95%                      88%                      86%                      82%                      65%                      65%                      71%                      52%                      42%                      39%                      37%</p>
<p>Sources:</p> <p>"The Balanced Scorecard: Measures That Drive Performance", by R. Kaplan and D Norton, <i>Harvard Business Review</i>, Jan/Feb 1992, pp71-79, and: <i>Using Strategic Scorecards: A Guide for Workforce Boards</i>, Workforce Excellence Network/NAWB, Wash DC, February 2003.</p> <p>US Dept of Labor Employment and Training Administration, <i>Strategic Plan: Fiscal Years 1999-2004</i>, pp17-21 at: <a href="http://www.doleta.gov/pdf/Final_f0.pdf">http://www.doleta.gov/pdf/Final_f0.pdf</a></p>	<p>Sources:</p> <p>Statistics taken from: <i>Training for the Next Economy: An ASTD State of the Industry Report on Trends in Employer-Provided Training in the United States</i>, by C. Thompson, et al , American Society for Training and Development, Alexandria, VA, Dec 2002.</p>	

The 1998 Workforce Investment Act (WIA) and its subsequent regulations and guidance letters issued by the U.S. Dept. of Labor set in place a different performance management system, whose main features<sup>6</sup> are summarized in the sidebar below.

<b>The U.S. Dept. of Labor's current (2003/4) performance management system</b>	
<i>Philosophy:</i>	Operate a demand-driven, universally accessible, locally-operated, federally-funded, customer-responsive, performance-based, workforce investment system.
<i>Structure:</i>	Nationally-defined performance measures (see Table 4.2) specific to different funding streams, with negotiated standards and an incentive/penalty system.
<i>Data sources:</i>	Unemployment Insurance wage records, supplemental and administrative data, American Customer Satisfaction Index-based surveys.
<i>Negotiations:</i>	Federal government negotiates with states for state levels of performance. State governments negotiate with local workforce areas for local standards of performance.
<i>Incentives:</i>	State can apply for shared incentive grant if performance for previous year exceeds: (a) state's negotiated levels of performance for required core indicators; (b) adjusted levels of performance for Adult Education and Literacy programs; (c) adjusted levels of performance for Sec. 113 of Perkins (Vocational-Technical Education).
<i>Penalties:</i>	Incurred for falling below 80% of negotiated level on any performance measure. If state fails to meet adjusted level for two consecutive years, the state's allocation for the failing funding stream can be reduced by up to 5%.

Within the present WIA performance management system, performance standards are set for both states and local areas, and the numeric values chosen for the standards are set by negotiation between the levels of government, rather than through a regression model as under JTPA. There are also more performance measures to track under WIA than there were under JTPA. Currently there are 17 WIA performance measures that must be reported quarterly by local areas to the U.S. Dept. of Labor. The reported figures from all the LWIBs around the country then become part of the national "WIASRD" ("WIA service record database") system. Some researchers and vendors have built search-display-analysis software to enable the end-user to explore this national WIASRD data. The Center for Law and Social Policy (CLASP) has a static web display of state totals.<sup>7</sup> The commercial vendor "FutureWorks Systems"<sup>8</sup> allows more interactive querying and display of results, while Northern Illinois University (NIU) is developing a detailed tool<sup>9</sup> for the research community.

In the near future, the eventual reauthorization bill for WIA will likely modify the original U.S. Dept. of Labor WIA performance measures into a smaller number. In addition, the Office of Management and Budget (OMB) will require that, beginning in FY 2004, all federally-funded employment and training programs -- that is, over 30 initiatives OMB has identified in six different major federal agencies -- will report their performance according to a new set of four "common measures". Finally, the Baltimore local workforce investment area must respond not

<sup>6</sup> See National Governors' Association's review of federal performance management systems at: <http://www.nga.org/cda/files/WORKFORCEMATRIX1.pdf>

<sup>7</sup> See: [http://www.clasp.org/DMS/Documents/1067361182.3/WIA\\_PY01.pdf](http://www.clasp.org/DMS/Documents/1067361182.3/WIA_PY01.pdf).

<sup>8</sup> See: <http://www.wia-performs.org>

<sup>9</sup> See: <http://www.workandeconomy.org>

only to these federal requirements, but also to the nine “system-wide” measures developed by Maryland’s own state-level WIB entity (the Governor’s Workforce Investment Board, or GWIB). The measures making up all these different performance management systems applying to the local level are arrayed in Table 3.2.2.

In addition to these “official” federal and state measurement systems, the Workforce Excellence Network (WEN)<sup>10</sup> and the BWIB evaluation staff have suggested the use of “strategic scorecards” as a method for local Boards to self-assess the performance and impact of the workforce systems they oversee. WEN reports that several State and local WIBs already utilize a Balanced Scorecard to complement the official WIA performance measures and help communicate information and improve operations (*see sidebar*).

#### **Examples of Scorecards in local workforce systems:**

*San Diego Workforce Partnership's* scorecard measures progress toward three strategic goals: to build strategic alliances in the community, to increase brand recognition, and to reach key customers with services. The scorecard also tracks performance in five operational categories: financial performance, organizational effectiveness, customer satisfaction, employee satisfaction, and innovation, learning and growth.

