

1.31.17

Public Hearing Comments delivered by Ellen Kahler, Executive Director

RE: Executive Order to Merge VT DOL and ACCD

- A random review of 11 other state Labor and Commerce departments revealed they are kept as separate entities – and it seems to be the norm that regulatory functions / workers rights vs. business development functions are kept separate. But many states have clear, strong connectivity between workforce development and training initiatives and employer services. We should focus on how to improve our delivery system within our existing state government structure.
- **Need to define with the problem is first.** Don't rush to merge without understanding the nature of the problem. What is NOT working that needs to be fixed? For instance, given the major disconnect between Agency of Education and ACCD and VT DOL, the same argument could be made that they should be merged in as well. Or why not the Office of Economic Opportunity at AHS?
- **Form follows Function.** We need to better job at defining what a strong, coherent, and efficient workforce development program is for Vermont? How would we know? What would tell us that it was working well? We need to build consensus around what we really want and need first ... then sort out who should do what, out of which state entity. Look at what other states have built and steal the best ideas – and model VT's websites off those that offer what we want to have here (WA, OR, NY and CO have really good websites which convey all the resources available to job seekers and employers.
- A major justification for merging departments/agencies is often to increase efficiencies and reduce duplication of effort ... but do we have a good track record for this? Because VT DOL and ACCD cannot be physically co-located, many of the potential benefits from a merger – from a communications, relationship and collaboration perspective – will not be realized. And there are challenges within ACCD itself -- a need for better communication and coordination between existing departments that co-habitat the same 6th floor office space. Merging the 2 entities would in effect triple the size of the Agency. Currently there are 97 FTE positions at ACCD and 254 FTE at VT DOL.
- **A lot can be done to break down silos between ACCD and VT DOL** (as well as other agencies and departments that do some amount of economic development such as Agency of Ed, Agency of Ag, Dept of Public Service) – just by forming stronger working relationships, improving websites and marketing services to employers and job seekers, and creating a greater level of shared understanding of how our current system works (do a SWOT) and how it could be improved. How much \$ are we spending on outreach to even let employers and job seekers know what services are

available to them? Are we effectively marketing our programs INSIDE the state? If not, what makes us think we can do so effectively OUTSIDE the state?

- Do VT-SBDC business advisors and RDC directors have strong, deep relationships with VT DOL regional office staffers? Are referrals happening on a regular basis? Besides the proactive approach that Creative Workforce Solution staff take on behalf of their job seeking clients, do VT DOL staff actively assist job seekers in finding local employment? What level of relationships do they have with local employers? Do they regularly connect with RDC directors to even know which employers are looking for workers?
- Regional Workforce Education Partnerships are un-even across the state, and under resourced (\$ and staff) – how could we focus attention on improving these partnerships?
- Given the level of urgency workforce development has been garnering, and given that VT DOL has been in need of internal ‘updating’ for quite some time, it seems like this could be a major distraction to actually delivering services to employers and job seekers at this time. It will take a lot of staff time and state financial resources to accomplish well (the details of which have not been provided) – it’s not just about changing the boxes on the org. chart, it’s about changing the operating cultures of 2 very different organizations, the level of staff connectivity, program understanding, improved staff skill in service delivery and overall communication with employers and job seekers. Much of this can be accomplished with the right vision, good leadership, and good management without having to formally merge.
- It may be beneficial to contract with someone with strong network development / networking / systems analysis skills to help identify natural linkages and ways to facilitate relationship building and de-silo-izing between workforce development specialists, job placement specialists, RDCs, VT-SBDC, DED staff, and even Educators.
- An inventory of the state’s Workforce Development Programs was just completed in December 2016 and the State Workforce Development Board has not yet studied or discussed. Missing from the inventory is the list of sub-recipients who in many cases do the actual service delivery and what their performance measures have been. The inventory is a very good start ... but now we all need to study it and understand it ... plus create a “map” of the constellation of non-profit WIOA Eligible Training Providers and how they are connected (or not). The inventory also does not tally up the annual amount of \$ being spent on workforce development and training initiatives, nor the number of Vermonters served each year by these programs. We need a visual systems map that spatially shows the flows of \$ to programs to beneficiaries.
 - Perhaps it’s time for a 3rd party review of current system with recommendation for how to better align functions and break down silos, without having to merge the 2 entities.
- The new VT Job Link website is much improved but still has a ways to go to really be top rate. <https://www.vermontjoblink.com/ada/r/> For instance: <http://labor.vermont.gov/workforce-development/> on the tab under For Employers re: workforce training resources, the VT Training Program is buried in a list that you have to scroll down to even find. Why is VT Training Program run out of DED when the bulk of the other workforce training programs are run out of DOL? Maybe there is a good reason --- but it seems like there could be much better cross linkages between the DED and DOL sites. So much could be improved if we had better IT/website capabilities in VT that was more user focused.

