

**A Review of the  
Milwaukee Workforce Development System  
And  
Recommendations for Improvements**

*February 2007*

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## **An Overview of the Milwaukee Workforce Development**

### **Executive Summary**

After extensive review and analysis, the following recommendations are made to Mayor Tom Barrett to implement an approach that is an employer-driven, responsive, coordinated and well-funded strategy for Milwaukee Workforce Development:

- Establish in the Mayor's Office an Office of Workforce Development (MOWD) to provide leadership in the City of Milwaukee and collaborative regional development efforts.
- Establish a Mayor's Advisory Group, comprised of business and other community leaders, to provide overall strategic direction to workforce development efforts.
- Establish a City of Milwaukee Workforce Investment Board (WIB) to receive existing state and federal resources, develop additional governmental resources, and contract and monitor service delivery.
- Convene, support and guide a Coordinating Team comprised of employment, training and economic development organizations that, under the guidance and with the support of the WIB, will coordinate institutional support and service delivery.
- Put into place intermediary specialty organizations with the responsibility to coordinate all employment and training efforts in various employment sectors. Presently in Milwaukee we have Wisconsin Regional Training Partnership and BIG STEP who have partnered to create a Center of Excellence for skilled trades and industries. Establishing a health care entity will be priority. Additional intermediaries in manufacturing, finance, and hospitality will be developed.
- Organize community based organizations (CBOs) into a working coalition of pre-employment and support services for the entire workforce development system to address the special needs of new job entrants and those who are pursuing additional skills for career enhancement.

These recommendations are presented as a comprehensive package that will provide the strategic framework needed for Milwaukee's successful workforce development efforts.

The recommendations are based on an extensive review process. This review included:

- an analysis of major studies of employment and training in Milwaukee,
- discussions with Milwaukeeans with a stake in the success of employment and training in their community, and
- an examination of workforce development efforts in other cities.

The details of the approach used and additional details of the model are outlined in the report that follows. A budget of \$2,500,000 is proposed for initial implementation of this approach. This figure includes \$2,000,000 in investments for new employment initiatives.

## I. Background

The problems with Milwaukee Workforce Development are well known and have been documented in a number of recent studies that highlighted:

- Low level of business involvement
- Separation of Workforce Development funding streams
- Lack of employment and training service coordination
- Inadequate transitional support of new workers and
- Meager career development opportunities.

To date, the primary responses to these criticisms have been one-time “special” initiative efforts or public statements.

At the same time, the Milwaukee region has a unique window of opportunity to transform the workforce development system to achieve regional economic growth and prosperity. The anticipation of an unprecedented boom in construction, recovery of our traditional industrial base, diversification of the regional economy, and retirement of an aging workforce lead to unprecedented opportunities. For example, .

- **Construction:** Much of the infrastructure of the regional economy is going to be rebuilt over the next several years, from highways (Wisconsin Department of Transportation) and sewer lines (Milwaukee Metropolitan Sewerage District) to power plants, utility lines (We Energies) and fiber optic networks (ATT). There are several other major projects worth billions of dollars in construction, including the City Hall Restoration, Columbia St. Mary Hospital, Harley-Davidson Museum, and redevelopment of the Menomonee Valley, Park East Corridor, and Tower Automotive. Full absorption of the construction workforce and residential preferences or other diversity objectives present a unique opportunity to develop a new generation of skilled craft workers over the next decade.
- **Manufacturing:** The Milwaukee region continues to have one of the highest concentrations of industrial jobs in the country. The retention and renewal of advanced manufacturing remains a crucial component of regional economic growth and prosperity. Harley-Davidson, GE Healthcare, Miller Brewing, and other major companies support hundreds for suppliers throughout the region. The Menomonee Valley and Tower Automotive sites present unique opportunities for brownfield redevelopment within city limits. A skilled and committed workforce is crucial to the attraction of new investment in plant and equipment to the region. The City needs a reliable program for the just-in-time delivery of customized training to realize the full potential of advanced manufacturing.
- **Emerging Sectors:** The Milwaukee area possesses key strengths in the application of new technologies in traditional sectors of the regional economy. Harley-Davidson, GE Healthcare, Johnson Controls, Manpower, M&I Bank, and other major corporations are key to the diversification of the regional economy, including high-tech manufacturing, financial services, bioinformatics, business process outsourcing, energy conservation, biomass energy, and other emerging sectors. The Initiative for a Competitive Milwaukee, Urban

Entrepreneurship Program, New Markets Tax Credits, Urban Entrepreneurship Program, and supplier diversity programs promise assistance and support for new business development.

- **Health Care:** The major hospital systems in the area have the potential to upgrade 1,000 entry-level employees in the central city by the end of the decade, according to the Initiative for a Competitive Milwaukee. The annual job vacancy survey of the Employment and Training Institute at UW-Milwaukee documents strong demand in nursing and allied health professions, including licensed practical nurse, registered nurse, pharmacy technician, radiological technician, surgical technician, and respiratory therapist. The ability to backfill the entry-level positions of paraprofessionals and service workers who move up to these higher level occupations raises the number of potential job openings for central city residents to 2,000 by 2010 or 286 per year.
- **Dependent Care:** The aging of the workforce and high level of women's labor force participation in the Milwaukee area drives the rapid growth of jobs in dependent care. The transition of long-term care to home and community-based settings, and the adoption of new quality standards for early care and education create enormous challenges in the recruitment, retention, and development of a qualified workforce for the sector. The need to improve the quality and continuity of care for seniors, people with disabilities, and young children demands immediate attention to the compensation as well as the qualifications of the workforce. The low wages and benefits of the sector result frustrate public policy efforts to enhance the qualifications of the workforce.

