

WILL WORK --- FOR CHANGE

**Demand-Driven Workforce
Solutions for Florida's Future**

**GULF COAST
COMMUNITY FOUNDATION**

Will Work, for Change: Demand-Driven Workforce Solutions for Florida's Future

Today, hundreds of thousands of Floridians are looking for work, even while many of Florida's businesses are searching for qualified applicants to fill open jobs. Having access to the right workers at the right time is essential for businesses in today's economy, and will be even more important in the future. Florida's global competitiveness depends on the availability of a workforce equipped with the skills to succeed in the innovation economy. Yet, despite resources of over \$300 million annually in federal and state funds, 24 regional workforce boards, and a myriad of employment services and training programs, Florida's workforce investment system often falls short of meeting the needs of businesses.

Businesses should be able to find skilled job applicants easily and access simple workforce training programs readily. Jobseekers should know that the employment services they receive will lead to real jobs. Florida's workforce system as it is currently organized does not always provide these guarantees. The system will work – with change – to be more simple, more effective, and more responsive to employer demands and business trends.

We are not facing this challenge alone. The workforce system is a federal construct and provides only limited state autonomy. The entire country is searching for innovative solutions to provide the next generation of talent for the next American economy. Those states and regions that are most successful in creating forward-looking workforce investment programs will be among the most competitive in attracting businesses and growing the jobs of the future. I want Florida to lead the nation.

This policy report provides a closer look at the workforce challenges facing Florida and advances four big ideas that will help our workforce system more ably deliver the next generation of talent. At Gulf Coast Community Foundation, our mission, together with our donors, is to transform our region through bold and proactive philanthropy. We have been encouraged by the real results from our recent grantmaking in the region, which supports innovative approaches to workforce training for businesses. Gulf Coast is committed to continuing to work with all our regional partners as well as public, business, and civic leaders throughout Florida to replicate these positive results.

I believe that with strong leadership at the regional and state level, the opportunities presented in this report will inspire innovative efforts to get Floridians back to work and to put Florida businesses ahead of the competition.

Please join me in working for change that will transform Florida's future workforce.

Teri A Hansen, President and CEO
Gulf Coast Community Foundation

Demand-Driven Workforce Solutions

Gulf Coast Community Foundation is committed to ideas that produce results. Gulf Coast is currently engaged in philanthropic efforts focused on two critical regional issues: jobs and our workforce. This policy report, *Will Work, for Change: Demand-Driven Workforce Solutions for Florida's Future*, supports these regional priorities by testing new approaches and advancing solutions. We recognize that the workforce issues facing the Gulf Coast are not ours alone, but are shared by regions across Florida and must be addressed collectively. Together, we can enact meaningful change at the regional, state, and federal levels to address critical current and future challenges. To start, we must shift the emphasis of workforce investment programs from the current supply-side focus on workers to a demand-driven model that meets the needs of businesses. After all, it is our businesses that create jobs.

The findings and opportunities presented in this paper were developed with the guidance of a group of dedicated regional employers, economic development professionals, and workforce practitioners. Our research sought best practices in workforce development, gathered information from national, state, and regional organizations, and examined trends and data from the U.S. Department of Labor, the Florida Department of Economic Opportunity, and Workforce Florida, Inc. We also had tough conversations with Florida business leaders, regional workforce board leaders, and the leadership of Workforce Florida, who all provided valuable insights and helped shaped this effort.

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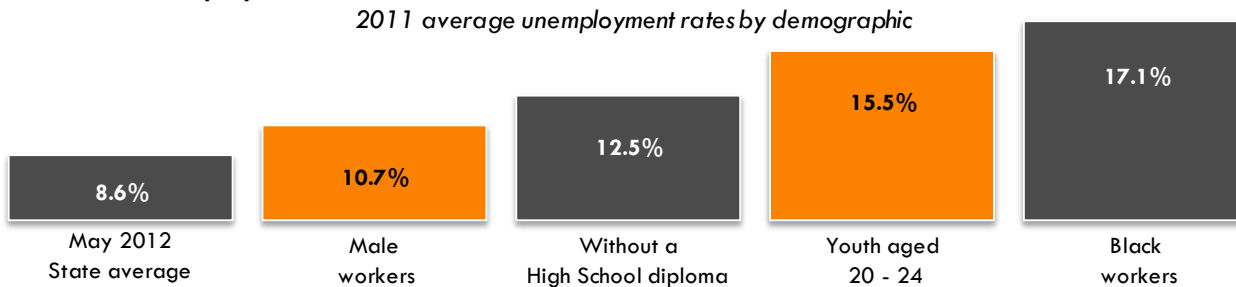
Together with our donors, we transform our region through bold and proactive philanthropy.

Why does this matter? Florida faces serious challenges getting back on track.

Today, over 790,000 Floridians are looking for work. Although the economy is on the mend, this economic recovery is different and more challenging than anything we have been through before.

