

Massachusetts Workforce Board Association



WHITE PAPER

KEEPING OUR COMMONWEALTH COMPETITIVE: A WORKFORCE PRESCRIPTION FOR THE NEW GOVERNOR

Executive Summary:

This paper is intended to give the new Massachusetts administration a quick overview of the state's looming workforce development crisis. It describes the status quo of the state's workforce development system, urgently in need of restructuring. It also underscores the significant successes of the 16 private sector driven Workforce Investment Boards and their network of 33 One-Stop Career Centers. This paper offers the new Governor a **10-item prescription** for restructuring this ailing system, along with our Association's pledge to assist in any way possible.

1. **Restore private sector leadership**
2. **Conduct a comprehensive review of the system and streamline it**
3. **Recognize WIBs as local/regional drivers of the system**
4. **Promote our One-Stop Career Centers**
5. **Focus on growing our skilled labor supply as well as creating jobs**
6. **Adopt a sectoral approach**
7. **Create a Governor's Youth Employment Initiative**
8. **Make use of community colleges as training resources**
9. **Provide postsecondary skills training**
10. **Provide career ladder opportunities**

Workforce Development in Massachusetts — the Status Quo

Massachusetts stands at an historic, but alarming, crossroads. Over the next two decades, the highly skilled baby boom generation will be retiring, and many industries will face critical skills shortages. The recent Job Vacancy Survey indicates that increasing numbers of the state's employers are unable to find workers with the skills needed for their businesses to remain competitive. Continuing evidence underscores the reality that Massachusetts' workforce is insufficiently prepared for not only the jobs of the future, but for jobs that exist today. Many young people are not graduating from high school, too few high school graduates are going to college, and working adults have limited opportunities for lifelong education and career advancement. (See *Supporting Data* at end of document.)



In the face of this looming crisis, the Commonwealth has remained mired in an antiquated patchwork-quilt of a workforce development system, dominated by competing public bureaucracies that are woefully ill-equipped to make the kinds of changes necessary to effectively cope with this worldwide workforce paradigm shift. Designed to be centrally driven, we have a system that has been unsuccessful and without the will to identify funding or performance priorities, or to unify funding, oversight, data collection, grant administration and research across its multiple agencies. The system also demonstrates little understanding of local/regional labor market issues. And though the workforce itself is driven by the private sector, the Commonwealth's workforce development system has no private sector leadership.

To its credit, the Legislature has increased investment in recent years and created tools to reform the system. However, Gubernatorial leadership is the single most important factor in successful reform, and that has been lacking. As a result, state bureaucracies remain unfocused on the critical task of aligning the workforce system with the realities of today's labor market.

Local WIBs — Workforce Development Successes at the Worker Level

Another unfortunate consequence of the state's ineffective system is its failure to adequately support, take advantage of, and invest further in, a number of workforce development entities that have a proven positive track record — namely the established network of local [Workforce Investment Boards](#) (WIBs/Regional Employment Boards), their Association, and the [One-Stop Career Center system](#).

It has become increasingly accepted that a strategy of partnerships and alliances forged among employers, educators, training providers, and labor holds the greatest promise for effectively addressing complex workforce development issues. Challenges such as incumbent worker skills upgrading and the development of basic skills of new workers, especially youth and immigrants, can't be successfully addressed by governmental agencies working alone. The tasks are further complicated by local and regional factors that are beyond a public agency's radar screen.

By federal mandate and state policy, the state's 16 Workforce Investment Boards have been uniquely positioned as "the voice of the regional labor market." With 25 years of localized expertise in employment, education and training issues, they have been acutely aware of the needs of emerging and growing industries in their regions and have been ideally suited to spearhead cooperative workforce development efforts. Their volunteer membership has been diverse; a majority of members being from the private sector by statutory mandate, and additional members drawn from business, education, economic development, organized labor, and community-based organizations. WIBs are chaired by business executives and have a combined membership of more than 1,000 employers.