*Philadelphia Workforce Investment Board* uses a scorecard to evaluate one-stop providers individually and collectively. It also measures the local workforce system in terms of employer satisfaction, market share, success of the board’s sector strategies, and other measures.

*Washington State Workforce Training and Education Coordinating Board* uses a balanced scorecard tool to measure progress against the statewide strategic plan. The four broad scorecard measures are organizational quality and efficiency, value and benefit provided, customer service and satisfaction, and agency learning and growth.

*Utah Department of Workforce Services* has developed scorecard measures for its one-stop operators that go beyond the WIA requirements to measure such things as the job order fill rate, new job orders, and average UI duration.

<sup>10</sup> WEN is a project funded by the US Dept of Labor and housed within the National Association of Workforce Boards (NAWB) in DC. WEN’s mission is to develop tools and resources for local Boards. WEN’s balanced scorecard review is at: [http://www.workforce-excellence.net/pdf/pubs\\_scorecard.pdf](http://www.workforce-excellence.net/pdf/pubs_scorecard.pdf). See also: Balanced Scorecard Institute (<http://www.balancedscorecard.org/> - provides guidance and training primarily for government agencies that wish to implement a scorecard system.); Balanced Scorecard Collaborative, Inc (<http://www.bscol.com> - website of the professional services firm led by the creators of the Balanced Scorecard, Robert Kaplan and David Norton); and National Governor’s Association ([http://www.nga.org/center/divisions/1,1188,C\\_ISSUE\\_BRIEF^D\\_2573,00.html](http://www.nga.org/center/divisions/1,1188,C_ISSUE_BRIEF^D_2573,00.html) - brief summary of balanced scorecards).

<p><b>Table 3.2.2 Performance measurement approaches in the public workforce investment system</b></p>			
<p>"WIA 1": U.S. Department of Labor "WIA Core and Customer Satisfaction Measures" (1999)</p>	<p>"WIA 2": * Secs 113 and 212 "Performance Accountability System" of HR "Workforce Reinvestment and Education Act of 2003"</p>	<p>OMB / US DoL "Common Measures" (2004)</p>	<p>State of Maryland GWIB "System Measures" (2002)  (actual MD FY2000 levels in parentheses)</p>
<p><i>Adult measures:</i></p> <ol style="list-style-type: none"> <li>1. Entered employment rate</li> <li>2. Employment retention rate</li> <li>3. Earnings change in 6 months</li> <li>4. Employment and credential rate</li> </ol> <p><i>Dislocated worker measures:</i></p> <ol style="list-style-type: none"> <li>5. Entered employment rate</li> <li>6. Employment retention rate</li> <li>7. Earnings replacement rate</li> <li>8. Employment and credential rate</li> </ol> <p><i>Older Youth (19-21 yrs old) measures:</i></p> <ol style="list-style-type: none"> <li>9. Entered employment rate</li> <li>10. Employment retention rate</li> <li>11. Earnings change in 6 months</li> <li>12. Credential rate</li> </ol> <p><i>Younger Youth (14-18 yrs old) measures:</i></p> <ol style="list-style-type: none"> <li>13. Skill attainment rate</li> <li>14. Diploma or equivalent attainment rate</li> <li>15. Retention rate</li> </ol> <p><i>Satisfaction measures:</i></p> <ol style="list-style-type: none"> <li>16. Participant customer satisfaction</li> <li>17. Employer customer satisfaction</li> </ol>	<p><i>Adult and Dislocated Worker measures:</i></p> <ol style="list-style-type: none"> <li>1. Entered employment rate</li> <li>2. Employment retention rate</li> <li>3. Earnings</li> <li>4. Efficiency</li> </ol> <p><i>Youth measures:</i></p> <ol style="list-style-type: none"> <li>1. Entry into education or advanced training, employment, or military service</li> <li>2. Attainment of sec sch diploma or GED</li> <li>3. Attainment of literacy or numeracy skills</li> <li>4. Efficiency</li> </ol>	<p><i>For 31 programs in 6 federal agencies:</i></p> <p><i>4 Adult measures:</i></p> <ol style="list-style-type: none"> <li>1. Entered Employment (% employed in 1st qtr after program exit)</li> <li>2. Retention (% employed in 1st qtr still employed in 2nd and 3rd qrtrs after exit)</li> <li>3. Earnings increase (% change in earnings: (i) pre- to post-program, and (ii) 1st to 3rd qtr after exit)</li> <li>4. Efficiency (Annual "cost", ie appropriation level, per participant)</li> </ol> <p><i>4 youth and lifelong learning measures:</i></p> <ol style="list-style-type: none"> <li>1. Placement in employment or education</li> <li>2. Attainment of a degree or certificate</li> <li>3. Literacy and numeracy gains</li> <li>4. Efficiency</li> </ol>	<ol style="list-style-type: none"> <li>1. Credential rate (85.9%)</li> <li>2. High School dropout rate (3.90%)</li> <li>3. Holding power (74.0%)</li> <li>4. College readiness rate -math (coll: 26%, non-coll: 38%) -english (coll: 15%; non-coll: 25%) -reading (coll: 13%; non-coll:24%)</li> <li>5. Investment per participant (\$861)</li> <li>6. Self-sufficiency rate (43.7%)</li> <li>7. One-stop usage rate (n/a)</li> <li>8. Customer satisfaction -participants (n/a) -employers (n/a)</li> <li>9. Board effectiveness (n/a)</li> </ol>
<p><i>Sources:</i> Required by Workforce Investment Act of 1998, section 136; Interim Final Rule, 20 CFR part 666, 64 <i>Federal Register</i> 18862 (April 15,1999); detailed in: US DOL ETA TEGL 8-99, Mar 3, 2000)</p>	<p><i>Sources:</i> *Passed by House, not yet voted on by Senate. Full text (as referred to Senate Committee after being received from the House) at: <a href="http://thomas.loc.gov">http://thomas.loc.gov</a></p>	<p><i>Sources:</i> "Implementation of Common Performance Measures for Job Training and Employment Programs", <i>Training and Employment Notice</i> no. 8-02, Mar 27, 2003.</p>	<p><i>Sources:</i> <i>System Measures</i>, Maryland Governor's Workforce Investment Board, Performance Measures Workgroup, October 2002, at: <a href="http://www.mdworkforce.net/content_display.cfm?p_content_id_key=588">http://www.mdworkforce.net/content_display.cfm?p_content_id_key=588</a></p>