Time and effort required to find a job is at an all-time high. Florida's long-term unemployment is among the highest in the nation, with 53 percent of unemployed persons out of work for six months or longer.ⁱ Those more likely to be unemployed include younger persons, racial and ethnic minorities, and those without a high school education. As time goes on, the unemployed are likely to drop out of the labor force, move out of state, settle for part-time positions, or take jobs for which they are overqualified. In fact, Florida's May 2012 unemployment rate of 8.6 percent would nearly double to 16.4 percent if discouraged jobseekers and those only able to find part-time work were also counted.ⁱⁱ And the Florida Legislature Office of Economic and Demographic Research reports that as much as 70 percent of the decline in Florida's unemployment rate since the beginning of 2012 is due to people leaving the labor force, rather than job creation.ⁱⁱⁱ Florida is at risk of losing more workers and businesses.

Who are the unemployed?



Source: Florida Dept. of Economic Opportunity

Available jobs tend to be lower-wage and lower-skill. Most advertised job openings in Florida today are in retail, hospitality, or basic services – jobs that tend to offer relatively low wages and limited career opportunities compared to state averages. In 2011, the average wage of newly hired workers was \$15,000 less than the average wage for all workers in the state.^{iv} Companies are again beginning to create the high-skill, high-wage jobs that signal real economic growth. But many employers believe that Florida simply does not have enough of the ready and skilled workers on which high-value growing industries depend. A recent study found that advanced manufacturing companies in Sarasota and Manatee counties are able to fill unskilled jobs locally, but must look outside the region to hire more highly skilled workers.^v

Skills of workers may not match business needs. The number of advertised job openings in Florida has risen faster than the unemployment rate has fallen in the past year.^{vi} This suggests a fundamental mismatch between the skills of available workers and the needs of businesses. Across the state, business leaders in growing industries report serious challenges finding quality applicants to fill jobs.^{vii} Having workers with the right skills makes a big difference to businesses and to the economy. Researchers recently found that Broward County is losing out on several thousand new hires every quarter because of employers' inability to find workers with the right skills in the region.^{viii} Added up across the entire state, this skills mismatch has tremendous impact on opportunities for workers, the competitiveness of businesses, and the performance of Florida's economy.

Looking ahead, Florida's current workforce challenges are expected to grow.

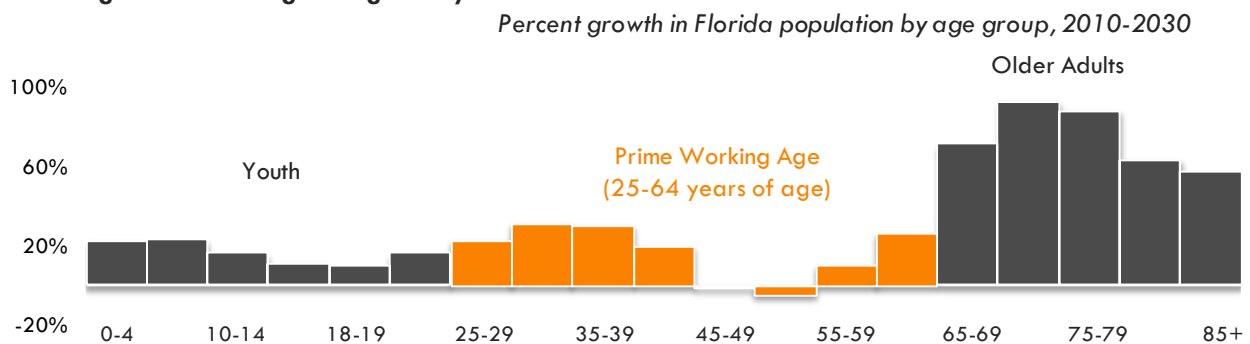
The state's unemployment rate is not expected to fall below 6 percent until after 2020.^{ix} Florida businesses are seeing increasing skilled-worker shortages in the near term and will face significant challenges competing in the dynamic, global, and innovation economy of the future.

Shifting industry mix. As the state's top economic development organization, Enterprise Florida, Inc. focuses on diversifying the economy by supporting growth in target industry clusters. Florida's economy is shifting from agricultural, tourism, and construction industries to new markets in life sciences, advanced manufacturing, clean technology, and other emerging clusters. A highly skilled workforce is essential to advance these opportunities, yet in many cases the skills required by these businesses do not match those of available workers. For example, Florida's aviation and aerospace cluster is shifting from an emphasis on flight training and space launch to encompass experimental aircraft manufacturing and advanced space research and technology. Many workers today lack current technical skills, and even recent graduates haven't been prepared for new technologies. Florida will have to do better in preparing workers for jobs in future growth industries for the state's economic development strategy to succeed.

New skill requirements. As Florida's industries evolve and technology reshapes the workplace, employers' expectations of worker skill levels and technical proficiencies are rising. The workforce is not keeping up with changing demands, resulting in a widening gap between the skills of workers and needs of businesses. In 2010, just 29 percent of Florida's workforce had a two-year certificate or Associate's degree, yet 51 percent of all jobs in 2020 will require this level of training.^x This "middle-skill" gap must be filled with workers through advanced and continual training in specialty areas. Businesses look to the state's education system to prepare students with essential basic skills and turn to the state's workforce investment system to equip workers with specialized training and industry-recognized certifications.

