

National Association of Workforce Boards  
Comments on Maine's Workforce Innovation and Opportunity Act Modified State Plan

State Workforce Board  
Maine Department of Labor  
54 State House Station  
Augusta, ME 04333-0054

The National Association of Workforce Boards, in support of the Northwestern Workforce Development Board, the Coastal Counties Workforce Board, and the Central/Western Maine Workforce Development Board, and local and regional workforce boards in all 50 states, is pleased to submit these comments on the proposed modification workforce plan by the State of Maine that was published on February 28, 2018. We believe that the proposed modifications have some positive elements which we note below. We are deeply troubled, however, by the short period for comment – just seven calendar days. More problematic is the proposed plan modification's inclusion of several mandates on local workforce boards that we believe clearly exceed the State's authority relative to the authority delegated to states under sections 101 and 102 of the Workforce Innovation and Opportunity Act (WIOA). The State risks possible legal challenges to its plan or the possibility of Congressional action comparable to what it faced last fall when it sought to illegally withhold funds from the State's three local workforce boards. On these matters, itemized below, we respectfully urge the State to reconsider its current position and avoid creating further instability within Maine's local workforce training providers during a period of political transition.

Background

*WIOA reflects an important evolution in Federal workforce policy.*

WIOA is a complex piece of legislation that changes how all stakeholders look at the Federal investment in skills development. It builds upon the heritage of Federal workforce investments whose foundation was based upon the notion of "second chance" for people and which evolved pre-WIOA to focus on providing training to people so they would have the skills necessary to be competitive in a changing economy. WIOA brought two new concepts to the forefront. First, that workforce development is a central component to US economic development as seen in one of the Act's purposes - "...to increase the prosperity of workers and employers in the United States, the economic growth of communities, regions, and States, and the global competitiveness of the United States." Second, it introduced the idea that workforce development is a comprehensive system of activities – again reflected in the bill's statement of purpose: "to support the alignment of workforce investment, education, and economic development systems in support of a comprehensive, accessible, high-quality workforce development system in the United States." To affect this shift, Congress requires that individuals from the private sector must constitute the majority of members on state and local workforce development boards. With this regional acumen, workforce boards are now accountable to oversee not only the federal investment dollars, but the building of career pathways for their trainee-clients consistent with the needs of their regional employer constituents, and to develop partnerships with industry that achieve these objectives.

*WIOA maintains the appropriate and proportionate responsibility between state and local workforce intermediaries.*

WIOA continues to demonstrate Congress' intent to create balance among all the parties involved in the workforce development system. One the one hand, it makes clear that Governors are accountable for the economic health of individual states and hence, receive a guaranteed annual 15% set-aside for state-wide activities, a carve-out which the NAWB has not opposed. Conversely, WIOA also recognizes that the vast

National Association of Workforce Boards  
Comments on Maine's Workforce Innovation and Opportunity Act Modified State Plan

majority of activities it funds are best served by expending those funds through local or regional mechanisms. Local businesses in these unique sub-state regions best understand what skills their workers need to ensure they contribute to a successful enterprise. They then turn to local boards to help find the workers they need, get training for individuals who lack the necessary skills but with some remedial work can then fill gaps that now exist, and/or assist them in developing a pipeline of future workers critical to their needs. This unique relationship between employers and local boards has proven successful time and again because working together the two understand and can address the dynamic condition of these distinctive labor markets. That is why WIOA requires a strong role for local officials with workforce boards, a position which the NAWB strongly supported in the last reauthorization. The local business-led workforce boards are asked to analyze their labor markets, discern in-demand skills, design and deploy solutions to their labor market challenges, that; align resources in their region, actively work with industry partners and educational entities to build career pathways that provide industry recognized credentials that can provide individuals with better opportunities for employment and wage growth, and help businesses be and stay competitive. Starving the local board of resources, including training supportive services and appropriate staff, risks the valuable training related services which are directly related to a successful outcome of curriculum training for many workers. Pell already supplies the direct education expenses for many. We also know that completion rates for individuals supported by the counseling and encouragement of WIOA funded staff, are over 80%, which is significantly higher than the norm for people without such supports. WIOA is a holistic wrap around service for workers who need that approach. State imposed mandates of 70% of WIOA for training, ultimately hurts Maine workers, businesses, and the economy. Perhaps Maine, as other states have done, should begin or increase state general revenue funds for tuition payments for skill development.