The Mayor of Milwaukee had begun to take on an active role in addressing workforce issues. For example,

- The Mayor co-chairs the Milwaukee 7 steering committee for regional economic development with the presidents of the Greater Milwaukee Committee and Metropolitan Milwaukee Association of Commerce. The purpose of Milwaukee 7 is to establish a common economic identity and strategy for the seven-county southeastern region of the state.
- The Mayor also co-chairs the executive committee of the GROW Wisconsin consortium of workforce development boards for the seven-county southeastern region. The charge of the GROW Wisconsin consortium is to create a workforce development plan for the publicly funded system to meet the needs of the Milwaukee 7 region of the state.
- The Governor had designated the Milwaukee 7 / GROW Wisconsin region to be the recipient of WIRED program funding from the U.S. Department of Labor. The Milwaukee 7 region receives federal funding to participate in the network of WIRED sites to learn from other regions and prepare more successful proposals for future rounds of program funding.
- The Mayor had begin to build the capacity of the City to better more fully participate in the workforce development arena for the first time. He had engaged his department heads, and in particular the Department of City Development in identifying opportunities and supporting workforce development.
- The Mayor had opened dialog with the foundation community to determine how an effective public/private partnership could be developed.

In the above context of major problems and potential opportunities, Mayor Tom Barrett decided that continued reactive, piecemeal efforts would be ineffective and not produce what Milwaukee required. What was needed was a comprehensive strategic Workforce Development strategic framework.

The Mayor sought and received a small grant from the State of Wisconsin's Department of Workforce Development to plan an approach to workforce development in Milwaukee. The Mayor called upon a consultant to develop a framework for workforce development that would include all stakeholders in a Workforce Development System, address the often-documented problems, and provide for the ongoing workforce development required by the City of Milwaukee.

The initial efforts to develop this comprehensive system are presented in this report.

## **II. Study Approach: Review of Current Workforce Development Efforts**

In conducting the review and study, three major activities were implemented: review of major studies; extensive interviews, surveys, and discussions with Milwaukee employment and training stakeholders; and examination of workforce development systems in other cities. An abstract of some key studies and their major findings is included in Attachment A.

### **A. Review of Studies and Reports**

#### A.1. Workforce Development in Milwaukee

Numerous studies, reports, and newspaper articles on the status of Milwaukee's workforce development issues have been published in recent years. In reviewing these studies, a number of themes emerged:

- Low level of employer involvement in workforce development efforts
- Lack of a strategic planning process and a strategic plan
- Lack of clear leadership
- Lack of coordination, local, regional and statewide
- Fragmented service delivery

Again and again, the theme of a low level of employer involvement was pointed out. This low level of employer involvement was seen as a major problem in Milwaukee workforce development and causing a significant disconnection between training job availability and employment service agencies.

The lack of a local strategic plan was documented by many. Not only was the lack of a plan pointed out, it was emphasized that an effective organizational vehicle and process for establishing a plan was not in place.

The lack of leadership was seen as hampering any major movement forward. The failure of both government and business to step forward, assume responsibility and set directions for total systematic efforts was seen by many at the core of the problem.

The lack of coordination was pointed out in numerous studies, perhaps most strongly in "The Milwaukee Workforce Development Landscape Report." Lack of coordination was evident at the various levels of planning, programming, and funding of employment and training programs.

It is not surprising that this lack of direction and coordination at the top was evidenced in a fragmented service delivery effort. Lack of service coordination was seen to result in much inefficiency in the service delivery and failure to connect many of those who had skill or aptitude to specific jobs that employers needed.

#### A.2. Use of Workforce Intermediaries

Cities and regions are turning to the use of intermediaries to link job training and placement efforts with employers. Intermediaries are valuable because they provide an opportunity for private and public funders to collaborate and a mechanism to integrate services in a seamless

way. The Annie E. Casey Foundation, in 2006, published a report that details the use of workforce intermediaries in the United States. Workforce intermediaries are responsible for the following tasks:

- Serve businesses and jobseekers
- Coordinate the work of several players and funding streams
- Pull together services that help workers to not only find jobs but also to advance
- Serve all types of workers, but are aware of the needs of low-skilled, low-wage workers
- Improve the stability of labor supply and improve workers' "economic mobility"
- Finding innovative solutions to workforce-related challenges
- Encourage changes in business employment practices and public systems

Most workforce intermediaries have close links to technical schools/community colleges and local workforce investment boards.

Steps to creating workforce intermediaries:

- Who are the players?
- What are the economic concerns?
- What are the issues faced by the public?
- What partnerships make sense?
- Are housing practitioners involved?
- What is going on politically?

## **B. Surveys, Interviews, and Discussions with Local Leadership**

### **B.1. Local Foundation Funding**

Funding for workforce development efforts is essential for their implementation and success. In a survey conducted in 2006, researchers found that, despite the importance of funders, most local foundations generally do not "recognize" workforce development as a funding area even when they do fund it. Most foundations do not understand how the "workforce development system" works, and many are skeptical of government partnerships.

And yet, based on survey respondents, a majority of local foundations provide grants for workforce-development-related efforts, especially in the area of education, including basic adult education and technical education programs.

A survey was sent to 275 private foundations in Southeastern Wisconsin to determine their interest in workforce development and collaboration. 20% of respondents stated that they would be interested in attending a conference regarding funding for workforce development efforts. This conference will be held in 2007 to share the research and planning to date and to engage funders in a dialogue about working collectively with the public sector on workforce development efforts.

### **B.2. Database of Funders**

A list of all public and private funding sources in Southeastern Wisconsin was compiled to determine, in general, how workforce development efforts are funded, and to determine where



there are gaps in funding. All funding was compiled into a database. Attachment B includes a chart that shows \$600 million in public funding for workforce development is distributed in Wisconsin.

### B.3. Community Leader Interviews

Extensive time was spent in interviews and discussion with scores of Milwaukee business leaders and business associations, local elected and appointed officials, state governmental staff and local education, training and employment personnel. These interviews followed a structured format and focused on obtaining perceptions of the problems and issues and interviewees' suggestions on how to address them.