In partnership with local mayors, the inherent strength of WIBs is their ability and statutory mandate to drive accountability and performance at the regional level and to forge successful public/private sector partnerships. In touch with employer needs and constraints, WIBs have been able to bring other employers into partnership with key stakeholders when necessary, maximizing the regional impact of partnership and alliance strategies. Land, labor, capital and entrepreneurship are the fundamental



components of economic development, and the WIB-led workforce development system managed by these leaders has played a critical role in regional success.

WIBs have also been responsible for the oversight of the One-Stop Career Center system, which handles much of the state's labor exchange at the regional level, providing universal service to all jobseekers. The relationship between WIBs and their One-Stops is symbiotic. Besides providing vital services on the front lines, One-Stop Centers play a crucial data-gathering role, giving WIBs timely access to regional labor supply/demand data and further honing their expertise in regional labor market trends. In turn, WIBs use this data to design more effective strategies for the re-employment of laid-off workers and the training of unskilled youth and adults. However, One-Stop Career Centers are stymied by fractured and multitudinous oversight, conflicting performance priorities and report to four different agencies.

WIBs are the voice of workforce development stakeholders at the regional level. They are well positioned to support a state-level transformation to a high performing workforce system. WIBs bring their combined workforce development expertise to the state level through the [Massachusetts Workforce Board Association](#). With a firm belief that the Commonwealth's workforce development system cannot be effective without strong engagement of the private sector, the Association works to involve the private sector in the system's governance, oversight and leadership. In addition, its occasional workforce and economic blueprints identify key regional competitive advantages and strategy for action.

The Massachusetts Workforce Board Association has recently joined with a diverse coalition of organizations to form the [Workforce Solutions Group](#), which advocates for an effective workforce development system that increases workers' skills, advances families to self-sufficiency and promotes job creation and economic growth. In unison with the Workforce Board Association, the Workforce Solutions Group believes that:

- The future of the Commonwealth's economic growth rests in large measure on the skill base of its workers.
- Massachusetts is at serious risk of losing its advantage—a highly trained workforce—due to two straight years of population loss workers (50% of out-migrants had a bachelor's degree or higher).
- The next Governor and legislature must lead a strategic effort with the vision to forge the state's impressive education and training infrastructure into an integrated system of talent development that addresses the needs of all workers and businesses through the implementation of the Workforce Accountability Task Force.

Our Workforce Investment Boards and Association play a vital, front-line role in the Commonwealth's workforce development system, with a track record of significant successes. No other entity has such a wide-ranging set of regional members, mandates, responsibilities, and expertise.



Fixing the System — A Prescription for the New Governor

While understanding that the next Governor will face enormous challenges in balancing the interests of competing constituencies and limited resources, the Massachusetts Workforce Board Association urges that he make restructuring and rebuilding of the workforce development system a top most priority, making it an integral part of his education and economic development strategy. In the face of the worldwide workforce paradigm shift, the Commonwealth can no longer function with a patchwork quilt system that can barely cope with the status quo.

We offer the new Governor the following prescription for restructuring the ailing workforce development system:

1. **Restore private sector leadership.** Co chair the State Workforce Investment Board (SWIB) with a leader from the private sector, restoring private sector leadership in governance of the system and in policy setting for all state agencies involved in workforce development. Presently, the system has no private sector leadership and is dominated by competing bureaucracies. Empower private sector business leaders in the governance of the system.
2. **Conduct a comprehensive review of the system and streamline it.** Streamline and unify the workforce development bureaucracy to give it efficient oversight, data collection, grant administration, and research capabilities. Conduct a comprehensive review of system in partnership with the Workforce Accountability Task Force to better align investments with a strategic statewide workforce agenda. Consolidate funding silos into a single statewide workforce budget, integrating the various funding streams for adult basic education, welfare-to-work, and adult and youth training efforts. Once streamlined, utilize Baldrige criteria to monitor and improve performance.
3. **Recognize WIBs as regional drivers of the system.** Guide the workforce development system centrally, but drive it locally and regionally through the 16 well-established, business-led WIBs. WIBs can be agents of change for greater efficiency and effectiveness eliminating outmoded and duplicative organizational structures in partnership with the Chief Elected Officials.
4. **Promote our 33 One-Stop Career Centers.** One-Stop Career Centers have proven to be effective but need active promotion throughout the system, especially from top leadership. Clarify and better align state and local roles in operation and oversight of centers.
5. **Focus on growing the skilled labor supply as well as creating jobs.** While growing the supply of well-paying jobs, don't ignore building the skilled labor supply. Make ESOL, incumbent worker training, unemployed youth, and STEM competencies high priorities. Eliminate the 24,000-person waiting list for Adult Basic Education and ESOL. Any strategy that focuses on labor demand while ignoring supply issues is doomed to failure. Extensive investment in these areas is **critical** if Massachusetts is to remain competitive.
6. **Adopt a sectoral approach.** Support and promote the sectoral/cluster approach to addressing workforce issues. Focus resources on industry clusters in which Massachusetts has a competitive advantage and which possess the potential for the growth of well-paying jobs and family self-sufficiency. Expand sectoral interventions through the Workforce Competitiveness



Trust Fund and Workforce Training Fund, with top priority for the development of a comprehensive health care workforce strategy. Employers must be actively engaged in sectoral strategy development to close the loop on job demand. Support the Workforce Competitiveness Trust Fund as a permanent publicly funded complement to Workforce Training Fund employer contributions that could then invest in promising industry sectors on a regional basis.

7. **Create a Governor's Youth Employment Initiative.** Bring together public and private sector resources to create occupational opportunities for unemployed older youth. Support the expansion of the [Pathways to Success by 21](#) (P-21) initiative to benefit the state's most-at-risk youth, and in-school youth by connecting them to work based learning opportunities.
8. **Make use of community colleges as training resources.** Utilize the state's fine 15 community colleges as workforce training service providers. Community colleges must be better linked with workforce and economic development initiatives to leverage private and public resources.
9. **Provide postsecondary skills training.** Provide all Massachusetts residents access to high quality postsecondary education and skills training. Increase the share of students who successfully complete a certificate or degree; create multiple avenues of opportunity. Expand articulation agreements between skills training, community college and four-year college programs. Expand Education Rewards Grant programs to support students most in need. The [Massachusetts Job Vacancy Survey](#) indicates that 84% of the vacancies require a high school diploma or higher; 40% of the vacancies require an associate's degree or higher.
10. **Provide career ladder opportunities.** Expand career ladder opportunities for working adults in order to achieve or maintain economic self-sufficiency. Link workforce programs and institutions to create pathways to high wage jobs. Forge disjointed education and job training programs into a coherent system of skill development that is responsive to the long-term needs of the Massachusetts economy.

Conclusion

In the mid 1990's, U.S. Secretary of Labor Robert Reich crafted the business-led workforce board strategy resulting in the enactment of the Workforce Investment Act. The Act launched job-training programs, One-Stop Career Centers and school-to-work initiatives, which helped Americans, earn higher incomes. It is time for a change of similar proportions. Today, we need to better utilize the capacity of our workforce system, to make the best use of scarce resources on behalf of employers and jobseekers and to keep Massachusetts competitive.

We have learned many lessons from failed leadership of the past and must recommit to maintaining and honing the Commonwealth's competitive edge. We are optimistic that with new leadership, we can work together to engage the business community and educational, economic and workforce development organizations in a strategic partnership that focuses on regional strengths and opportunities while interconnecting state and local efforts for maximum performance. The Massachusetts Workforce Board Association and each of its regional WIBs stand ready to assist the Governor in doing whatever is necessary to lead the state away from the alarming status quo — and toward a healthy, new prosperity.

