



# Workforce Boards

## *In Action*

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### Reorganizing Our Workforce Investment Systems - Results From a State and Local Perspective



Can you imagine the implications and logistics involved with reorganizing your entire state's workforce system? Several states across the nation are having discussions about the possible restructuring of their workforce investment areas in order to reduce duplication, minimize bureaucracy, and streamline the delivery of workforce services to maximize the investment of resources. Some states have moved beyond discussion and have completed restructurings that resulted in changes for their communities. Indiana and Connecticut are examples of two states that have restructured their workforce areas over recent years. The state and local perspectives regarding their strategic approach to the restructuring and resulting changes follow.

#### State Perspective

Effective July 1, 2006, Indiana began implementing a new strategic plan that will enable Indiana to meet its objectives of increasing career opportunities for Hoosiers, growing the wealth of their citizens, and delivering premier customer service.

The strategic plan includes reshaping and streamlining the delivery of workforce services under the federal Workforce Investment Act. A cornerstone of the plan is the improved alignment of Indiana's workforce development and economic development programs, creating 11 updated and coherent regional workforce areas where there were previously 16. The new regions represent current economic, migration, growth, and demographic patterns in Indiana, and replace regions established decades ago.

At the helm of each region's workforce development efforts are smaller and higher-profile Regional Workforce Boards composed of 9 to 16 members. Leaders of business, economic development, education, and labor are appointed by local elected officials. Under the previous system, workforce investment boards (WIBs) comprised 35 to 100 members, with about a twenty-five percent participation rate. The new Regional Workforce Boards hold members accountable for participation and leadership.

This new regional approach resulted in the reduction of an estimated \$1.5 – \$2 million in administrative costs due to fewer regions and smaller Regional Workforce Boards which reduced the administrative overhead of the system. This money is invested directly back into training workers for better jobs.

In a letter to Indiana Governor Mitch Daniels approving the new Indiana state plan, Assistant Secretary for Employment and Training, Emily Stover DeRocco, stated: *"We support Indiana's efforts to streamline its governance structure in order to improve efficiency and assure greater accountability."*

*"We believe our new system will promote better delivery of our workforce services to our clients and improve its overall efficiency and effectiveness,"* said Andrew Penca, Commissioner of the Indiana Department of Workforce Development. *"Importantly, it will result in more dollars earmarked for direct training services."*

#### Local Perspective

A similar statewide restructuring took place in July, 2003 in Connecticut where nine WIBs were ultimately reduced to five as a result of the reorganization. Some regions in Connecticut were not affected, but some were split and others merged to create new regions that were more in line with Connecticut's Department of Economic Development regional alignment. Politics were put aside and the Connecticut restructuring included a high degree of buy-in from all levels that was critical to its success.

One of the regions impacted was Workforce Alliance in the South Central Region of Connecticut, where participating municipalities increased from 14 to 30. To accomplish this, an executive committee including mayors representing seven of the municipalities joined to take action on behalf of all 30 municipalities.

According to William Villano, Executive Director of Workforce Alliance, *"While the initial restructure was sometimes cumbersome, the issues sorted themselves out. This reorganization was not politically driven, but was approached by all as the best solution for our state. Concerns were addressed along the way and the transition had a positive result statewide."*

The ultimate goal was to continue seamless service delivery. To that end, contracts were continued for a period of time to assure no interruption in services, and allocations were adjusted as necessary to assure full coverage.

Another region impacted was the Eastern Connecticut Workforce Investment Board which came out of the merger with two separate regions. The new region now comprises 41 towns in eastern Connecticut. In this case, a merger committee was created, which included representation from both original boards. This public-private sector group is credited with working together to oversee the logical and effective merger of the two regions.

This process took only a little over a year and included everything that goes along with creating a new company, including a new certificate of incorporation, personnel policies, staffing, a new service delivery structure, etc.

According to John Beauregard, Executive Director of the new region, *"Given the expanded geography, the structure and service delivery model of the new organization became critically important. The merger committee first took the positive things **both** regions were doing and developed a new business model, staffing patterns, and organizational chart. Then new positions were hired one by one."*

*"In my opinion, the success of our merger can be directly linked to the willingness of both Boards' representatives to maintain a healthy respect for each other's organizational culture,"* added Board Chair Karen Eichstaedt. *"This foundation allowed us to select and truly commit to the approaches and policies that would best fit the new Eastern region. In all instances we borrowed from the best that both organizations had to offer and, as a result, obtained 'ownership' of what we built right from the start."*

In addition to the merger committee, Beauregard points to the cooperation from the 3 councils of government encompassed in the new region, and their willingness to develop a Steering Council to work closely with the new WIB. This cooperative environment enabled the new organization to hit the ground running with minimal delay.

When asked about the outcome, Beauregard said that they had a very positive outcome and also learned a *"new appreciation for the term team-building,"* working together to learn from others the history of portions of the new region they may not have been familiar with in the past.