

The State of Lifelong Learning

BY ☆ CYNTHIA ☆ PANTAZIS

New market-driven, state-government reforms are ensuring that American workers receive lifelong job training and education to benefit them, U.S. business, and the global economy.

“THE REAL ECONOMIC challenge facing the United States in the years ahead is to increase the potential value of what its citizens can add to the global economy, by enhancing their skills and capacities and by improving their means of linking those skills and capacities to the world market.” Those words are from *The Work of Nations* (Knopf, 1991) by Robert Reich. As technology changes and competition increases, the ability of workers and businesses to learn and adapt has become essential to the global economy.

Toward that end, policymakers and legislators are examining domestic social-policy goals in order to reassess fundamental assumptions about



educating and training the workforce. Among their objectives are to promote individual economic success and to define appropriate roles for federal, state, and local governments.

At the core is the condition of the national workforce-development system and its ability to respond to several issues, including increased worker dislocation and corporate downsizing. Last March, the *New York Times* ran a week-long series, "The Downsizing of America," that estimated that 43 million jobs were eliminated in the United States between 1979 and 1995. Though this trend has been apparent for some time, policymakers and legislators have just begun to address the nation's economic anxiety. A potential solution is to reform the many federal job-training and workforce-development programs into a coherent and market-driven workforce-development system that will provide lifelong learning.

As expected, the road won't be smooth. First, it is necessary to examine the current federal job-training and workforce-development infrastructure.

From confusion to consolidation

Since the late 1960s, the federal government has invested substantial resources to establish 163 workforce-development programs in 15 different agencies, with an annual price tag of \$20 billion. Though well-intentioned, these programs suffer from a host of problems.

The U.S. General Accounting Office issued a report last year concluding, "Collectively, the current system for providing employment-training assistance suffers from a variety of problems that arise from a multitude of narrowly focused programs that often compete for clients and funds. The patchwork of programs confuses those seeking assistance, and frustrates employers and administrators."

Specifically, GAO identified 60 programs targeted to economically disadvantaged people and 34 literacy programs aimed at the same group. GAO also identified six different standards for defining income-eligibility levels, five for defining family and household income, and five for defin-

ing what can be included as income.

The report revealed that people who seek assistance often become confused because it's not clear how to enter a program or switch to another. For example, Ernestine Dunn of Seattle, Washington, told the Senate Labor and Human Resources Committee that she enrolled in eight different job-training programs in 16 years before she found a job that matched her skills. During her first five years in the system, her reading and math skills were never tested.

For employers, the system can be equally deficient. Unfortunately, they usually aren't involved in developing the programs that are intended to be responsive to their labor-market needs. And there is rarely a link between economic-development initiatives and employment-and-training programs geared to help employers meet labor needs.

■ Legislators on both sides of the political fence must address American workers' needs ■

GAO also determined that many of the agencies with responsibility for overseeing programs lack the information they need to manage the programs and measure performance. In fact, many can't show how many people they've served or whether people obtained jobs.

GAO recommended overhauling and consolidating the programs to provide easy access to services, to encourage the efficient use of resources, to offer a wide variety of employment-training services, and to hold program administrators accountable for results—while allowing state and local agencies the flexibility to determine how best to meet the needs of their communities. Both Democrats and Republicans support this recommendation.

The political climate for reform couldn't be better. One, it's an election year. In addition, there are the constant reminders of global competition, corporate restructuring, and federal-budget constraints. Consequently, legislators on both sides of the political fence realize that they must address the needs of American workers.

Early in the 104th Congress, there was talk on reforming big-ticket social programs, including Medicaid, welfare, and employment and training. These programs topped the list in the Republican majority's intention to minimize government intrusion, reduce government spending, and limit (but improve) the quality of services. Debates on how to reform these programs point to using block grants to consolidate categorical federal programs. Block grants authorize a wide range of distinct programs within a broadly defined area. For example, a categorical program might be to assist all youth; a block grant within that category might focus on youth activities. The tide also seems to be turning in favor of delegating new authority to states in developing local programs. Though the federal government determines goals and guidelines for categorical programs, block grants give states more discretion.

The interest in consolidating categorical programs into block grants isn't new. Fifteen block-grant programs in such areas as education, public assistance, public health, and highways received \$32 billion in 1994. That is a small portion of the federal aid given to states and localities totaling \$239 billion for approximately 593 programs. Additional block grants could substantially increase block-grant spending to 58 percent of the total federal aid to states and localities.