- We also need a better shared understanding of the barriers employers have to finding available workers (especially discouraged workers or those with multiple jobs who want to find 1 FT job) – because workers report having a hard time finding available jobs at the same time that employers say they have a hard time finding employees. There seems to be a fundamental disconnect in the “marketplace” of employment – why is that?
- How do different types of businesses go about finding employees? Do we know the % of employers who regularly advertise in newspapers, on-line services, only by word of mouth? Are employers creating job descriptions looking for someone with a college degree when a college degree is not actually needed to do the job? Do employers have the tools they need to provide their own on-site OJT programs? Are opportunities to better market job openings in a region across employers?
- To what extent are some potential workers intentionally not taking slightly higher paying jobs they could qualify for, because they would lose more in state benefits (e.g., child care subsidies, EITC, food stamps) than they would make up for in earnings (i.e., the benefits cliff issue)?
- VT already has an Office of Economic Opportunity which is based at AHS – and similar offices exist in every state due to federal programs they administer. Its purpose is to increase the self-sufficiency of Vermonters, strengthen Vermont communities, and eliminate the causes and symptoms of poverty--with core programs around micro-business development, weatherization, IDAs and housing assistance. If one of the purposes of merging VT DOL and ACCD is to better coordinate employee and business recruitment, then naming it the Agency of Economic Opportunity is not the right name – purely from a marketing perspective. All other states use language such as labor, workforce development, employment & training, commerce, economic development. The SEO alone would be tricky on this one, not to mention that it just sounds like a social service agency.

Randomly Sampled List of 11 Other State’s Workforce Development/Labor and Commerce/Economic Development Entities:

1. **California Agency of Labor & Workforce Development** [all worker training programs run out of here] <http://www.labor.ca.gov/>
 - a. **Governor’s Office of Business & Economic Development**
<http://gov-qobiz-elb-1780917013.us-west-2.elb.amazonaws.com/>
2. **Washington State Department of Labor & Industries** <http://www.lni.wa.gov/>
 - a. **Washington State Department of Commerce**
 - b. **Choose Washington State** <http://choosewashingtonstate.com/i-need-help-with/workforce-training/> is a program within Commerce but all labor regulatory activities are in separate Dept of Labor & Industries [all worker training programs run out of here] They ascribe to the Economic Gardening program. *THIS IS A HYBRID MODEL TO EXPLORE*
3. **Massachusetts Department of Labor & Workforce Development** <http://www.mass.gov/lwd/>
 - a. **Commonwealth Corporation**, created by the Massachusetts Legislature in 1997, designs and executes workforce strategies in partnership with businesses, educators and training providers across the state. CommCorp has administered the Workforce Training Fund since 2010. [all worker training programs run out of here] <http://commcorp.org/>

- b. **Massachusetts Department of Housing & Economic Development** with an Office of Business Development <http://www.mass.gov/hed/>
- 4. **NY Department of Labor** <https://www.labor.ny.gov/home/>
Central portal with tiles to easily find business and employment resources / services
 - a. **Empire State Development** (similar “portal” for all types of industry areas)
<http://www.ny.gov/services> <https://esd.ny.gov/industries>
- 5. **South Carolina Department of Employment & Workforce** <https://dew.sc.gov/>
 - a. **SC Works** online employee/employer/labor market info site
<https://jobs.scworks.org/vosnet/Default.aspx>
 - b. **SC Department of Commerce** <http://sccommerce.com/>
- 6. **Colorado Department of Labor & Employment** <https://www.colorado.gov/pacific/cdle/jobs-training>; They have a mobile app for job seekers; calendar of career fairs & events
 - a. **Colorado Office of Economic Development & International Trade**
<http://choosecolorado.com/>
- 7. **Oregon Employment Department** <http://www.oregon.gov/employ/pages/default.aspx> For job seekers: <http://www.oregon.gov/EMPLOY/jobseekers/Pages/default.aspx> NICE WEB SITE
 - a. **Oregon Bureau of Labor & Industries** <http://www.oregon.gov/boli/Pages/index.aspx>
 - b. **Oregon Economic Development Authority** <http://www.oregon4biz.com/>
- 8. **Minnesota Department of Labor & Industries** <http://www.doli.state.mn.us/>
 - a. **Minnesota Department of Employment & Economic Development** <https://mn.gov/deed/>
 - i. All workforce dev programs run out of this shop but all traditional DOL functions are separate department not under DEED. *THIS IS A HYBRID MODEL TO EXPLORE*
 - b. **Minnesota Works** <https://www.minnesotaworks.net/> (like VT Job Link)
- 9. **Maryland Department of Labor, Licensing & Regulation** <http://www.dllr.state.md.us/>
 - They have an employment dashboard: <http://www.dllr.state.md.us/workforcedashboard/>
 - a. **Maryland Department of Commerce** <http://commerce.maryland.gov/>
 - b. They seem to run some workforce training programs out of Commerce with some in partnership with MD DOL and MD Community Colleges
<http://commerce.maryland.gov/grow/workforce-development-and-training>
- 10. **Missouri Department of Labor** <https://www.labor.mo.gov/>
 - a. **Missouri Department of Economic Development** <https://ded.mo.gov/>
<https://jobs.mo.gov/employer> -- like VT Job Link
- 11. **New Jersey Department of Labor** <http://www.wnjin.state.nj.us/> OnRamp website for job seekers
<https://webos.dol.state.nj.us/Career/Login.aspx> and for employers
<https://webos.dol.state.nj.us/Talent/Login.aspx> Like our VT Job Link website
 - a. **New Jersey Economic Development Authority** <http://www.njeda.com/> Their financing and incentive programs are tailored to types of businesses (small, large, manufacturers, emerging technology/life sciences, energy, NPOs) No place on their site do they show workforce training programs they manage.