The interviewer agreed to present the data in an aggregate format in this report in order to encourage honest dialogue and feedback. The overall impressions of the workforce development situation mirrored what was identified in the reports and studies. In particular, community leaders emphasized that:

- City of Milwaukee has not involved the business community in workforce development efforts.
- Many employers felt excluded and struggle to influence and make use of current employment and training efforts.
- No governmental leader has come to the forefront to lead public efforts and coordinate with business.
- While, in most cases wanting to cooperate with others, no clear strategic directions has been established, a plan for coordination was lacking and leadership and support in coordination efforts was needed.
- Many of those who are seeking employment are not given the options, access and support that they need to either obtain employment or obtain the necessary skills needed for their advancement and for meeting employer needs.
- Success with various agencies in job placement and training has been minimal and disjointed.

## **C. Review of the Efforts of Other Cities**

A review of other cities was conducted to supplement studies and reports and the interview information to identify how others successfully may have addressed employment and training issues. A sample of examples is included below.

### C.1. Using Workforce Intermediaries: A Case Study of an Industry Approach

In 2002, the Flint Healthcare Employment Opportunities Program (FHEO) was launched to educate, train, place, and retain underemployed and unemployed residents in Flint's urban core, while also addressing labor shortages in Flint's hospitals and nursing homes. A collaborative partnership of healthcare providers, community and private colleges, and nonprofit organizations, FHEO provides lessons learned in workforce development:

- The FHEO has been successful because it recognizes that responsibilities need to be shared to adequately address the needs of individuals and employers.

- FHEO consists of a diverse group of service providers that sustain collaboration with three major case systems in Flint.
- The central mission of FHEO is to address chronic unemployment and underemployment. In order for the initiative to be and remain successful, FHEO looks for ways to capitalize on the merging of individual needs with employer gains.
- The collaborative consists of a number of committees that make key decisions:
  - Implementation Committee (project oversight)
  - Partners Committee (new entrant training)
  - Incumbent Worker Training Committee
  - Supervisor Training Committee
  - Scholarship Committee
- FHEO has experienced tension over the years due to differing missions of the organizations involved. These disconnects have been managed with explicit discussions and consensus building.
- FHEO suggests that uniform standards and procedures for budgeting and invoicing be established so there are not many different accounting systems with which to contend.

### C.2. Funding Workforce Intermediaries

Cities across the country employ a number of different approaches for funding workforce intermediaries. In the majority of cities, these efforts are supplemented with funding from private foundations. In the remaining cities, foundations play a coordinated and supplemental role.

Many foundations view supporting intermediaries as aligning with their broader missions, and perhaps even more importantly, allowing them to invest in systems focused on accountability and collaboration.

Workforce intermediaries are supported in the following ways:

- General revenue: San Antonio, Austin, El Paso, Seattle
- Sales tax revenue: a variety of cities in Texas
- Tax increment financing: Chicago
- Tax abatement: The City of Austin has a partnership with Samsung in which 20% of taxes were placed into a dedicated fund for Samsung and other employers to fund workforce training
- Real estate fees: Boston uses a linkage fee in which developers pay for neighborhood housing and job training
- Tax syndication: sale of tax credits to leverage hiring of workers with barriers to employment. Employ America in Chicago is one such model. Employ America acts as a staffing agency that recruits workers from one-stops and places them – tax credit is given in part to the employer and in part to Employ America.

### C.3. City-Run Workforce Investment Boards

Of the 25 most populous cities in the United States, 22 of these cities (or 88 percent) have workforce development boards to which the Mayor is responsible for making appointments.

Each of these cities has put in place a workforce development office that coordinates employer responsiveness, establishes strategic directions, and coordinates community providers. These offices, located in or closely coordinated with the Mayor's office in their community, provide a local focal point for their community's workforce development. A variety of governing structures have been set up, reflecting the local communities.

These offices have all documented a number of successes in workforce development ranging from providing employers to specific projects to establishing permanent intermediary structures that address employment sectors.

- In North Carolina, Charlotte-Mecklenburg's Workforce Development Board is a 24 person Board appointed by the Mayor of the City of Charlotte for two-year terms and consists of 13 private sector and 11 public sector members.
- City of Chicago has the Mayor's Office of Workforce Development that combines funds from Community Development Block Grant, Tax Increment Financing, and Workforce Investment Act to implement workforce development programming.
- Detroit Workforce Development Department allocates training and employment resources to a coordinated network of partners
- In Denver, One-Stop Centers are governed by the Mayor, with policy guidance from workforce development boards that are appointed by the Mayor.
- In Baltimore, the Workforce Investment Board sits within the Mayor's Office of Employment Development and is entirely appointed by the Mayor.

#### C.4. Best Practices in Employment Support Services

Various model programs around the country were reviewed that offered a wide range of services and assistance to low-income workers or unemployed individuals and their families.

For example, in Chicago, the Center for Working Families offers a set of core strategies to residents to assist them in being financially successful:

1. Employment services - All of the centers offer case management, job placement, retention, and re-placement services, as well as career advancement assistance.
2. Financial Services - The services described below are either offered by the pilot sites or by a non-profit organization:
  - Group-Based Financial Education
  - One-on-one Financial Counseling
  - Access to Financial Products and Services
3. Public Benefits Screening - Using a software package that facilitates public benefits screening, CWF staff help participants complete applications for such benefits as food stamps, child care subsidies and child health insurance.
4. Free or Low-Cost Tax Preparation – Sites work in partnership with the Tax Counseling Project of the Center for Economic Progress to provide free tax preparation services to

CWF clients, allowing them to claim the Earned Income Tax Credit and receive the maximum tax refund.

5. Long-Term Tracking - CWFs conduct longitudinal tracking of clients through automated systems that follow clients as they work toward employment and financial goals.

This type of “whole family development” could be sustained in Milwaukee through collaborating initiatives, such as Making Connections Milwaukee, or agencies with broader family resources and programs with employment services.