These Boards find the business advantages to using scorecards for local workforce systems are as follows:

- (1) Most official performance measures tell an organization about *past* events: they are lagging indicators that measure what has already happened. Sometimes they are based on data from federal agencies that can be over two years old. Hence the commonly-heard complaint is that trying to manage by them is like "driving while looking only in the rear view mirror". A good scorecard provides both leading and lagging indicators. Leading indicators measure the steps taken to reach the organization's goals. They are intermediate outcomes that predict performance results, and they may include such measures as staff capacity, customer satisfaction, quality of implementation, and measures of early stages of the pipeline.
- (2) The scorecard captures the organization's hypotheses of cause and effect related to its strategic business objectives. The scorecard measures outcomes but also goes further by linking those outcomes to specific actions or strategies believed to drive and influence outcomes. Strategies are therefore tested and can be refined as needed.
- (3) Scorecards can be customized to what the local Board wants to see, rather than just be tied to generic national average measures that may or may not be relevant to that setting.
- (4) Rather than just measuring "pass/fail" performance against a pre-set national distribution, scorecards contain built-in "traffic light" signals alerting users to the degree of progress towards "threshold" (bare minimum), "target" (what is planned to be achieved) and "aspiration" (the best wish) levels of pre-specified performance.

WEN suggests four basic steps for creating a scorecard for a local workforce system:

- (1) Identify measures that describe how the organization adds value to both employer and job seeker customers. The measures should not be input/output measures; rather, they should reflect the desired results from the customer's point of view.
- (2) Identify the financial and market goals necessary to achieve that customer value. Market measures tell us which market segments are the highest priorities and have the greatest impacts, how aware targeted customers are of services, and what mix/quantity of customers the organization wants to serve in 3-5 years (and how that compares to the present). Financial measures indicate the diversity and flexibility of funding, the cost per unit, and budgeted versus actual spending.
- (3) Identify core business processes and internal procedures necessary to creating value. The first step is identifying critical success factors (i.e., "if you do these things, success is likely"). Next, identify core business processes that describe how critical success factors are achieved. The last step is to evaluate core business processes (effectiveness and quality, productivity, and responsiveness).
- (4) Identify the organizational and system capabilities that enable the organization to achieve its goals and how they can be improved through learning and innovation. These measures tell us what is required to sustain an effective organization. They may include staff development and training utilization, technological capability and capacity, and the ability to continuously improve and adapt to changing needs.

WEN next outlines four steps to implementing a scorecard system: *planning, design, deployment, and ongoing execution*. Planning requires commitment by leadership, a specific set of project

deliverables and organizational roles, and a communication plan. The initial design phase should be carried out by the organizational level responsible for defining the basic mission and strategy, such as the WIB executive or planning committee. The WIB must make it clear that the scorecard is a tool by which the WIB measures its own performance as well as that of its program operators and partners. WEN emphasizes that staff training and partner buy-in are critical throughout implementation. The scorecard should be seen as a tool to help the WIB fulfill its responsibilities rather than as just another burdensome reporting requirement. Ideally, it is used regularly in performance reviews and planning, as well as in staff and management evaluations.

### 3.2.2 Towards a scorecard for Baltimore's local public workforce system

Given the multiple performance systems already in place, the associated burden of data collection for any system, and the potential for overlapping measures, we suggest the following principles for devising a performance management system for the local public workforce investment system in Baltimore.

- (1) Maximum use should be made of existing performance measures and administrative databases -- wherever these are clearly relevant --- in order to make efficient use of existing data collection systems and to impose minimal additional burden.
- (2) Any new performance measures should: (i) show progress towards the local strategic goals set for the workforce system by the own Board; (ii) capture and display the critical information the Board needs to fulfill its oversight role; and (iii) be an aid in continuous improvement.
- (3) Performance measures should be clearly defined and understandable. Data collected on the measures should be timely, accurate, consistent, and shared.
- (4) The system of performance measures should itself promote alignment between all levels, units, and staff.