*WIOA expects workforce training to be customer responsive.*

To stay competitive in today's business climate, businesses must respond to customer needs, and adapt as those needs/demands change. Local business-led workforce boards, operating with trained and appropriate staffing, need to be agile and respond when change dictates. In an economy increasingly producing employment opportunities for individuals and entrepreneurs, the workforce system must continue to adapt to its role as a *partner* to regional economic development. This objective can't be realized if it is burdened with heavy Federal and state regulation. At its core WIOA is asked to provide its customers, both businesses and individuals with choices in how skills are acquired and from what entity, to produce outcomes that advance people and businesses, and be the last dollar when investing in skill training.

Areas of agreement with the Proposed Maine Plan

In Maine's state plan, the NAWB agrees with and supports:

- The goal of the State: Maine will have an educated and skilled workforce that meets the needs of employers;
- The efforts to conduct a longitudinal study on the workforce system as a way to improve the workforce system;
- The recognition that WIOA emphasizes employer-based workforce preparation, promotes new educational alliances, the focus on industry-recognized credentials and articulating career pathways that workers can take to enter the labor market and continue to acquire skills;
- Allowing career staff to stay engaged with WIOA customers, both business and individuals since USDOL's own statistics indicate that completion and entered employment rates for WIOA sponsored learners is over 80%;

National Association of Workforce Boards  
Comments on Maine's Workforce Innovation and Opportunity Act Modified State Plan

- The call to invest in professional development across the workforce development system – business recognizes that employee development is essential to its success and so do we;
- The focus on customer-centered service delivery design and attention to continuous improvement;
- The recognition that the system needs to strive to attain the characterization of being effective, efficient and agile, and that as in business, the less Federal and state mandates in place allow for more agility and customer designed responsiveness;
- The leveraging of Pell funds to pay for skill development since many national organizations joined together to extend Pell eligibility for support to those who have the ability to benefit regardless of their having a secondary degree and to programs of study that have a short duration, and the statutory language in WIOA that its funds are the “last in” to pay for formal skill development; and
- The purview of the Governor to withhold 15% of the Federal allocation for her/his initiatives – so long as they benefit workforce development.

Areas of Major Concern

NAWB has the following areas of major concern with Maine's state plan:

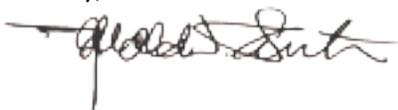
- The State plan seeks to impose mandates on local elected officials and local workforce boards on how funds are expended at the local level, a prescriptive direction that exceeds the authority given states in WIOA. Sections 107 and 108 provide specific authority to the local workforce boards and the chief elected officials for each - to develop a budget for the board, determine the needs of their local area, craft a local plan to address these needs, direct the payment to providers and provide program oversight is the ability to direct the use of funds. 85% of WIOA funds in each state allocation are directed to local areas for this purpose. The proposed mandate in the state plan is an over reach of the authority delegated to the Governor and his State WIOA designee. More importantly, it arbitrarily imposes conditions on local workforce activities that will hamper the ability of the experienced professionals engaged there and private business to craft solutions that will increase businesses profitability and aid their workers in their region.

Conclusions

The proposed State of Maine plan has a number of noteworthy and aspirational goals we strongly support. Unfortunately, the imposition of arbitrary mandates – with virtually no open period of public comment – violates the Congressional intent expressly provided in WIOA. We strongly encourage the State to revise them so that there is minimal disruption to local workforce activities for those counting on them over the ensuing months.

As always, NAWB looks forward to any opportunity to work closely with Maine officials to benefit workforce training across the nation. Thank you for the opportunity to share these views.

Sincerely,



Ronald D Painter  
CEO