Block grants would give states greater leeway in designing programs to meet local needs and conditions, without lessening their accountability. Because states receive federal funding to implement block grants, they're required to achieve federally set objectives. Consequently, building accountability into the block grants is an important task that requires trade-offs between federal and state control

over program finances, activities, and administration.

Consolidating programs through block grants moves from an unemployment-focused approach to an employment-and-investment approach that addresses major economic shifts, skills upgrading, and retraining.

While Congress has been debating the issue and developing national legislative reforms, many states have begun to anticipate the implications of block grants and the next generation of workforce-development systems. For example, Texas, Oregon, and Massachusetts have enacted major new workforce-development legislation, setting the stage for national legislation and producing some key objectives for reform, including the following:

- ▶ to develop systems that address the needs of both workers and employers
- ▶ to involve the private sector in governance at all levels
- ▶ to outline clear, measurable outcomes
- ▶ to provide states and localities with the flexibility to design systems
- ▶ to consolidate and streamline current workforce-development programs
- ▶ to ensure that systems support life-long learning by providing ongoing education-and-training opportunities
- ▶ to connect workforce-development initiatives to federal, state, and local economic-competitiveness strategies.

Successful state planning

Texas, Oregon, and Massachusetts have initiated significant reforms. In particular, Texas passed major workforce-development legislation in 1993 and 1995. But it began rethinking workforce development in the 1980s, when state officials recognized the need to create a market-based system that could link workforce development to economic development, that could mobilize the private sector, and that could integrate the delivery of services.

It wasn't easy. Cynthia Mugerauer—former acting executive director of the Texas Council on Workforce and Economic Competitiveness—says, "It was difficult getting everyone to think in terms of a system rather than individual programs and populations, [though]

KEY COMPONENTS

Here are the main provisions of workforce-development legislation enacted in Texas:

Senate Bill 642

- ▶ to establish the Texas Council on Workforce and Economic Competitiveness to act as the single advisory body (made up of 20 members appointed by the governor) at the state level responsible for planning, managing, and assessing all of Texas's workforce-development programs
- ▶ to decentralize decision making to locally elected officials
- ▶ to create local workforce-development boards in designated areas throughout the state to oversee the delivery of all workforce training and services
- ▶ to require workforce-development boards to establish one-stop career centers to provide any and all job seekers with access to the information and services they need to find employment.

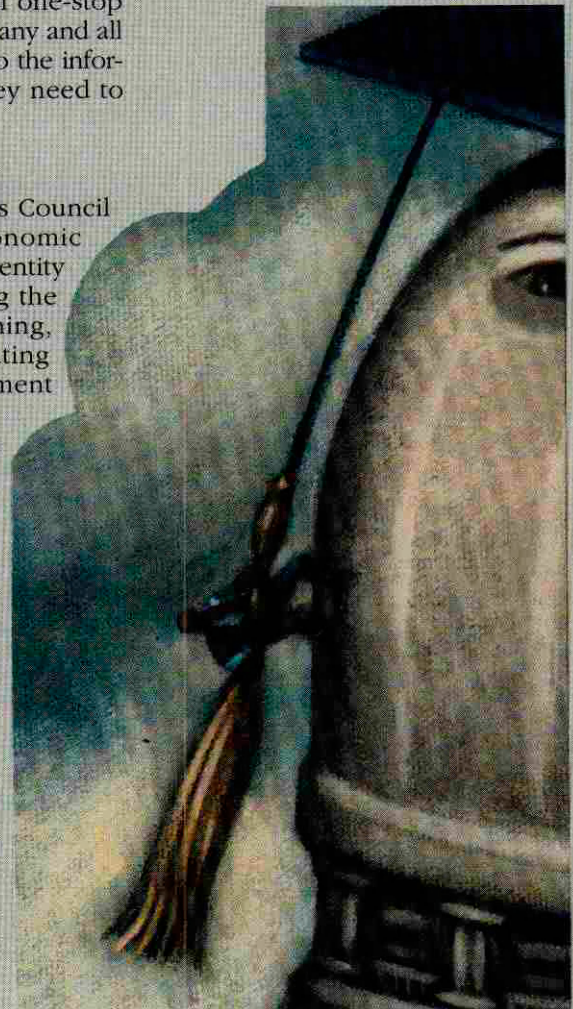
House Bill 1863

- ▶ to maintain the Texas Council on Workforce and Economic Competitiveness as the entity responsible for advising the governor and for planning, overseeing, and evaluating all workforce-development activities
- ▶ to create a single state agency—the Texas Workforce Commission—to manage the state's workforce-training efforts
- ▶ to consolidate a number of the job-training, employment, and education programs administered by separate state agencies
- ▶ to give block grants to local areas with certified workforce-development boards and approved workforce plans
- ▶ to define roles and responsibilities among state and local officials for planning, overseeing,

and delivering workforce services

- ▶ to establish a state Skill Standards Board to advise the governor and legislature on the development of a state-wide system of industry-defined and industry-recognized skill standards and credentials
- ▶ to create a Skills Development Fund out of state revenue to be used by community and technical colleges as seed money for developing customized training programs for businesses and trade unions, and for sponsoring business networks and consortiums.