### III. Recommendations and Preliminary Workforce Development Implementation Plan

Based on analysis of the data collected, the following recommendations are made to address Milwaukee workforce development in a comprehensive and ongoing way:

- Establish in the Mayor's Office an Office of Workforce Development (MOWD) to provide leadership in the City of Milwaukee and collaborative regional development efforts.
- Establish a Mayor's Advisory Group, comprised of business and other community leaders, to provide overall strategic direction to workforce development efforts.
- Establish a City of Milwaukee Workforce Investment Board (WIB) to receive existing state and federal resources, develop additional governmental resources, and contract and monitor service delivery.
- Convene, support and guide a Coordinating Team comprised of employment, training and economic development organizations that, under the guidance and with the support of the WIB, will coordinate institutional support and service delivery.
- Put into place intermediary specialty organizations with the responsibility to coordinate all employment and training efforts in various employment sectors. Presently in Milwaukee we have Wisconsin Regional Training Partnership and BIG STEP who have partnered to create a Center of Excellence for skilled trades and industries. Establishing a health care entity will be priority. Additional intermediaries in manufacturing, finance, and hospitality will be developed.
- Organize community based organizations (CBOs) into a working coalition of pre-employment and support services for the entire workforce development system to address the special needs of new job entrants and those who are pursuing additional skills for career enhancement.

These recommendations should be seen as a total package that will provide the strategic framework needed for successful Milwaukee workforce development efforts.

This plan and structure described identifies the initial steps in implementation of these recommendations.

This implementation plan establishes and supports a process of continuous involvement of all stakeholders in solving problems and developing needed responsive approaches focused on a simple goal: **Provide employers with workers who have the required skills when employers need them.**

The structure is designed, when implemented, to permanently involve all the necessary participants: business community, elected officials, funding sources, skills training providers and community based organizations who address basic skill and support needs of employees.

The basic steps in implementing the recommendations are:

- A Mayor's Office of Workforce Development is established to promote and facilitate coordination.
- An Advisory Group to this Office, comprised primarily of business representatives, is convened to provide overall strategic direction to Workforce Development activities.
- A Coordinating Team recruited from employment, training and economic development entities and organizations is established to coordinate institutional resources and service delivery. The local Workforce Development Board, working with the Mayor's Office will facilitate the Team's coordination and joint efforts.
- Intermediary bodies with responsibility for specific employment areas are put in place to coordinate all employment and training efforts of their sector.
- Community-based organizations will be convened into a working coalition of pre-employment services providers to support the entire system, especially in providing services to new job entrants.

(See Attachment C for a schematic of this approach.)

### **Mayor's Office of Workforce Development (MOWD)**

A Mayor's Office of Workforce Development will be established and staffed to support an employer-driven system. This Office, working in consort with the Advisory Committee (see below), will establish overall direction and ensure implementation of the agreed-upon strategy.

The office will focus on three major objectives:

- **Policy Development:** Implement public policies and system reforms that align the full array of public sector funding with a common vision for workforce development and diversity.
- **Resource Development:** Bring together public, private, and philanthropic sector partners that support a common vision for workforce development and diversity in targeted sectors of the regional economy.
- **Program Development:** Demonstrate the potential of comprehensive workforce partnerships in skilled trades and industries for targeted sectors of the regional economy, including three key components:

Among the office's major responsibilities will be:

1. Provide leadership for all Workforce Development efforts.
2. Facilitate the efforts of the Mayor's Advisory Group in its development of strategic direction.
3. Link Milwaukee's effort to broader regional workforce development efforts
4. Establish a City of Milwaukee Workforce Investment Board (WIB).
5. Provide leadership and support to members of the Coordinating Team.
6. Provide leadership and support to the development of coordinated Community Based Organization (CBO) efforts.
7. Spearhead efforts to obtain additional public and private resources
8. Serve as a clearinghouse for the coordination and planning of workforce funds in the Milwaukee area.
9. Collect and disseminate information necessary to facilitate better coordinate and promote Milwaukee's workforce system.

A permanent, staffed entity is required to assure continued, focused workforce development efforts. Business and other community leadership needs to be staffed in their efforts to develop a clear overall direction to workforce development plans and resources. While focusing on Milwaukee needs, the office will assure that Milwaukee coordinates with and supports regional workforce development efforts.

The office will serve in a lead role in establishing and providing direction to a new Workforce Investment Board. The WIB will be a consistent and strong operational coordinating body that uses its resources and coordinates those of others to support the directions established by the Mayor and his Advisory Council. The Office will bring together the CBOs throughout the community to support, in a coordinated fashion, Milwaukee's workforce development efforts.

While focusing workforce development efforts and coordinating existing resources, the Mayor's Office will take on a major role in developing additional resources for workforce development, a must if the new workforce development effort is to be successful. Special attention will be paid to obtaining additional private resources that provide needed flexibility. In addition, state and federal governmental resources for specific efforts will be sought. At the same time, the office will make strategic use of funds not usually associated with workforce development, e.g. Tax Incremental Financing, to maximize the potential of these resources to support workforce development.

At the same time, major efforts will be made to develop centralized information systems for planning and coordinating workforce initiatives and also to assure better employment and training services. A major part of this information system development will be increased use of state of the art Information Technology (IT) and Internet-based efforts to keep employer needs in the forefront.

## **Mayor's Advisory Group**

The Mayor's Advisory Group will provide community-wide leadership and establish strategic direction for all Milwaukee Workforce Development efforts. The membership of this group will consist of 9-12 (15) members who are leaders in Milwaukee's Business, Government, Labor, and Civic community. It will serve as the principal advisor to the Mayor and Director of the MOWD. It will provide input into the design of workforce plans, goals and objectives, and strategic directions, and review the systems' overall performance. As part of this overall role, it will provide recommendations on the structure and membership of the WIB and the operation of the Coordinating Team.

The Mayor, with advice from others, will establish the Advisory Group membership. The detailed operational structure of this group will be determined by its membership.

### **Workforce Investment Board (WIB) and the Coordinating Team**

The Workforce Investment Board (WIB) will serve as the centerpiece for employment and training initiatives for the Milwaukee area. The WIB be the hub of operational coordination. It will not operate training programs; it will contract with others for service delivery.