### 3.3 Institutional Barriers<sup>11</sup>

*Why is this important?* Throughout this report, we have referred to the workforce *system*, meaning a comprehensive seamlessly-integrated set of services provided through a One-Stop Career Center Network and focused on helping job seekers find their next job and employers find people with the right skills for their openings. The reality in any large distributed organization, public or private, is that work is achieved in practice through many departments, offices, and budgets, each with its own legislation, boundaries, rules, and cultures. These features provide the necessary frameworks within which action occurs, but in constructing them it is sometimes the case that there remain "white spaces" between them on the overall organization chart. What is important is for the white spaces to be recognized and then bridged or closed by a higher authority responsible for whole-system oversight. In the local workforce system, that body is the Baltimore Local Workforce Investment Board (BWIB).

In an effort to extend the Baltimore public workforce system outwards to reach some the city's most vulnerable populations, the BWIB recommended that the Mayor's Office of Employment

<sup>11</sup> This section contributed by Pat Jackson of the Baltimore Mayor's Office of Employment Development.

Development (MOED) establish contracts for “intensive services.” Three organizations were selected through an RFP process to provide services to three target populations – the homeless, ex-offenders, and persons who speak English as a second language. These three organizations were contracted to provide training and job placement assistance to these individuals, while also helping them to connect to the resources available through the One-Stop Career Center Network.

In the course of this initiative, the three vendors and their customers encountered a range of institutional barriers which at worst prevented the job seekers from participating in the program, and at the least introduced added delays and hardships upon those individuals. Some of the chief barriers include:

- **Social Security Cards.** Delays in obtaining social security cards in some cases extended to 30 days. Social Security offices that were contacted would not confirm the process that vendors needed to follow to process “batch requests” which could help speed up the process.
- **Maryland Identification Cards.** Persons without a Maryland driver’s license can obtain a MD identification card for \$15. They need to present a birth certificate, social security card and two items which show their current mailing address. These identification requirements prove to be a barrier to some job seekers.
- **Birth Certificate.** The cost for obtaining a birth certificate from the office of Vital Records has been increased from \$6 to \$12. In cases where this cost is not borne by the vendor, it may represent a barrier for the job seeker.
- **Identification for Ex-offenders.** Many individuals when booked have their belongings taken away from them. If someone does not pick up these items for them (wallet, IDs, keys, etc.), they are then discarded. Some efforts have been made to create an “exit file” that is given to inmates at release, which would contain their IDs, bus tokens (or passes), service provider information, and any other appropriate information.
- **Transportation.** The Maryland Transit Authority stopped providing individual tokens to MOED and vendors in July 2003. The loss of tokens means that these organizations can only provide customers with a weekly pass, which is not appropriate when the organization is seeking to just help a customer get to an interview or gauge their early commitment to a program before giving them a weekly pass.

As we work to continuously improve the system, the BWIB may be instrumental in helping MOED and future vendors address these systems barriers that can act as a roadblock to a person finding a job and improving their livelihood. The Board format and representation allows barrier and linkage problems to be recognized and brought to the attention of all concerned agencies, Reasons for the existence of barriers can be explored and common solutions devised, so that barriers can be removed and service delivery can be seamless.

### 3.4 Choosing a “cluster/sector-based” approach to workforce development

*Why is this important?* “Cluster/sector-based” approaches are being tried in several states. They offer the opportunity to leverage high-growth target opportunities for wider benefit by making use of competitive advantages and economies of linkage. Such opportunities can be maximized through alignment of resources in support of both the initial target industries and a broader build-out of the cluster.

Advanced market economies like the US are characterized by an extensive division of labor in which a large number of different specialized enterprises buy their raw materials, and sell their finished products, to each other and to consumers. Industries that are very closely linked through their patterns of buying and selling transactions – such as auto assemblers and auto components suppliers, or farming and agricultural implements manufacturers, for example -- are referred to as “industry clusters”.

Many well-known clusters – such as the computer sector in Silicon Valley, auto manufacturing in Detroit, and film-making activities in Southern California -- evolved “naturally”, through the fortuitous confluence of historical events, natural resources, and the presence of key individuals or groups. Usually such clusters also developed without the explicit aid of government policy. But there are many different sizes and types of industry clusters, and not all are necessarily in leading or high-tech activities requiring vast sums of capital to launch. Many can be smaller and in more traditional industries, where significant momentum can be added by judicious use of existing resources, institutions, and through networks facilitated by policy.

*“The key to the success of almost every industry cluster is the presence of a labor force with the appropriate skills for, and knowledge of, the industries located within the commuting boundaries of the cluster.... Nothing is more important to clusters than the development of their human resources, and in no area are they more dependent on the state, which is the biggest single investor in education and training.”*

*Source: Regional Technology Strategies, 2003.*

Realizing this, and combining it with recent theoretical insights into cluster dynamics, economic developers have begun to fashion “sector-based” or “cluster-based strategies” aimed at facilitating the seeding and growth of nascent clusters in their areas, and at leveraging the presence of existing industries for attracting others that will link to them.<sup>12</sup>

At the federal level, after decades of the federal government rejecting “industrial policy” as “picking winners”, the present Administration is now promoting a “President’s High Growth Job Training Initiative” (HGJTI), housed within the Business Relations Group of the U.S. Dept. of Labor. “High growth” is defined by this initiative as industries with: high growth in *new* jobs; a high *rate of change* in workforce skill needs; and industries with *new and emerging careers*. HGJTI target industries are shown in the sidebar. Thus far, some \$32 million of federal funds has been earmarked for investment in five of the industries -- biotechnology, geospatial technologies, health care, IT, and advanced manufacturing – for demonstration projects.