To date, Texas has implemented much, though not all, of the legislative requirements. It hopes to complete implementation within the next two years.



that was essential for developing a system that could serve all target groups—disadvantaged, unemployed, and incumbent workers.”

When it finally reached consensus, the Texas state legislature enacted two bills: Senate Bill 642, the Workforce and Economic Competitiveness Act of 1993, which outlines the common plan; and House Bill 1863, enacted in May 1995, to provide administrative authority for implementing the common plan. (See the box “Key Components” on the details of these two bills.)

The provisions in both bills identify structural reforms for establishing locally driven, coordinated workforce-development systems.

Despite such success, it isn't clear whether other states have the capacity to follow suit. Even so, many states have reformed components of their present systems. One third are involved in major streamlining efforts; 33 states have either one-stop career centers or school-to-work implementation grants from the federal government.

These activities are a step in the right direction. But federal legislative reform will also play a significant role if states are to use current reform efforts as a foundation for developing new systems. Ironically, in order to gain more flexibility and authority, states must await a federal decision about what they will actually control.

Says Mugerauer, “If there are no changes in federal legislation, states like Texas will have to comply with categorical-program requirements while trying to implement their own block grants, making it harder to streamline.”

Making it the law

At press time, negotiators from both the U.S. House of Representatives and Senate were negotiating the final details of a bill that would consolidate between 80 and 100 job-training and workforce-education programs into one or more block grants. The bill would also provide more flexibility to state and local governments in designing coordinated workforce-development systems.

The final bill will include provisions from two workforce-develop-

ment block-grant bills already passed by the House (H.R. 1617) and Senate (S.143). Both bills require states to establish one-stop career centers through which clients receive assessment, counseling, and labor-market information.

The bills also require states to develop comprehensive, labor-market information systems to assist people with career decisions, to assist employers with employment decisions, and to assist state and local agencies with program planning.

States will also be allowed substantial flexibility (albeit with a 15 to 20 percent cut in federal funding) to restructure their workforce-develop-

■ *Many states may not have the fiscal capacities to take advantage of block grant opportunities* ■

ment delivery systems. State governors are expected to play a significant role in encouraging private-sector participation and also to have authority in setting priorities for the new systems. The timeframe for change is short. States must comply with the new legislation within two years of enactment.

Additional state responsibilities expected in the final bill will include the following:

- ▶ developing workforce-development plans in conjunction with collaborative partners from the education, labor, business, and training communities
- ▶ establishing common goals and measures of performance
- ▶ providing vouchers for people to use in selecting the appropriate workforce-development services
- ▶ developing criteria for one-stop career centers
- ▶ establishing criteria for certifying eligible training providers.

The passage of national workforce-development-reform legislation

isn't a panacea. But it has the potential to create a national framework within which states could consolidate and streamline programs; develop high-quality, labor-market information; and move toward systems that will empower people to choose training that fits their needs.

Many states may not have the fiscal and administrative capacities for taking advantage of the opportunities offered by block grants. What's more, once federal monies reach the state capitols, aggressive lobbying campaigns could carve out large sums in favor of particular beneficiaries and institutions. That could significantly curb efforts to create a universally accessible, effective system.

The ability of the United States to compete within the global economy is linked to the skills and productivity of American workers. As policymakers and legislators focus on changes in the administration and coordination of federal and state job-training programs, states and the federal government need to provide lifelong-learning support to all segments of the population.

Systemic change appears to be the solution. That is the process that advanced Texas, among other states, to the forefront of workforce-development reform. Still, the tasks involved in restructuring, refocusing, integrating, and upgrading state workforce-development systems are broad in scope and ambitious, requiring a sustained effort.

It also requires a strong partnership between the public and private sectors. This partnership is crucial for creating a national strategy to develop a system that satisfies the labor-market needs of businesses, and ensures that all segments of the workforce obtain the skills they need to earn enough money to maintain a high standard of living. ■

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