The City of Milwaukee will receive designation for a City of Milwaukee WIB from the State of Wisconsin Department of Workforce Development. The Mayor will appoint members to the WIB.

During an initial six-month review period, all contracts and procedures will carefully be reviewed. During this period, a "no harm clause" will be put in place for all current contracts whose funding will be transferred from the Milwaukee County Private Industry Council to the Milwaukee-based WIB.

During this six month period, the City WIB, working with the Milwaukee Office of Workforce Development (MOWD) and the Department of Workforce Development (DWD), will consider and adopt, as appropriate, recommendations from recent reports, such as those of the Ad Hoc Committee to the Governor's Council on Workforce Investment and the UWM Center for Workforce Development.

Among the major areas it will review are:

- Better coordination of available resources
- Increased collaboration in joint funding requests for future funding
- Increased employer engagements
- Broadened efforts with economic development agencies
- Service delivery integration that pulls together the one-stop, job center system, W2 and major training institutions into a coordinated system that increases the use of technology and collaboration at the regional level.
- Support of employment sector intermediaries

The new City WIB will provide leadership to and support a Coordinating Team. The Coordinating Team will be the vehicle for collaboration of the major institutions with or the



potential to be major contributors to a coordinated workforce service delivery system. The members of this team will be independent entities that have direct and indirect linkages with workforce development.

This Team will be comprised of representatives from:

- City, County and State government departments
- Foundations and other funders
- Educational Institutions
- Service providers

Representatives from these entities will convene around specific opportunities to assist new or existing businesses or support of particular training initiatives. They can serve as a quick response team capable of responding to workforce needs of business and economic development opportunities.

The Coordinating Team can use and build upon the positive experience obtained through recent efforts at collaboration. In the case of Bucyrus International and Gilbane, the Mayor's Office, the Department of City Development, MATC, and CBOs like Wisconsin Regional Training Partnership, Urban Training Partnership Institute and Esperanza Unida came together to jointly respond to this employer's need.

However, instead of creating from scratch a team to come together to address individual employer needs, the Coordinating Team will be an ongoing, flexible structure with pre-identified representatives who are "on call." This sort of "rapid response" team can continue to be called upon to respond to employer needs.

### **Employment Intermediaries**

The new Milwaukee approach will use intermediary structures to coordinate providing employers with employees in specific areas. For example, Wisconsin Regional Training Partnership (WRTP) and BIG STEP have partnered to create a Center of Excellence as a central clearinghouse for assessment, preparation and placement of candidates for various skilled trades. Establishing a Health Care intermediary will be a priority. Also development committees will be put in place to establish intermediaries for manufacturing, hospitality and finance.

For example, WRTP operated a Center for Excellence for skilled trades and provides a central resource for employers and unions to recruit from a diverse pool of qualified job candidates and for community residents to qualify for careers in construction and other trades. The Center provides direct placement, pre-employment training and apprenticeship preparation and referrals to support services.

In addition to employment sector intermediaries, much has been tested and examined in other cities on "place-based" intermediaries. These organizations typically operate in one of two ways: geographic neighborhood-based employment services for residents or geographic

business-park employer services. Currently, Milwaukee has the opportunity to work with an array of intermediaries in several areas.

For example, an intermediary may be identified that provides and coordinates business services in a specific geographic area with a concentration of high employment businesses. A likely intermediary would have sufficient infrastructure to expand their assistance to businesses in employee recruitment and workforce enhancements and referrals and be located in an area of projected high job growth.

The intermediaries will bring together employers, training institutions and organizations, unions, foundations and others in a community of common interest that can focus on a specific employment sectors.

Other “place-based” intermediaries focus on providing employment readiness and preparation services for residents in a specific geographic neighborhood(s) where training and assistance and support services will be “next door” to the new and advancing employees.

### **Coordination of Community-Based Pre-employment and Supportive Services**

The MOWD and WIB will support the expansion of community-based bridge programs for central city residents to overcome the most significant barriers to education, training and employment. Community-based bridges programs in Milwaukee and around the country are often funded by a variety of sources, including through Community Development Block Grant Administration (CDBG) dollars.

The Milwaukee Office of Workforce Development will coordinate with the Mayor’s CDBG administration to build capacity to market workforce services and build a referral network using and building upon the City’s and other existing channels.

In collaboration with organizations like UMOS, Social Development Commission, and Goodwill Industries, the WIB will work with the CBOs to develop a system of pre-employment and supportive services. CBOs will develop a system of pre-employment support and basic skills services to prepare persons for employment and to appropriately refer those ready for employment. Initially CBO services will be available primarily to those entering the workforce and those who have recently obtained employment. CBO supportive services will be later expanded to those already employed who are seeking career advancement.

The MOWD and WIB will work with these organizations, as well as their government and foundation funders, to establish a network that provides for greater access to critical pre-employment services such as mental health, alcohol and drug abuse counseling services, GED or Advanced Basic Education (ABE), resume writing, introductory computer skills and assistance with driver licenses, child support, and Earned Income Tax Credits (EITC). In addition, this coordinated system will work to obtain additional resources to strengthen and expand the CBO network.

These agencies will make referrals to Milwaukee Area Technical College, workforce intermediaries and other services.

The United States Department of Commerce is currently testing a system to create a standard of readiness for entry level work activities consisting of basic skills based on occupation-specific skills standards and employer ratings. These credentials can be used to certify potential employees for competent performance of entry-level work responsibilities, and if used by all CBOs involved in the workforce system, could provide a standardization process that would be appreciated by employers.

#### **IV. Budget**

To implement the plan, the following budget is proposed for 2007.

I.	Mayor's Office of Workforce Development Staff: Director, Business Liaison, Community Liaison Admin Support	\$ 500,000
II.	Additional Program Funds	\$ 2,000,000
III.	Total	\$ 2,500,000

Funding should be sought from the following sources:

State (Various Departments)	\$ 500,000
City and County	\$ 500,000
Foundations and Private Sector Match	\$ 1,000,000

Efforts need to be begun immediately to secure this funding.