An aging workforce. Florida's workforce is continuing to grow older and more diverse. Working-age adults, ages 25 to 64, will represent 36 percent of the state's population in 2030, down from 42 percent in 2000. There simply will not be enough new workers to replace retirees. Labor shortages among more highly educated and experienced workers will become commonplace unless the state is able to produce a greater number of graduates with greater skills.^{xi} At the same time, many older Floridians are anticipated to continue working longer and may need continuing education to ensure employment opportunities. Additionally, a rising share of the state's population is of minority racial or ethnic descent, and Florida will have to raise future educational achievement levels across the board and provide training opportunities that embrace the lingual and cultural diversity of the future workforce.

Prime age workforce is growing slowly



Source: Florida Bureau of Economic and Business Research

Florida's Workforce System

This report focuses primarily on the federally funded workforce investment system in Florida.

According to the U.S. Government Accountability Office, in 2009, nine different federal agencies spent \$18 billion to administer 47 separate employment and job training programs, most of which overlap.^{xii} The federal Workforce Investment Act of 1998 (WIA) is the primary legislation directing workforce investment in the states. Florida receives an average of \$300 million annually in federal workforce funding. These funds flow through the Florida Department of Economic Opportunity to Workforce Florida and to the 24 regional workforce boards to support employment services for jobseekers and worker training programs for employers. Workforce Florida is the principal workforce policy organization for the state and responsible for setting state policy direction, funding state training programs for businesses, and supporting state and regional strategic initiatives. At the regional level, Florida's 24 regional workforce boards together operate 95 local offices and are the primary direct service providers. Workforce boards have a wide variety of roles and responsibilities and even wider array of populations to serve.

Florida's federally funded and state implemented workforce investment system includes many organizations, each with differing roles and responsibilities. The system is currently limited by federal and state requirements and burdened with complex rules and regulations. There is a need to design and manage this system in a more strategic, coordinated, and demand-driven manner. Only then will Florida's workforce investment system play a pivotal role in supplying the future workers so vital to businesses.

Florida's Workforce System

	ORGANIZATION	FUNCTIONS	PROGRAMS
FEDERAL	U.S. Dept. of Labor	Funding Federal policy	Employment and training grant programs
STATE	Florida Dept. of Economic Opportunity	Unemployment services administration Reporting and contracting	Labor market information Reemployment compensation
	Workforce Florida, Inc.	Oversight and administration Strategy and policy	State training grants State strategic initiatives
LOCAL	24 Regional Workforce Boards 95 One-Stop Career Centers	Employment services Program design and implementation Reporting and contracting	Job information and placement Career counseling and work readiness training Training and certification grant programs

How does it work? Florida could better meet the workforce needs of businesses.

Why is it that many businesses cannot fill advertised jobs, even while many Floridians are still looking for work? How is that many businesses are searching for talented workers? The workforce investment system is intended to close these gaps, but it must first work more effectively for employers.

Complexities present barriers to business. The workforce investment system is incredibly complex. The eligibility requirements and final reporting burdens of some workforce programs present significant barriers to businesses. Employers applying for training grant funds from regional workforce boards must complete applications that can run up to 10 pages in length and require significant financial and employee information, as well as detailed follow-up commitments. Other programs require multiple steps or lengthy approval processes and often don't operate at the same speed as businesses.

Workforce professionals recognize these barriers and acknowledge the system could work better. Employers and workforce board staff agree that bureaucracy, red tape, and perception issues present serious challenges when trying to meet business talent needs.^{xiii} As a result, only 5 percent of all businesses in Florida used any of the resources of the workforce investment system in the first quarter of 2011.^{xiv} Easing restrictions and providing a federal and state policy framework that supports employer needs will go a long way toward creating a system that works for businesses.

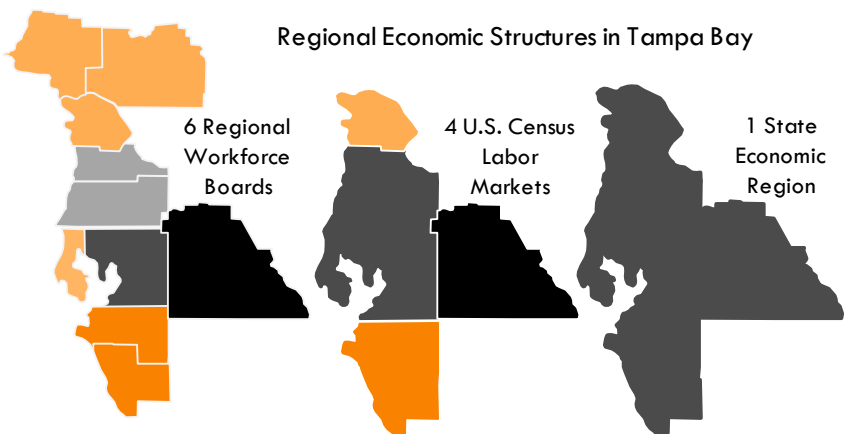
Focus is on worker supply, not business demand. If a business is expanding operations or relocating, the workforce investment system is supposed to deliver a ready and skilled workforce. However, federal funding guidelines and priorities focus on the worker, or the "supply" side of the job market, rather than on business needs, or the "demand" side. As a result, workforce resources and grant monies tend to flow to those who are looking for jobs and might not have the skills for available jobs – creating a disconnect between employers and jobseekers.