**The President’s High Growth Job Training Initiative “Targeted Industries”**

- Automotive services
- Biotechnology
- Geo-spatial
- Construction
- Health Services
- Information Technology
- High-tech manufacturing
- Retail trade
- Transportation

Targeting industries, though, is just the first step in a longer sequence towards full cluster development. The set of steps includes:

- (i) identifying industries for which the local area is likely to have a competitive advantage – the list of “target” or “high-growth opportunity” industries;

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<sup>12</sup> *A Governor’s Guide to Cluster-Based Economic Development*, National Governors’ Association, DC, 2002.

- (ii) aligning economic development efforts, resources, initiatives, and infrastructure in support of these target industries, so as to maximize their opportunity for local growth: this includes fostering development of local consortia and regional skills alliances within these industries;
- (iii) identifying which other industries it makes sense to encourage locally because of their high linkages to those already on the initial target list, i.e. defining the "cluster" and mapping out its supply chain;
- (iv) leveraging initial target industry growth (which is usually technology-based and offers rapid growth in only a few high-level occupations) to build out from the initial target industries into a wider cluster of linked activities;
- (v) building pathways into the periphery of the cluster from outside for low-income/low-skilled job seekers, from which they can advance further riding the "growth train".

Unfortunately, many sector/cluster-based initiatives around the nation have stopped after the first step of just developing the target industry list, hoping that growth projections will be realized automatically. If

selection of the target industries was based on high growth criteria, then this part becomes a self-fulfilling "success", but does not necessarily lead to wider development. Yet it is only at the later stages of cluster development – the build-out of peripheral industries and the localization of target industry supply-chains -- that the most

opportunities can be created for lesser-skilled job seekers. Consequently, to be "successful" in the widest sense, a sectoral or cluster-based initiative must have the momentum to go through all the stages to maturity and must focus attention on the *human resources* component. Several policies capable of impacting this part of cluster development and growth can be implemented (*see sidebar above*).

#### **Policies that can help develop *human resources* for clusters**

1. Develop a more skilled and specialized labor force.
2. Establish cluster skills centers.
3. Qualify people for employment in clusters
4. Engage community-based employment intermediaries.
5. Support regional skills alliances.

*Source: NGA, 2002*

#### **What can post-secondary institutions do to facilitate clusters?**

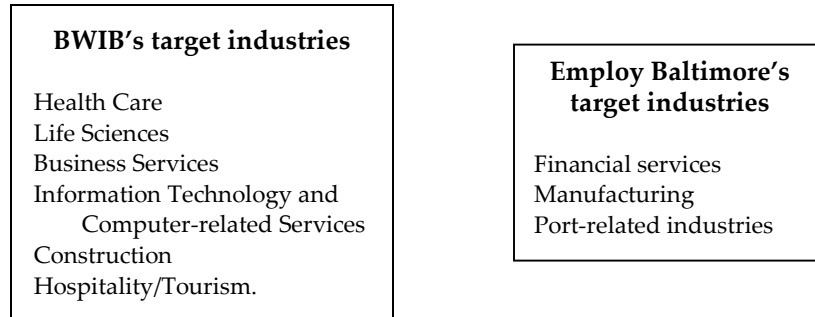
1. Evolve college industry centers from the "corporate centers" of the 1960s/1970s, and the "Technology Centers" of the 1980s/1990s, into new "Cluster Skills Centers".
2. Be demand-driven, not politics-driven, and stay focused on social and economic missions.
3. "Act collaboratively, connect externally".
4. Hire faculty with recent industry experience.
5. Serve as a catalyst for economic development.
6. Develop and review curricula and content in a workplace context with input from employers.
7. Offer both credit and non-credit options, for flexible modular preparation.
8. Develop and offer more e-learning options.
9. Specialize between colleges, to allow economies in developing programs, labs, and equipment.
10. Become a "go-to" resource hub for the whole cluster.
11. Engage secondary schools in preparing and articulating career options and pathways.

*Source: NGA and RTS Inc, 2003.*

Many of these policies require the presence of, and enlightened behavior by, post-secondary education and training institutions, which also have significant roles to play within the overall cluster-based strategy<sup>13</sup> (see sidebar above).

### 3.4.1 Baltimore's target industries

In Baltimore, the Planning Committee of the Baltimore Workforce Investment Board has already identified six target industries, and the "Employ Baltimore" office is targeting a further



three industries, shown in the sidebars above. The Employ Baltimore office has assigned a Business Service Representative expert staff-person to each target industry. It is the job of the Representative to become an expert in the industry, establish contacts with employers and develop job opportunities.

MOED and supportive non-profit foundations have also facilitated the formation and growth of two key consortia to support the next stages of cluster development: the "Baltimore Health Care Coalition," and the "Baltimore Bioscience Initiative". Each consortium is working to bring together existing local players in their industries, to identify future growth opportunities and critical skill shortage areas, to develop common skill frameworks and career pathways, and to build partnerships with K-12 institutions.