December 1, 2006



CURRENT WORKFORCE CRISIS — SUPPORTING DATA

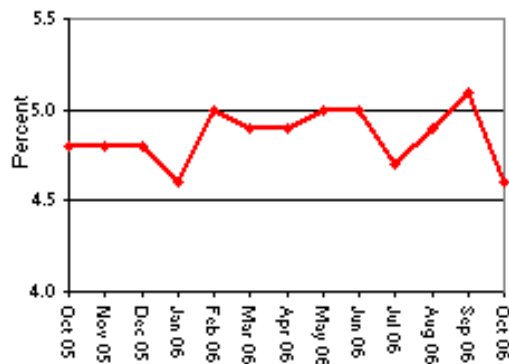
According to the often cited study by MassINC, [*New Skills for a New Economy: Adult Education's Key Role in Sustaining Economic Growth and Expanding Opportunity*](#),¹ more than one million workers in Massachusetts (about one in three workers in the state) do not possess the minimum skills needed to compete in the 21st century. This group includes some 195,000 limited English-speaking immigrants, 280,000 adults who lack a high school diploma, and over 650,000 high school graduates who have extremely low literacy skills.

Massachusetts faces a long-term economic and labor market crisis:

- Since 2001, Massachusetts lost more than 200,000 jobs.
- Population has declined for two consecutive years.
- 1.1 million people, a third of the workforce, are under skilled.
- Even with an unemployment rate of 4.6% there are 74,305 job vacancies and more than 156,700 unemployed².

Unemployment Rate

(Seasonally Adjusted Source DWD)



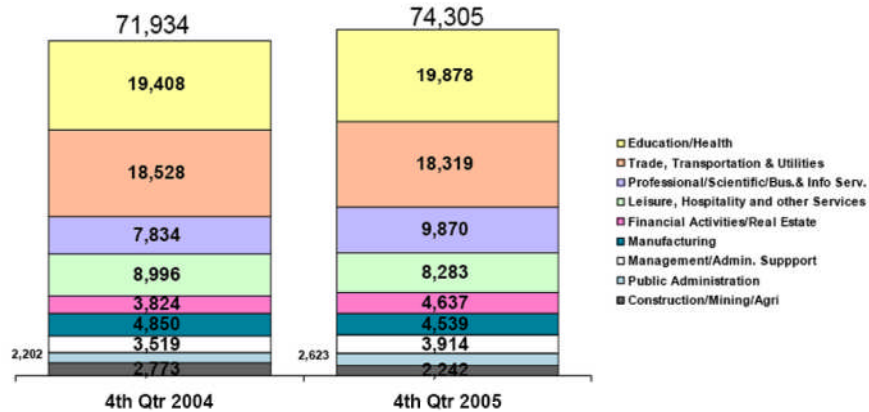
	MA	US
Oct 2006	4.6%	4.4%
Sep 2006	5.1%	4.6%
Oct 2005	4.8%	4.9%

¹ *New Skills for a New Economy: Adult Education's Key Role in Sustaining Economic Growth and Expanding Opportunity*, John Comings, Andrew Sum, Johan Uvin, Massachusetts Institute for a New Commonwealth (MassINC), December 2000

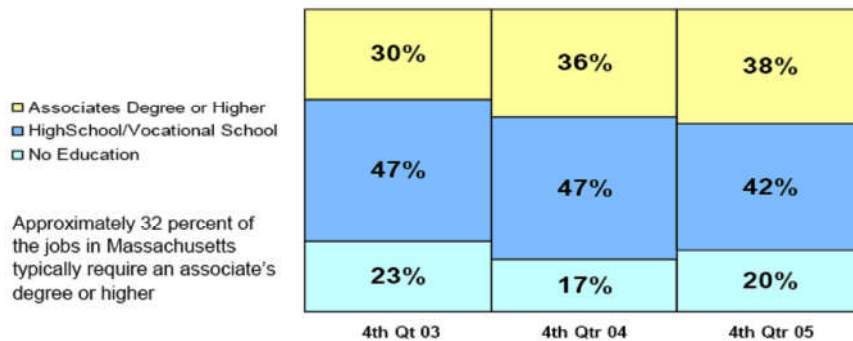
² October 2006, DWD figures, which do not account for the labor force reserve, those who have stopped looking for work or are underemployed, which the Center for Labor Market Studies estimates could increase the total number to over 300,000 or 10% of the working population. Job vacancies were reported as part of the DWD Job Vacancy Survey, 4th Quarter 2005. December 1, 2006



Demand for professional and technical services generated the biggest increase in job vacancies over the year.