For example, a company looking to expand operations and hire a dozen new workers might contact a regional workforce board for help training new hires, only to find that money allocated to training new workers has run out. This may be due to the fact that in Florida more workforce funding is directed to individual jobseekers than is dedicated to helping businesses fill open positions with higher skill levels. In 2009-2010, Florida's regional workforce boards spent over \$109 million in federal funding for adult and dislocated workers. As reported by the regional workforce boards, 72 percent of those funds went to training and related activities for individuals, greater than the 50 percent required under state statute.^{xv} While it is important to help individual workers advance their skills and move up the career ladder, in this economy it is also vital to help businesses create entirely new jobs. From the business perspective, workforce support for customized training programs that supports hiring and training workers in new jobs is critical for growth in new markets, products, or services or geographic expansion.

Workforce organizations do not reflect the structure of today's economy. Federal legislation provides for a workforce investment system that is focused at the county level. While intended to keep in touch with local needs, this dynamic has created a system that is often out of sync with today's economies, which operate on a broad regional scale. The business operations and labor markets of Florida's regional economies have eclipsed traditional city, county, and workforce geopolitical boundaries. Businesses now recruit from across multicounty regions, and jobseekers now commute across county boundaries. Yet, the resources of the workforce investment system are not organized at that scale. Businesses seeking skilled applicants may have to contact multiple regional workforce boards or fill out separate applications for similar funding opportunities. And employers are often the subject of overlapping data requests and outreach attempts from local organizations.^{xvi}

The map below illustrates this issue within the Tampa Bay region. The boundaries of the six regional workforce boards don't match those of the four major statistical labor market areas. The broader region is often viewed as a single economic region by the state.

Similar to Tampa Bay, the state's 24 workforce areas are not always aligned with Florida's major regions and do not always cooperate, coordinate, or communicate across boundaries. To match the scale of today's regional economies, the structure of workforce organizations must be better aligned.

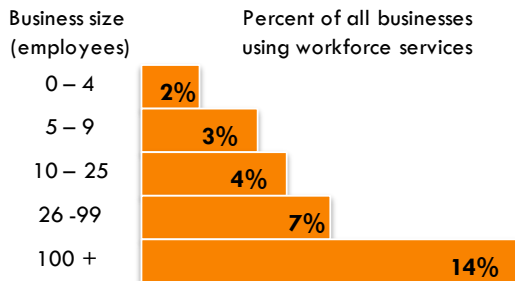


Workforce training is not coordinated with economic development priorities. Florida has volumes of workforce research and economic strategies. Rarely are these coordinated, even within regions. As a result, the priorities of the workforce investment system are not always supportive of regional priorities and goals, let alone state economic development strategies.

The Tampa Bay Partnership and Tampa Bay Regional Planning Council have developed a Regional Business Plan supporting growth in future industry sectors. The six regional workforce boards within the region each identify unique sets of target industries within their local workforce investment plans, which have little commonality to each other or to Tampa Bay's broad regional strategy.^{xvii} Just recently, however, two of the six regional workforce boards joined in an effort between economic development organizations and education partners to study skills gaps and to address worker shortages in regional target sectors, such as information technology. Targeting industry clusters is a valuable economic development strategy. Yet, if those clusters are not commonly defined or consistently applied to help prioritize workforce investment services or award training grants, regions may not be effectively leveraging resources or presenting a united front to business leaders. At the state level, alignment of overall workforce and economic development strategies is beginning to occur. Similar linkages need to occur at the regional level so that business can find the right talent at the right time and help build emerging industry clusters.

Where can we improve? Florida has a complex and fragmented system with **mixed results**. A focus on jobseekers, not jobs; complexity and bureaucracy; and regional fragmentation mean Florida's workforce system is not working as well as it could for most businesses and workers.

Who Uses the Workforce System?

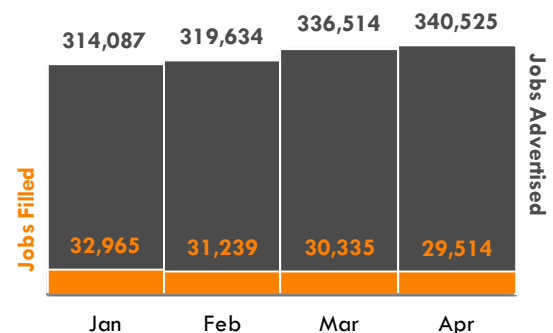


Source: Workforce Florida, Inc., January-March 2011

Business demands not readily met. Just 5 percent of all businesses in the state used any of the services or resources of Florida's workforce system in the first quarter of 2011.^{xviii} Marketing efforts may help raise awareness among employers, but a workforce system that shows results and offers programs that work for business could help boost active engagement in and use of the system by businesses.