# APPENDICES

## **Attachment A: Workforce Development Studies**

### **UWM Center for Economic Development, The Economic State of Milwaukee's Inner City, May 2006.**

#### **Overview:**

This report considers recent statistics on income, employment, and business development in Milwaukee's inner city. The report determines that economic development has been uneven in the inner city and overall, economic development indicators and explores eight policy approaches to address gaps in income and employment.

#### **Key Points:**

- Develop a comprehensive inner city redevelopment strategy that focuses on all pieces of the puzzle: infrastructure, housing, transportation, business incentives, workforce development
- Address regional inequity. Instead of focusing on how the market and brand Milwaukee, the Milwaukee 7 should add addressing regional inequities to the agenda.
- Corporations need to get involved and invest in the competitive advantages of the inner city.
- Economic development strategies need to be refocused on redeveloping the inner city instead of building tourism infrastructure.
- Restructure Department of City Development. Rather than focusing on real estate, DCD should focus on economic development and job creation.
- Community benefits agreements should standard in Milwaukee's development.
- Major public investments would help to stimulate the economy

### **UWM Center for Workforce Development, Landscape Report, January 2005**

#### **Overview:**

The Landscape Report explains the workforce development players and their activities in Milwaukee County. The aim of the study is to gather relevant information to be used in developing a strategy to develop a workforce that meets the needs of the labor market. The report is written from the angle that a demand-driven strategy to workforce development needs to be employed in the County, and stakeholder interviews support this claim.

### **UWM Center for Economic Development, After the Boom: Joblessness in Milwaukee since 2000, April 5, 2004**

#### **Overview:**

This report analyzes employment data from the Bureau of Labor Statistics and in particular, considers racial disparities in employment. Rather than considering the unemployment rate, which is often understated, considers the rate of joblessness, or the total working age population that is not employed.

**Key Points:**

- Racial disparities in joblessness are high in Milwaukee than in any city or metropolitan area of the country considered by the Bureau of Labor Statistics.
- Minority workers, African Americans and Latinos, have sustained far deeper job losses than the white population since 2000.
- As of 2000, 58.8 percent of work-age African-American males in the city of Milwaukee were jobless.
- The racial employment gap among males was wider in the city of Milwaukee than any other city in 2002.

**UWM Employment and Training Institute, Milwaukee Department of City Development, and Milwaukee Economic Development Corporation, A Labor Market Planning Document for Employers: Changing Demographics of the Milwaukee Metro Area Labor Force, August 2003.****Overview:**

This report considers data on the four-county Milwaukee metro area.

**Key Points:**

- Labor shortages and skills gaps in key industries will continue.
- Despite growth in suburban areas, the density of the workforce in the city of Milwaukee is 10-15 times higher than that in the WOW region.
- Manufacturing firms are the most likely to hire minorities in the metro area suburbs.
- Spatial mismatch and job shortages occur most frequently in semi-skilled and lower skilled occupations. Forty-eight percent of service workers live in the city of Milwaukee, 46 percent of transportation and material moving workers, and 41 percent of production workers. Suburban areas experience labor shortages in these fields, but lack of transportation prevents city residents from reaching these jobs.
- The report emphasizes the importance of preparation of Milwaukee's youth education-wise to ensure a healthy workforce.

**Approach:**

The Center for Workforce Development employed a two-part approach. First they identified individuals and organizations involved most actively in workforce development, and conducted 34 interviews. An additional 120 organizations were identified as being involved at some level in workforce development.

**Key Points**

- There is a lack of connection between employers and program providers. One possibility is to duplicate the Milwaukee Employment Service Network in which a consortium of providers work closely with the private sector and engage employers in a meaningful way.
- Employers need a workforce, and people need jobs. There is a range of workforce needs, and there is not an effective, coordinated way to respond to these needs. There needs to be coordination among players, including employers.

- There needs to be a shared language and clarity to encourage greater understanding of the workforce development system. What is considered “workforce development?”
- There needs to be not only coordination, but cooperation. Players need to work together.
- Leadership is lacking. Who is guiding workforce development efforts?

## **Investing in Workforce Intermediaries, Annie E. Casey, Rockefeller, and Ford Foundation**

### **Overview:**

This paper discusses the role(s) of workforce intermediaries and foundations’ part in supporting these intermediaries.

### **Key Points:**

- Workforce intermediaries . . .
  - Serve businesses and jobseekers
  - Coordinate the work of several players and funding streams
  - Pull together services that help workers to not only find jobs but also to advance
  - Serve all types of workers, but are aware of the needs of low-skilled, low-wage workers
  - Improve the stability of labor supply and improve workers’ “economic mobility”
  - Finding innovative solutions to workforce-related challenges
  - Encourage changes in business employment practices and public systems
- Activities of Casey, Rockefeller, and Ford
  - Grants made to three communities and one state in order to assist in leveraging local investments
  - Financial support will be provided to these communities, as well as peer learning activities
  - Expected outcomes:
    - Greater access to low-skilled and low-income residents and employers
    - Better services for career advancement of low-skilled and low-income residents
    - More collaboration in local investment

## **The Council for Adult and Experiential Learning, There’s No Place Like Home: A Look at Local Support for Workforce Intermediaries, February 2006**

### **Overview:**

This report, funded by the Annie E. Casey Foundation, outlines the range of solutions that cities and counties are employing to support workforce intermediaries.