**The Baltimore Bioscience Initiative**

The Baltimore area has a promising bioscience industry cluster, led by Johns Hopkins University and Hospital, the University of Maryland, various federal laboratories and research facilities, the National Institutes of Health, and large companies like BD Diagnostics and Alpharma. The Baltimore Workforce Investment Board (BWIB) formed the Baltimore Bioscience Coalition (BBC), as a consortium of bioscience employers, government agencies, education and training institutions, foundations, and community-based organizations to guide development of a plan to foster the growth of Baltimore's bioscience industry, and to develop employment and training programs to prepare city residents for careers in this industry. The plan considers the need to help low-skill, low-income city residents obtain entry-level positions with opportunities for advancement.

<sup>13</sup> Cluster-based workforce development: a Community College based approach, Regional Technology Strategies (RTS) Inc., Carrboro, NC, April 2003.

The Healthcare Coalition has recently hired a coordinator, and MOED has provided expert staff support for a Sectoral Strategies Committee to work further on consortia issues for all the target industries.

### **The Baltimore Healthcare Coalition**

The 'Baltimore Healthcare Coalition' is a collection of organizations addressing workforce shortages in the healthcare industry, and thereby also tackling unemployment and underemployment in the city. Its strategy is to identify lower and mid-level healthcare positions with the most critical deficiencies and then train city residents to fill them. Based on data collected from five local hospitals, the Coalition recently targeted the following seven skilled positions requiring an Associate's degree or less:

**medical laboratory technician**  
**nursing assistant**  
**nurse extender**  
**pharmacy technician**  
**radiology technician**  
**respiratory therapist/technician**  
**surgical technician.**

Next steps are to reduce differences in job skill requirements between hospitals, develop training programs and identify funding for training. The Coalition includes healthcare organizations, foundations, federal and state government agencies, education and training providers and advocacy organizations. Members include the Johns Hopkins Medical Institutions, Mercy Medical Center, the University of Maryland Medical System, Baltimore City Community College, the Baltimore Workforce Investment Board, the Mayor's Office of Employment Development, Aaron Straus & Lillie Straus Foundation, Open Society Institute-Baltimore, The Abell Foundation, The Annie E. Casey Foundation, Empower Baltimore Management Corporation, Goodwill Industries, and the Job Opportunities Task Force.

Steps (i) through (iii) in the cluster development sequence outlined previously – developing a target industries list and starting to align resources in support of it -- have thus established significant momentum. Steps (iv) and (v) – building-out the fuller cluster from initial high-growth industries and creating opportunities for low-skilled/low-income workers – need further development, as outlined below.

#### **3.4.2 Building-out clusters to create low-income job seeker opportunities<sup>14</sup>:**

Without a conscious emphasis on strategies to aid low-skilled/low income job seekers, there is no guarantee that targeted growth industries will create quality jobs for this job seeker segment. Four groups of strategies can be used to promote their cluster opportunities:

- Targeted public incentives
- Creation of career ladders by workforce intermediaries
- Sector-based training
- Focused barrier removal for specific groups

<sup>14</sup> Material for this sub-section was provided by Deborah Povich and Chauna Brocht of the Baltimore Job Opportunities Task Force.

***Strategy #1: Targeted public incentives for creation of jobs for low-skill workers***

In any industry cluster, there are some industries that produce mostly high-skill, high-wage jobs and others that produce mostly low-skill, low-wage jobs. The key to ensuring widespread benefits from an industry cluster approach is to ensure that public resources are targeted to companies employing low-skill workers and providing career ladders for them to move into higher-wage jobs. Targeted industries are usually, but not always, based on the initial stages of advanced technology. Early growth parts of the cluster do not create the most jobs: in the biotech cluster, for example, it is start-up research and development firms that are most active and creating the new processes and products that will eventually be brought to market. Until that point, such firms employ only a small number of highly-educated workers, and only after the product is ready to be marketed does the company expand its own hiring, or contract out to other firms, to do larger-scale production activities.<sup>15</sup> Further, while biotech firms may start up near major universities, they do not necessarily conduct manufacturing operations there. Thus, in addition to providing incentives for companies that generate economic growth for a cluster, incentives should be created and prioritized for companies that provide training opportunities and create good jobs for low-skilled/low-income workers. These incentives should require that the company remain in the area for a specified number of years or be required to pay back the incentive on a pro-rated basis.

***Strategy #2: Career ladders for cluster industries:***

For a cluster approach to provide upward mobility for entry-level workers, career ladders need to be developed and adopted across firms within the cluster. Workforce intermediaries such as community-based organizations, educational institutions, One-Stop Career Centers, and unions can play important coordinating roles in developing career ladders that span multiple segments of an industry cluster. Intermediaries can also use this information to help bring to readiness otherwise overlooked labor pools.<sup>16</sup> Through intermediaries' extensive networks, initiatives can be brought more rapidly to the necessary scale.<sup>17</sup>

***Strategy #3: Sector-based skills training***

In addition to a coordinating role, workforce intermediaries and employers could provide training that enables workers to move up a cluster career ladder. Many have argued that workforce training in Maryland is simply under-funded, and that existing training for incumbent workers focuses on improving the skills of already-trained employees. A 2002 national study found that employers devoted the smallest share of their training expenditures to "basic skills" training which receives, on average, only 2% of training budgets. Employers themselves seem to believe that basic skills training is more of a public responsibility than a private one, but the state's two largest incumbent worker training programs (the Maryland Industrial Training Program and the

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<sup>15</sup> *Subsidizing the Low Road: Economic Development in Baltimore*, Davis K. and Brocht C., Good Jobs First, 2002.