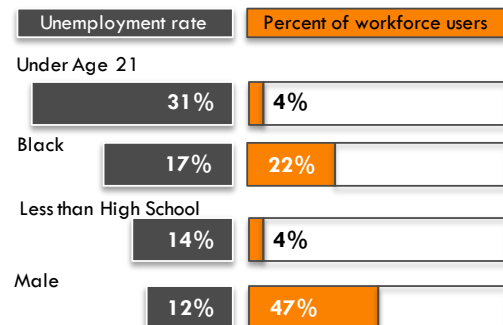
Employer needs go unfilled. From January to April 2012, regional workforce boards helped fill an estimated 10 percent of all jobs advertised in the state.^{xix} With a more demand-driven approach, many more businesses might have found the workers they need through the workforce system. Workforce programs that provide customized training to meet business needs would encourage more meaningful business involvement.

How Do We Fill These Jobs?



Source: Florida Dept. of Economic Opportunity, 2012

Who Does the System Serve?



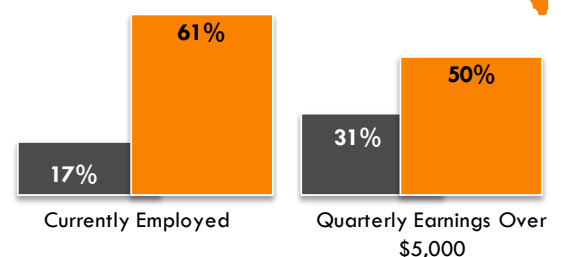
Source: U.S. Department of Labor, 2010

Unemployed are not reached. From January to April 2012, regional workforce boards helped 2 percent of all persons receiving unemployment benefits find jobs.^{xx} Male, youth, less educated, or workers of minority racial or ethnic descent are unemployed at high rates. Yet, Florida's workforce investment system reaches a different demographic. Persons receiving training or job placements are more likely female, older, well educated, and white.^{xxi} A demand-driven system led by business can provide opportunities for all workers.

New workers need opportunities for training. Compared with the nation, Florida's workforce investment system is geared toward providing training for workers who already have jobs. While helping employed workers advance is important, so is working to meet employer needs for new workers. A demand-driven system can also emphasize funding on-the-job training for new hires so that businesses are better able to create new jobs.

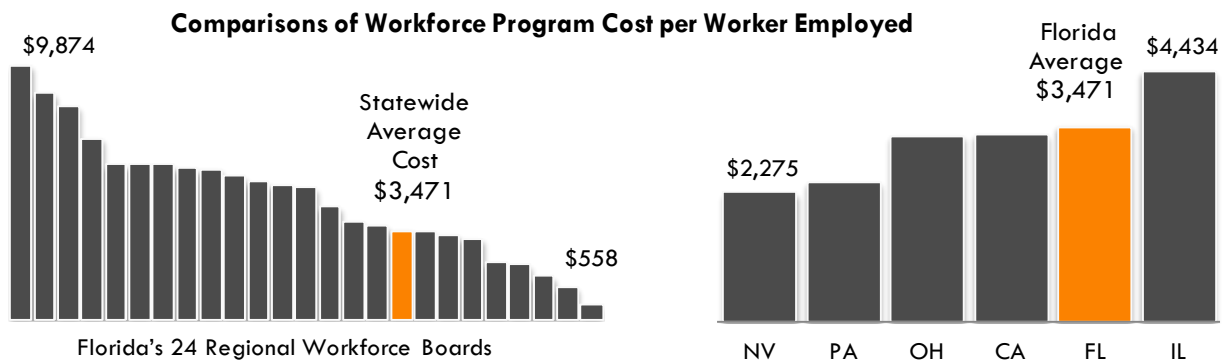
How Does Florida Compare to the US?

Percent of persons using workforce system



Source: U.S. Department of Labor, 2010

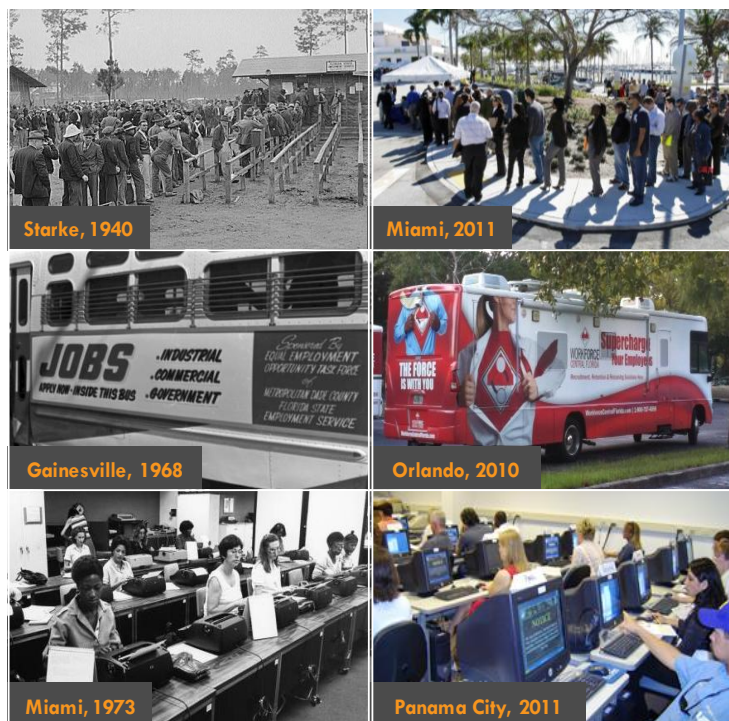
Return on investment should be measured. In 2010, Florida spent an average of \$3,500 in federal workforce investment funds for each worker trained and an average of \$15,000 for each worker placed in a job. While these simple measures do not capture the full return on investment from workforce training, including higher wages, business productivity, and overall employment, they do indicate a need for greater cost controls. Among regional workforce boards in Florida, the average cost per worker employed ranged from \$558 to \$9,874 in 2010, partly due to regional economic circumstances but also because of the investment choices, funding priorities, and relationships with employers within each region. Nationally, Florida's cost per worker employed is on the higher end, though comparable with other states experiencing high unemployment (and that publish these data). The U.S. Government Accountability Office has called for greater efficiency in federal workforce programs since the 1990s and in a 2011 review found that "little is known of the effectiveness of these programs."^{xxii} A demand-driven workforce investment system that is led by business will be more likely to yield a greater return on investment.