### **Key Points:**

- Local Public Investment in workforce intermediaries:
  - General revenue: San Antonio, Austin, El Paso, Seattle
  - Sales tax revenue: Cities in Texas
  - Tax increment financing: Chicago
  - Tax abatement: Austin – partnership with Samsung in which 20% of taxes were placed into a dedicated fund for Samsung and other employers



- Real estate fees: Boston, called a linkage fee – developers pay for neighborhood housing and job training
- Tax syndication: sale of tax credits to leverage hiring of workers with barriers to employment
- Many workforce intermediaries are linked to the following:
  - Workforce Investment Boards (WIBs)
  - Community Colleges
- Recommendations for support
  - There is value in organizing people and organizing money
  - Partnerships with workforce intermediaries and affordable housing organizations makes sense
  - Replicate local models
  - Sustain workforce intermediaries by testing funding models and fee-for-service
  - Support the larger systems of WIBs and Community Colleges to serve as intermediaries
  - Department of Labor Workforce Innovation in Regional Economic Development is an example of the federal governments desire for involvement

Some models:

- Project Quest – San Antonio, started in 1991, funded via general revenue from the City of San Antonio, goal to train workers for available jobs
- Capital IDEA, gets money from city of Austin and the county – focused on education and training
- Project Arriba, El Paso
- Job Path, Tucson
- All of the above projects were initiated by Industrial Areas Foundations and had linked with faith-based organizations
- Seattle Jobs Initiative (SJI) joined Annie E. Casey Jobs Initiative in 1995 – in 2003 SJI extricated itself from the City of Seattle and became a non-profit organization that receives funding from the city’s general revenue until it’s in a position to raise its own funds.
- Rio Grande Valley, TX, Valley Initiative for Development and Advancement, funded via sales tax from four cities in the region it serves
- Chicago, TIFWorks, administered by the Mayor’s Office of Workforce Development, established in 2002 – funds are used for job training for mainly manufacturing companies

Federal programs offer workforce-related tax credits to employers:

- Work Opportunity
- Welfare-to-Work
- Empowerment Zone
- Renewal Community

Steps to creating workforce intermediaries:

Scan the environment – who are the players? What are the economic concerns? What are the issues faced by the public? What partnerships make sense? Housing practitioners? What is going on politically?

## **The Aspen Institute Workforce Strategies Initiative, Sector Initiative Profile, Flint Healthcare Employment Opportunities, 2005.**

### **Overview:**

This report discusses a collaborative partnership of healthcare providers, community and private colleges, and nonprofit organizations, formed in 2002. The goal of the Flint Healthcare Employment Opportunities program is to educate, train, place, and retain underemployed and unemployed residents in Flint's urban core, while also addressing labor shortages in Flint's hospitals and nursing homes.

### **Key Points:**

- The FHEO has been successful b/c it recognizes that responsibilities need to be shared to adequately address the needs of individuals and employers.
- Consists of a diverse group of service providers that sustain collaboration with three major case systems in Flint.
- The central mission of FHEO is to address chronic unemployment and underemployment. In order for the initiative to be and remain successful, FHEO looks for ways to capitalize on the merging of individual needs with employer gains.
- The collaborative consists of a number of committees that make key decisions:
  - Implementation committee (project oversight)
  - Partners committee (new entrant training)
  - Incumbent Worker Training Committee
  - Supervisor Training Committee
  - Scholarship Committee
- FHEO has experienced tension over the years due to differing missions of the organizations involved. These disconnects have been managed with explicit discussions and consensus building.
- Suggest uniform standards and procedures for budgeting and invoicing so there are not many different accounting systems with which to contend.

## **Kate Gordon, Funding Regionally: How Private Foundations Can Set a Regional Planning Agenda, Berkeley Planning Journal 17 (2004): 56-61**

### **Overview:**

Gordon discusses the advantages of private foundations to set regional funding agendas. She makes the case that private foundations are uniquely suited to create and fund regional agendas and lays out an approach for developing and implementing such an agenda. Gordon also identifies possible pitfalls in regional funding and suggests strategies to avoid these.

### **Approach:**

Gordon's work is driven by observed research regarding changes in patterns of living and working in the United States, and the importance of considering regions rather than disparate municipalities to address challenges. Her methodology was to interview heads of major foundations regarding their involvement in setting in regional agendas, and how such agendas should ideally be structured.

**Key Points:**

- A prerequisite to setting a regional agenda is to develop a “language of regionalism” that is accessible to all stakeholders. This language should be geared toward the topic – e.g. workforce development
- Foundations should facilitate coordination and put the pieces together. Grantees should be responsible for developing and implementing the strategy.
- A foundation’s goals should be “issue-based” rather than “process-based.”
- Foundations should articulate broad goals and make them clear to grantees – grantees are responsible for justifying how their program relates to the broader goals.

**Other Studies and Reports Considered**

Mandel, Barry R, “Proposal: Chair for Economic Development,” September 2004.

Giloth, Robert P. Workforce Intermediaries for the Twenty-first Century. Philadelphia, PA: Temple University Press, 2204.

Grebe, Michael, “Proposal: Chair for Economic Development,” December 2004 (GMC Study Group for Economic Chair Position)

Horton, Ryan, “Growing Up: Analysis of City of Milwaukee Economic Development Efforts,” November, 2006. (Public Policy Forum)

“Net Income Migration Trends,” 2006, Vol. 3, Num 6 (Public Policy Forum)

“Consolidated Strategy and Plan 2005-2009” 2005 (City of Milwaukee)

“State Economic Development Programs: A Review,” 2006. ([Wisconsin] Legislative Audit Bureau)