The proportion of job vacancies that required an associate's degree or higher is slightly greater than it was a year ago.



Additional research studies supporting the recommendations can be found at: massworkforce.com.

Board of Directors

Berkshire County REB

Chair - John Lipa, [North Adams Steeplecats Inc](#), Association Chair
Executive Director - Heather Boulger

Boston Private Industry Council/REB

Chair - Dr. Gary Gottlieb, [Brigham and Women's Hospital](#)
Executive Director - Neil Sullivan

Bristol WIB

Chair - Gerald Mauretti, [Engineered Yarns Corp](#)
Executive Director - Patricia Auerbach

Brockton Area WIB

Chair - John Costa, CFO, [BC Tent & Awning Co. Inc.](#)
Executive Director - Salvatore Pina

Cape and Islands WIB

Chair - Larry Thayer, [capeAbilities](#)
Executive Director - David Augustinho, Association Clerk

Central Massachusetts REB

Chair - Edwin B Coghlin, Jr, [Coghlin Electrical Contractors, Inc.](#)
Association Representative - Rosalie Lawless, [VNA Care Network](#)
Executive Director - Stephen Willand, Ph.D.

Franklin/Hampshire REB

Chair - John J. Brady, [Franklin Medical Center](#)
Executive Director - Patricia Crosby
At-Large Association Executive Member

Greater Lowell WIB

Chair - Kevin Coughlin, [Saints Memorial Medical Center](#)
Executive Director - Barbara O'Neil

Greater New Bedford WIB, Inc.

Chair - Joseph L Michaud, Henry & Michaud LLP
Association Representative - Anthony Sapienza, [Joseph Abboud Mfg Corp](#), Association Vice Chair
Executive Director - Leonard Coriaty

Merrimack Valley WIB

Chair - Pedro Arce
At-Large Association Executive Member
Executive Director - Fred Carberry

Metro North REB

Chair - Greg Sheldon, Sheldon Collaborative, Inc,
Association Vice Chair
Executive Director - Nancy Brown

Metro South/West REB

Chair - Andy Vizulis, [Mindspark](#), At-Large Association
Executive Member
Executive Director - Sylvia Beville

North Central Mass WIB

Chair - Theresa Kane, Ph.D., [The Academy of Professional Skills Development](#)
Executive Director - Tim Sappington

North Shore WIB

Chair - William Tinti, [Tinti, Quinn, Grover and Frey](#)
At-Large Association Executive Member
Executive Director - Mary Sarris

REB of Hampden County, Inc.

Chair - Michael Niziolekl, [Hasbro Games](#)
Executive Director - William Ward, Association Treasurer

South Coastal REB

Chair - Don Uvanitte, [Eastern Insurance Group, LLC](#)
Executive Director - Maryellen Brett

Labor Representatives

Harneen Chernow, [1199 SEIU Training & Upgrading Fund](#)
Joseph Dart, Massachusetts Building Trades Council, AFL-CIO