Source: Workforce Florida, Inc. and U.S. Dept of Labor. Note: Not all states calculate cost-effectiveness measures similarly and may not be directly comparable. Data 2010 WIA Adult Program , Cost per Participant with Positive Outcome.

Job fairs are outdated. Job fairs, mobile centers, résumé websites, standardized courses, and career counseling programs have been a mainstay of the workforce investment system for decades. These services are oriented to the jobseeker, not the employer, and may not be as effective as they once were. Some workforce practitioners note that the statewide job website and regional job fairs are perceived to offer limited value to businesses.^{xxiii} Other states are experimenting with innovative industry-sector partnerships, business-approved training curricula, and career pathway initiatives. As the pace of innovation and job specialization in the economy advances, so must the tools of the workforce investment system.

Then and Now: Workforce Investment Programs Need Revamping



Credits: Left column: Florida Dept. of State, Library and Information Services, photograph collections. Right column: top to bottom: Associated Press, Workforce Central Florida, Gulf Coast Workforce Center.

What should we do? Florida must transform its workforce investment system for the future. As Florida strives to compete in the global economy, there is no greater asset than a skilled workforce. To develop this strength we must build a system upon employer needs, let regions experiment, and implement real change.

This policy report outlines four big-picture ideas to help ensure Florida's workforce system is driven by employer demands and is responsive to market conditions. There are many good ideas out there and many great things being done already in the state and around the nation. Florida's regions, including Tampa Bay and Northeast Florida, are experimenting with new programs and regional coordination. Workforce Florida is starting to purposefully engage employers and align efforts. But Florida lacks a coordinated, focused, and sustained commitment to encourage and connect these efforts regionally and to move the state forward with a demand-driven workforce investment system.

The future opportunities outlined here are intended to provide clear direction that encourages and focuses regional innovation. We can start from the ground up by aligning regional workforce investment organizations to match the structure of today's regional economies – so we are not fragmented and uncoordinated. We can then link workforce programs to support statewide goals and regional priorities – so we do not continue working to different purposes. And we must measure our direct return on investment of training – through job placements, increased wages, and regional economic impact.

From this solid foundation we can encourage innovative and targeted workforce investment approaches that work for businesses – so we are no longer missing opportunities. Finally, by demonstrating regional and statewide success, we can then champion change at the federal level – so we are not further burdened by unnecessary regulations and complexities.

These ideas require action at every level – from the Executive Office of the Governor to Workforce Florida to each of the regional workforce boards, as well as from Florida's civic and business leaders.

Together, we will work for change.

- 1. Close the skill gap between good jobs and good workers.**
- 2. Link workforce training to statewide and regional economic priorities.**
- 3. Realign workforce organizations to match regional economies.**
- 4. Simplify the workforce investment system to meet business needs.**

1. Close the skill gap between good jobs and good workers.

Workers want to work and businesses need to hire. But there is a widening skills gap that prevents many Floridians from filling the jobs of the 21st century economy. The services and outreach tools used by regional workforce boards have not significantly changed in decades and are geared primarily toward serving jobseekers. The workforce investment system must change to reflect the pace of innovation and match the speed of business. To get the state's economy back on track and get workers back on the job, these issues must be addressed head on.

Change needs strong leadership. For example, in 2003, Oregon's governor overhauled the workforce investment system to provide a consistent and coordinated statewide approach to workforce development. In 2005, the Pennsylvania legislature created and funded a nationally recognized successful Industry Partnerships program. In 2007, with support from the Joyce Foundation, Wisconsin's RISE program was started to institutionalize career pathways at the regional level. And in 2009, Florida's CareerEdge program was launched with major support from the John S. and James L. Knight Foundation.

Best Practice: CareerEdge Funders Collaborative Manatee-Sarasota is a regional public-private partnership that could serve as a flexible, high-impact model for other regions in Florida. CareerEdge actively engages regional employers to identify current worker skill gaps and future opportunities to advance workers. Customized training programs are developed in cooperation with employers, educational providers, economic development organizations, workforce entities, and government. This approach emphasizes collaboration so that the communication, efforts, and initiatives of partners are aligned. Employers and workers are brought in as full partners, which provides assurance that training investments meet their needs. A 2012 impact report notes eight key ways in which the program is impacting the state's workforce investment system as well as the economic benefits to individuals, businesses, and the region. The program has a high success rate and demonstrated cost effectiveness with an estimated average cost of \$625 per worker with positive outcomes. ^{xxiv}

Even under current federal and state laws, Florida's regional workforce boards could be experimenting with new models and innovative practices. State leadership is needed to establish a common framework, encourage a culture of creativity and outside-of-the-box thinking, and prompt cooperation with nontraditional partners.