<sup>16</sup> *Keeping America in Business: Advancing Workers, Business, and Economic Growth*, The 102<sup>nd</sup> American Assembly, February 2003, New York.

<sup>17</sup> *Refined scale-up strategies for workforce intermediaries*, unpublished paper from Patrice Cromwell, Open Society Institute-Baltimore, March 2004.

Partnership or Workforce Quality) do not aim to fill this gap: they are instead business development programs designed to benefit companies and the State's economic vitality.<sup>18</sup> Funds from these programs cannot be used for adult basic education such as literacy, GED and ESOL, and thus an employer with a large workforce of non-native English speakers cannot use these funds to provide ESOL classes as a precursor to more advanced training.

Many states have also looked outside of the WIA system to develop new sources of funding for training. In 2002, twenty-three states reported using employer tax revenues to fund employment placement and training programs. Eleven states used a UI tax offset, eight states used a separate employer tax, and five states used UI penalty and interest funds.<sup>19</sup> In addition, three states have developed training programs funded by authorizing the sale of bonds or other debt interments. Another possible source of employer-funded training is through union contracts in highly unionized industry clusters (such as the health care sector).

#### ***Strategy #4: Focused barrier removal for specific groups***

Even if job opportunities are successfully created for low-skill/low-income workers in extended cluster industries, many specific sub-groups still face barriers to employment. These barriers themselves require a strategic focus on removal.

***Literacy:*** In Baltimore, 32% (132,699) of adults aged 25 and older did not have a high school credential in 2000, and 38% of adults scored at the lowest of four literacy levels in the 1992 National Assessment of Adult Literacy (the most recent year for which data are available).<sup>20</sup> While educational and skills-based barriers to employment can be addressed through career ladders that build the skills of job seekers so that they are able to engage in the training necessary for the particular industry cluster, it is clear that Baltimore faces a significant challenge in the areas of literacy and the basic skills required to set foot on even the first rung of the ladder.

***Criminal records:*** In FY 2000, some 9,000 inmates released from the state's prisons returned to Baltimore neighborhoods, most with very limited education, employment skills, workplace experience, or job readiness.<sup>21</sup> Even when ex-prisoners have the necessary skills, employers are often reluctant to hire them because of their criminal backgrounds. These factors should be taken into account when designing cluster-based career ladders. Certain sectors have statutory bars against employing persons with certain kinds of criminal records, particularly in job areas with child, dependent, respite or personal care. Barrier removal strategies in these instances could include financial bonding programs to reduce employer risk in hiring, and public sector work programs to provide workplace experience and resume-building opportunities.

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<sup>18</sup> *Business Investment Programs-Strategic Investments in Maryland*, Maryland Department of Business and Economic Development, page 4.

<sup>19</sup> *Workforce Training*, U.S. General Accounting Office, February 2004, #GAO-04-282.

<sup>20</sup> *Literacy Works*, Maryland State Department of Education, 2001.

<sup>21</sup> *Baltimore's Choice: Workers and Jobs for a Thriving Economy*, Baltimore Job Opportunities Task Force, 2003.

***What have we learned from this section and what recommendations do its findings support?***

1. "Sector/cluster-based" strategies offer significant opportunities for growth and development, but need to be followed through to maturation, and supported by resource alignment and institutional assistance, to yield full benefits. Baltimore already has significant momentum on the early stages of cluster development, and needs to stay the course, continue to align resources, and build assistance strategies.
2. Particular attention needs to be paid to the development of opportunities for low-skilled/low-income job seekers. Incentives can be targeted towards employers in cluster industries creating job opportunities for this group. Cluster career ladders can be identified, constructed, and disseminated. Barriers to the participation of particular groups within the low-skilled pool – such as low literacy persons and ex-offenders – can be reduced. Non-profit intermediaries have a key role to play in all of these strategies.
3. The Board, too, has a significant role in assisting cluster development, through its employer input, its facilitation of the significant business networks, coalitions, and partnerships, and by helping plan for next steps.

**3.5 How can the local public workforce system engage employers better in the future?  
An employer's view**

***Why is this important?*** WIA is intended to be an employer-led system. "Employer confidence in the system depends on its success in being market-driven, customer-focused, responsive, comprehensive, results-oriented, portable, accountable, flexible, and customized."<sup>22</sup>

As labor markets tighten and employers face increased demand for higher-skilled workers, the role of the public workforce development system becomes even more significant. By working collaboratively with businesses and communities, the Local Workforce Investment Boards (LWIBs) can both improve the economic future of disadvantaged workers and simultaneously fulfill employers' needs. Success meeting these goals, however, is contingent upon the frequency and intensity with which employers use the system.