Business, Industry and Economic Development Representatives

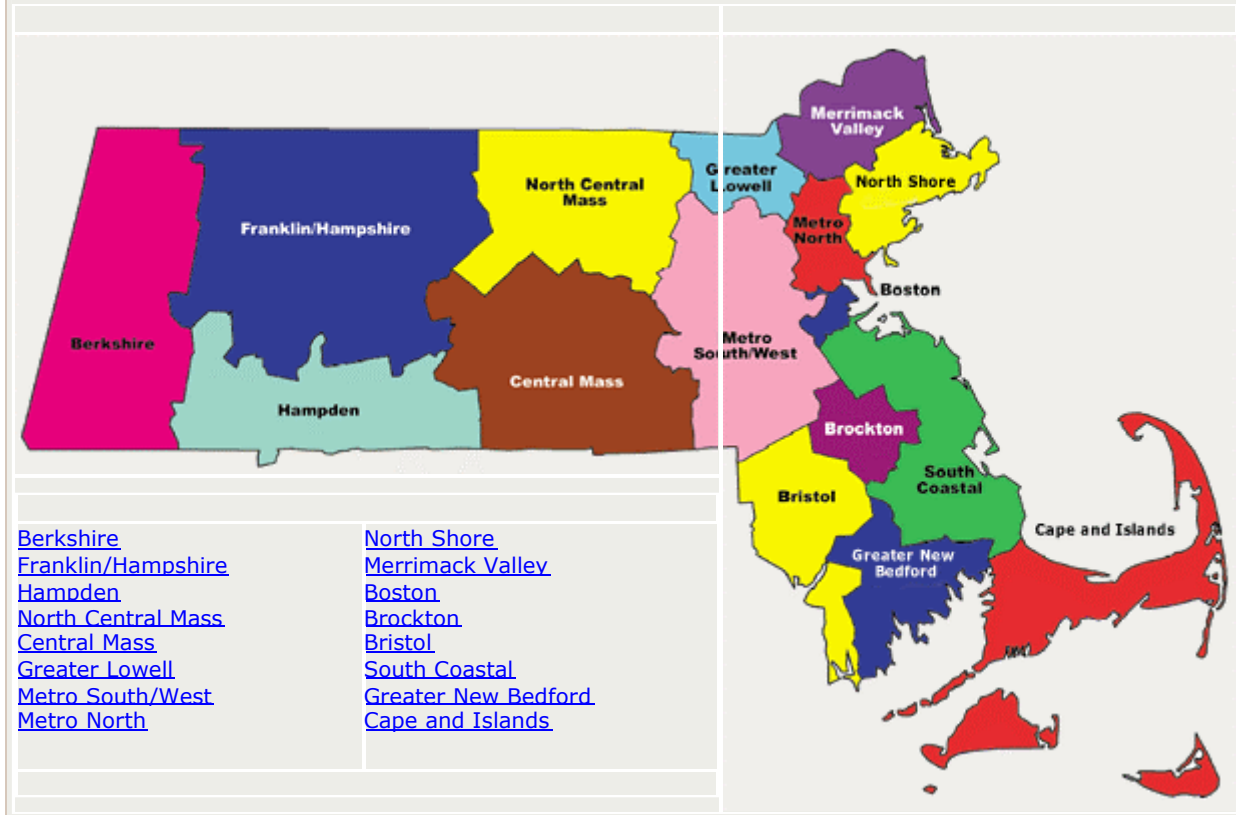
Alan G. Macdonald, [Massachusetts Business Roundtable](#)
Carolyn Blanks, [Massachusetts Extended Care Federation](#)
Brian Gilmore, [Associated Industries of Massachusetts](#)
William Piercey, [Massachusetts Association of Chamber of Commerce Executives](#)
Jeffrey Hayden, [Mass Economic Development Council](#)
Mary Clare Higgins, [Massachusetts Mayors Association](#)

Education, Training and Workforce Representatives

M. Paula Rapoza, [SER-Jobs for Progress](#)
George Moriarty, [The Career Place, One Stop Career Center](#)
Andrew Sum, [Center for Labor Market Studies](#)
Jan Motta, [Massachusetts Executive Office of Community Colleges](#)



Massachusetts Workforce Investment Board Areas



For additional information:

Contact Don Gillis 617-720-3434

DonGillis@massworkforce.com

www.massworkforce.com