Key actions:

- Workforce Florida should leverage regional efforts with public and private resources and additional flexible state support to encourage innovation.
- Workforce Florida and regional workforce boards should continuously map skill gaps and implement regional partnerships and programs to close those gaps.
- Regional workforce boards should implement industry-focused strategies that align education, training, and workforce development priorities with the business needs in their region.

2. Link workforce training to statewide and regional economic priorities.

A business-driven workforce investment system requires alignment between economic development and workforce programs at the state and regional levels. Too often the industry clusters, funding priorities, and training programs of regional workforce boards are not in sync with regional business needs or with regional economic development strategies. As a result, a single economic region of the state often has multiple organizations with a multitude of policies targeting a variety of industries and workforce needs.

The National Skills Coalition recently reviewed innovative workforce efforts among states over the past decade. The most common and successful programs included industry-cluster-specific skills partnerships or career pathway programs.^{xxv} To implement these strategies requires coordination of education, economic, and workforce resources at the regional level.

Currently, both Enterprise Florida and Workforce Florida focus resources on the same statewide target industry clusters. Workforce Florida supports initiatives to identify workforce and business climate needs within these statewide clusters, along with their own set of supporting industries. Through the Tampa Bay Regional Business Plan, workforce partners across the region are working together to identify current needs and to close future skills gaps in target sectors. In Northeast Florida, WorkSource embraces proactive employer approaches, develops partnerships with regional business organizations, and has realized a broader role in the region. These are positive examples, but what has not been truly tried and sustained statewide is a coordinated, systematic approach to identifying regional industry clusters and tying workforce programs and dollars explicitly to those clusters.

Best Practice: Pennsylvania is nationally recognized for its Industry Partnerships program. Partnerships bring together businesses and workers to identify and address common workforce needs within regional industry clusters. This approach encourages those with the firsthand knowledge of skills needed – businesses – to develop and implement training programs, provide input to curriculum development, and approve industry-recognized credentials. To date, more than 6,300 businesses have been engaged through 80 partnerships and have collectively provided nearly \$40 million in leveraged private funds and support for innovative and relevant training efforts. In 2003, the workforce investment system had an employer participation rate of 3 percent. Following reforms and the creation of the Industry Partnership program, that rate increased dramatically to the point where 25 percent of all firms in the state used the system.^{xxvi}

Industry cluster efforts succeed because of the partners involved. Business leaders and major employers must be directly involved in efforts to close workforce skills gaps and help design, develop, and approve training. Direct employer participation in these efforts is critical and yields substantially different results from the current practice of involving businesses only in the governance of regional workforce boards.

Key actions

- Florida should implement a statewide approach to systematically identify, develop, and sustain regional industry clusters along with education, economic, and workforce organizations.
- Workforce Florida should provide resources and incentives to actively support these industry clusters, including cluster-specific skills strategies, career pathways, and industry partnerships.
- The Department of Economic Opportunity should regularly examine business needs for workforce skills that are credible and commonly utilized by regional education and workforce partners.

3. Realign workforce organizations to match regional economies.

Now more than ever, businesses recruit from broad regional talent pools, workers seek jobs well outside their communities, and universities and colleges welcome students from across the state, nation, and globe. Florida's labor markets and business operations are increasingly organized as broad regions that transcend traditional boundaries. Yet, many of Florida's regional workforce boards still view the world from the perspective of their own workforce area.

The fragmented organization of the state's 24 regional workforce boards makes them an imperfect tool to address the regional workforce needs of employers. As far back as 2006, Workforce Florida identified the need to rethink regional workforce boards but acknowledged there was little consensus for realignment or consolidation.^{xxvii} In 2011, Workforce Florida introduced the Florida Eight initiative to encourage regional workforce boards to work across boundaries, to align efforts within the state's eight economic regions, and to enhance coordination with economic development organizations. This is a step in the right direction, and Workforce Florida should continue to provide clear direction and incentives for regional workforce boards to align programs, fund efforts, and cooperate with a broad array of partners.

Best Practice: The seven-county Northeast Florida region is the only area of the state where the boundaries of the regional workforce board, regional economic development organization, regional planning council, and community organizations are aligned. A long history of cooperation has helped the region develop competitive aerospace, advanced manufacturing, and logistics clusters that are expressly supported by regional economic, education, and workforce institutions. A recently launched initiative known as Innovate Northeast Florida will identify and support emerging regional clusters. The project is funded by the U.S. Economic Development Administration; supported by WorkSource, the regional workforce board; and implemented by The JAXUSA Partnership and the Northeast Florida Regional Council. As the current chair of WorkSource notes, "This project will ensure alignment between our economic development efforts and workforce strategy. We need to have the right talent with the right skill-set ready when attracting companies to the region."^{xxviii}

Regionally coordinated approaches, whether public or privately led, are critical to support economic and workforce development efforts. When businesses look to move into or expand within a region, they look at workforce availability and skill levels not just in the most immediate county, but regionally. If economic development organizations are not able to show the depth and breadth of regional talent and training resources available – which today typically requires commitments and information from multiple regional workforce boards and multiple workforce development partners – employers will look elsewhere.