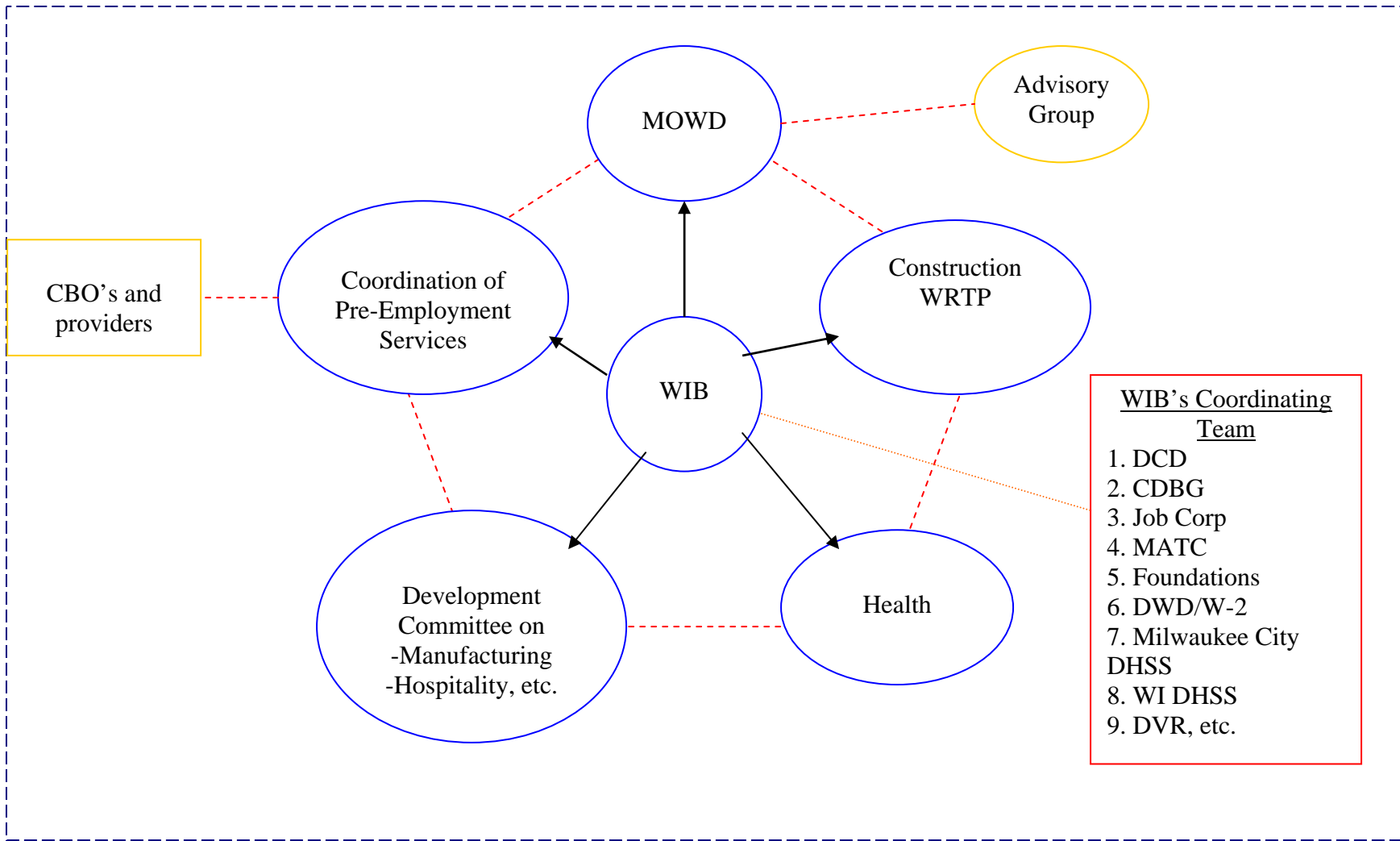
“WIA Local Plan Milwaukee County” March 2006 (Milwaukee Private Industry Council (PIC))

“Workforce Investment Act: Local Plan Guidelines,” December 2005 (Wisconsin Department of Workforce Development, Division of Workforce Solutions)

In addition, various reports of local and national foundations, various cities descriptions and reports of workforce development efforts, and budget and programs of local employment and training and educations programs were reviewed.

**Attachment B: State of Wisconsin, Administration of Workforce Funding**

<b>Funding Source</b>	<b>US Dept. of Labor</b>	<b>US Dept. of Health and Human Services</b>	<b>US Dept. of Education</b>	<b>US Dept. of Housing and Urban Development</b>	<b>US Dept. of Agriculture</b>	<b>State of WI -- General Purpose Revenue</b>	<b>WI Veterans Trust Fund</b>
<b>Funds Administrator</b>	DWD	DHFS, DWD	DWD, DPI, WI Technical College System Board	DOC, City Governments	DHFS, DWD	WI Technical College System Board, University of WI Extension, DHFS, DOC, DWD	WI Department of Veterans Affairs
<b>Program</b>	WIA -- Job Centers, Senior Employment Programs, Trade Adjustment Assistance, Apprenticeship Programs	W-2, Community Services Block Grant, Brighter Futures Initiative, Scholarships	Vocational Education, Basic Education, Vocational Rehabilitation	Community Development Block Grant	Food Share Employment and Training (FSET), Jobs and Business Development Program	Vocational Education, Basic Skills, Entrepreneurial Training, Labor Training, Children First	Retraining, Tuition Reimbursement, Veterans Assistance
<b>Available Funds 04-05</b>	\$107,922,951.00	\$310,909,688.00	\$99,114,935.00	\$25,899,100.00	\$17,225,812.00	\$24,463,960.00	\$5,759,300.00
<b>Grantees</b>	Job Centers, Non-Profits, Municipalities, Businesses	Non Profits, Community-Based Organizations, Community Action Agencies, Students	Technical Colleges, Job Centers, Local Educational Agencies, Non Profits, Social Service Agencies	Non Profits, Community-Based Agencies, Municipalities, Businesses	W-2 contractors, Community Action Agencies	Technical Colleges, Small Business Development Centers, WI Resource Center, Businesses, W-2 Providers, County Child Support Agencies	Veterans Assistance Centers, Veterans
<b>Services</b>	Employment, Education and Training, Support	Employment, Education and Training, Support	Employment, Education and Training, Support	Funding Assistance	Employment, Education and Training, Support	Education and Training, Employment, Support	Employment, Education and Training, Support
<b>Target Population</b>	Employed, Unemployed, Dislocated Workers, Businesses, Elderly	Low Income Families, Refugees, Out-of-Home Placement Youth	Physically and Mentally Disabled, Students, Youth, those with barriers to employment, Illiterate	Low and Moderate Income	Eligible for Food Stamps, Unemployed, Low-Income Entrepreneurs	Students, Youth, Unemployed, Displaced Homemakers, Entrepreneurs, Incarcerated, Employed, Non-Custodial Parents	Veterans, Homeless, Substance Abusers



**Attachment C**