As the center of the local public workforce system, employers serve several key functions. Initially, they contribute by assisting the LWIB in the identification of local labor market needs. Once workforce needs have been identified, employers work with public workforce service providers to determine the extent to which the workforce system is currently meeting those needs. If a gap is recognized, employers function as partners in the creation of viable solutions to close the gap. As solutions are implemented and tested, employers provide feedback to the LWIB regarding the elements of the system that work well and the elements that should be improved. Finally, when a beneficial set of practices have been established, employers serve as system advocates by sharing their experience and promoting promising workforce development practices.

The Baltimore Workforce Investment Board (BWIB) has been extremely successful at engaging local employers. Although significant strides have been made since the enactment of the Workforce Investment Act, the opportunity to engage employers more deeply must be embraced. Engaging employers in workforce development begins with the philosophy that employers are

<sup>22</sup> Center for Workforce Preparation and the Business Coalition for Workforce Development, *Meeting Market Demands: New Roles for One-Stop Centers and New Roles and Responsibilities of Workforce Boards*.

the customers of the system just as job seekers are. The logic follows, then, that in order for any workforce initiative to succeed, it must consider what employers need while demonstrating a noticeable and valued contribution. Along these lines, most employers share similar needs. These are:

- To have the appropriate number of employees, with the proper mix of skills to support their business and move it forward.
- To employ qualified people who exhibit potential for growth.
- To have efficient and effective ways of hiring, retaining, and advancing employees.
- To ensure that workers have the skills they need to be employable and personally satisfied.
- To invest resources in a thoughtful, strategic way.
- To see positive return on investments that have been made.

The greater the extent to which the system can help employers meet these needs, the more likely employers will be to participate in the expansion and development of meaningful employment opportunities. Based on the needs mentioned above, the following suggestions for enhancing employer involvement are offered:

1. **Acknowledge employers as customers of the workforce development system.**  
It is well known that customer satisfaction drives repeat business. Because the sustainability of the local workforce development system is dependent upon employers hiring community members, it is critical that employers have a positive experience with the system whenever the two interact. The system must look for ways to be easily accessible, responsive, and flexible enough to allow for the customization of training program elements in order to meet the diverse needs of local businesses.
2. **Give employers a central role in the process of workforce development.**  
Employers constantly monitor the composition of their workforce to avoid surpluses and shortages. For this reason, they are best equipped to help identify workforce needs and trends before they become problematic. By giving employers a central role in the process of developing the workforce, they can be assured that workforce initiatives and action plans directly address issues that they find germane.
3. **Emphasize how employers benefit from supporting workforce development.**  
Every employer knows that there are never enough resources to do everything that needs to be done. Employers must allocate what resources they do have in a strategic way so that their businesses realize the greatest benefit possible. It is imperative, then, that employers see a return on their investment in workforce development so that their future participation in the system can be relied upon and sustained over time.
4. **Give public recognition to model employers.**  
Public recognition demonstrates the commitment of leadership while providing behavior models that others can strive to achieve. Recognition of employers who have become deeply engaged in workforce development communicates the level at which local leaders value the system. In addition, it paves the way for discussion of best practices and successful strategies. The greater the visibility, the greater the opportunity to effect behavioral change.
5. **Identify target industries and align resources accordingly.**  
Industries which are experiencing growth may be fertile ground for targeted workforce initiatives. The Planning Committee of the Baltimore Workforce Investment Board has

identified target industries<sup>23</sup> and decided to devote specific resources toward the establishment of working relationships with employers within these industries. One targeted industry of particular interest is the health care industry. As a result of particular attention paid to local health care employers, an increase of 359 placements was realized from the preceding year.

Because employers benefit directly from the workforce development system, it is to their advantage to play an ongoing role in its maintenance and management. Employers have the fortunate position of being able to contribute to the system in a unique way: through sharing their managerial and financial expertise with LWIBs. Experts working within local businesses can assist LWIBs in a number of ways, not the least of which is by helping develop action and spending plans to attain both short and long-term goals. Technical managerial assistance provided by employers can help create a system within which valuable resources are allocated in a thoughtful, strategic fashion.

Helping manage the workforce development system not only involves ensuring that resources are allocated wisely, but also that there are enough resources available to sustain the system in the future. Government, employers, and communities benefit from

*"The Johns Hopkins Hospital is privileged to be ranked as one of the world's best hospitals. We maintain that position by hiring the best employees -- some 1,800 new hires last year alone -- with the appropriate skills. Then we invest in their development at every level. We know our employees will be more motivated, productive and loyal if we invest in them first. We expect the same of our suppliers and partners. Our local public workforce system has been a great partner with us in this, and we look forward to an even closer value-added partnership for our work in the future."*  
- Pamela Paulk  
Vice-President of Human Resources  
The Johns Hopkins Hospital.

workforce development, and should all contribute to its financing. Employers can play their part by providing corporate funding for the system and helping to finance special workforce initiatives. By forging relationships with the LWIB, employers can ensure that the investment they have made is used to support initiatives that are relevant to their labor needs. Meaningful two-way exchanges between employers and WIBs can help employers to meet their needs while helping disadvantaged job seekers to increase their income.

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<sup>23</sup> Health Care/Life Sciences, Business Services, Information Technology and Computer Related Services, Construction, and Hospitality/Tourism