Key actions

- Workforce Florida should provide a labor market analysis to illustrate commute patterns between counties.
- Workforce Florida should develop a set of "return on investment" indices to document the success of workforce training programs.
- Workforce Florida should realign workforce boundaries and provide new and existing workforce entities with the clear direction and flexible funding to address talent demands at the regional level.

4. Simplify the workforce investment system to meet business needs.

The state and regional workforce investment system is a federal government creation. It is long overdue for a close look and drastic change. The Workforce Investment Act of 1998 introduced sweeping reforms and new ideas at the time – including setting clear goals for the workforce investment system to be responsive to business – but that promise remains to be realized. Federal legislation expired in 2003 and has been up for reauthorization ever since. Federal action may not be likely in the near future, but consensus is growing among national policymakers and organizations on the need for a serious overhaul.

In a recent report, U.S. Senator Tom Coburn called for renewed federal attention, performance evaluation, and reform of the federal workforce investment system, noting: “Washington has done little to make the \$18 billion job training maze work better. The lack of congressional action means the nation’s job training system has not been updated to better serve workers and the taxpayers who continue to subsidize duplicative programs without measurable outcomes.”^{xxix} Public policy organizations across the political spectrum have similarly called for action. The National Conference of State Legislatures notes that the federal Workforce Investment Act has become a barrier to innovation in the states and is “overly focused on process and administratively burdensome with a myriad of reporting requirements and performance standards.”^{xxx}

Many among Florida’s business and workforce community share these sentiments. These leaders can take an active position and lend their voices to national calls for reform. The common goal of government, business, community, and civic leaders around the state should be meaningful change at the federal level that enables a state system that works for businesses, enhances effectiveness, strengthens accountability, and promotes innovation.

Even within current federal law, Florida has tried to ease requirements and reduce complexities, though there are likely further steps to be taken. While still supporting policy goals, state-level training grant programs could be more flexible, less burdensome, and more responsive to business needs. The state should also seek to create a more streamlined, strategic, and structured system at the regional level. Florida’s workforce investment system was last looked at by policymakers in any great detail in 2003. The recent merger of the former Agency for Workforce Innovation into the new Department of Economic Opportunity and the Governor’s focus on creating a business friendly State of Florida provide the opportunity and vehicle to bring meaningful reform to the state workforce investment system and to provide strong leadership with regional impact, ahead of any federal action.

Key actions

- Florida’s Congressional delegation should work to articulate the need for meaningful reform to the federal workforce system with a goal that the next bill represents a new model for a 21st century, demand-responsive workforce system.
- The Executive Office of the Governor, the Florida Department of Economic Opportunity, and Workforce Florida should provide leadership and seek opportunities for reform within the current state workforce investment system to enhance effectiveness for businesses and workers.

How do we move forward?

Florida's workforce investment system will work but it must change. We can't afford to fall behind global economies, to lose businesses to other states, or to see our most talented workers move to other regions to find quality jobs. We cannot wait and we must see these changes through. We've faced these issues for far too long without really moving forward.

In 2000, the Florida Senate Select Committee on Workforce Innovation issued a report emphasizing the need for reform. What the committee found then was that the state workforce investment system and economic development strategy were disconnected; too few workers had the skills to meet employer needs; workforce entities overlapped; and programs and services were fragmented.^{xxxi} In response the state introduced broad changes to the workforce investment system that are still in place. Yet a dozen years later, we are facing the same challenges again when it comes to aligning efforts and meeting business needs.

In another decade, we must not look back and find ourselves facing the same challenges when there are ready solutions and current opportunities at hand. The time for positive action and meaningful change is now. Florida's political and business leadership says it is serious about jobs and the economy. The Florida Department of Economic Opportunity is in the process of completing the first five-year statewide plan for economic development. Workforce Florida is beginning to engage with employers and pursue industry-focused approaches. Several of Florida's regional workforce boards are embarking on collaborative efforts to link workforce and regional economic strategies. Other regional efforts in Florida are bringing employers, educators, and government together in new ways to fill the niche for demand-driven solutions that the current workforce investment system has not been able to provide. But some regions are lagging, and more needs to be done.

Regional business and civic leaders are committed to change. Florida's workforce investment system aspires to be responsive, flexible, simple, and relevant, yet is slow to change. Together, we can build on current momentum for strong, secure economic leadership and help Florida's workforce investment system achieve the demand-driven, market-responsive, and business-relevant resource that it should be.

Florida's Future Workforce System

Current Limitations

- Focus on worker skills
- Institutionalized and reactive
- Complex and bureaucratic with low business awareness and use
- Perception as supplier of lower-skill workers

Future Aspirations

- Responsive to employer needs
- Flexible and proactive
 - Easy to access and relied on by businesses
- Reputation as developer of talent at all skill levels

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