



RESEARCH MEMORANDUM

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JOB TRAINING AND WORKFORCE DEVELOPMENT AGENCY STRUCTURE IN TEXAS, UTAH, MICHIGAN, AND KENTUCKY

Agency structure

Several states have reorganized their job training and workforce development agencies or consolidated job training and workforce development programs in attempts to foster greater integration among the various workforce programs. According to a recent study by the National Governors Association, approximately fifteen states have initiated major agency reorganizations since 1994.¹ Some of these reorganizations brought employment security programs, such as unemployment compensation, and programs operated under the auspices of the federal Job Training Partnership Act (JTPA) into a single workforce development agency. Other reorganizations shifted economic development, education (i.e. school-to-work), and welfare-to-work programs to a single agency.

In 1995 and 1996, Texas and Utah initiated two of the more comprehensive agency reorganizations. In Texas, 28 employment, welfare, and education programs from 10 different agencies were merged into a single cabinet-level agency. Similarly, in Utah, 36 programs from 5 different agencies were merged into a single workforce development agency. Since 1996, however, "no states have undertaken agency consolidations of this magnitude."²

¹ NGA Online, *An Update on State Workforce Development Reforms*, NGA ISSUE BRIEFS (Apr. 28, 1998), <<http://www.nga.org/Pubs/IssueBriefs/1998/980428WorkforceDev.asp>> (last visited Oct. 19, 1998).

² *Id.*

On the other hand, many states are attempting to achieve program coordination through agency consolidation on a smaller scale, interagency agreements, and the establishment of one-stop career centers. Arizona, for instance, created a state Board of Workforce Education and Career Opportunities to provide vocational and adult education, rehabilitation, veterans, JTPA, and dislocated worker training services. In Colorado, the Governor's Job Training Office, which administers the JTPA programs in that state, was merged into the Department of Labor and Employment, which administers employment security programs. A similar merger occurred in Rhode Island. Finally, in Hawaii, a reorganization within the state's Department of Labor and Industrial Relations consolidated the employment services division, apprenticeship division, and the office of employment and training into a single workforce development division.³

Several states actually are removing programs from the purview of their workforce development agencies. In Michigan, most of the state's job training and workforce development programs were consolidated by the Governor's executive order into a single state agency, the Michigan Jobs Commission. However, the Governor recently transferred the unemployment insurance program from the Michigan Jobs Commission to the state's Consumer and Industry Services Department because the program's functions are similar to the Department's other workplace regulatory functions. Similarly, in Kentucky, the post secondary education functions of the Cabinet for Workforce Development were transferred to a newly formed Kentucky Community and Technical College System.

There are "few evaluations of how state agency reorganization affects program coordination at the state level . . . [But that] state workforce development officials appear to be focusing much more attention on program coordination at the service delivery level."⁴ This focus on the service delivery level rather than agency structure may explain the proliferation of one-stop career centers.

The following tables, which are derived in part from the National Governors Association study, highlights the structure of the workforce development agency and the programs merged into the agency in Texas, Utah, Michigan, and Kentucky.

³ *Id.*

⁴ *Id.*

STATE (Created by)	GOVERNING STRUCTURE	AGENCY COMPOSITION	LOCAL GOVERNING STRUCTURES		TYPES OF PROGRAMS MERGED INTO THE SINGLE AGENCY				
			One-Stop Career Centers	Regional and/or Local Boards	Job Training and Workforce Development Programs	School to Work	Welfare to Work	Unemployment Compensation	Notes
TEXAS <i>(statute)</i>	Cabinet level agency consisting of 3 members appointed by the Governor representing employers, labor, and the public. Oversees 28 programs from 10 agencies.	4 Divisions: -Business services -Workforce development -Unemployment -Administration	Yes	Yes	Yes (JTPA)	Yes	Yes	Yes	Federal govt. prohibited Texas from contracting out duties of Employment Services Department to private entities.
UTAH <i>(statute)</i>	Department of Workforce Services. Oversees 36 programs from 5 agencies.	3 Divisions: -Employment Development -Service Delivery -Labor Safety and Program Regulation	Yes	8 planning regions 5 administrative regions	Yes, except for rehabilitation services	No	Yes	Yes	
MICHIGAN <i>(executive order)</i>	Michigan Jobs Commission..	2 Tiers: -Planning, policy, and administration -Service delivery: *Workforce development *Rehabilitation services *Economic development job training *Customer assistance and small business services *Economy development services *Travel services *Michigan strategic fund	Yes	26 service delivery areas, 26 local agencies to administer	Yes (JTPA), and rehabilitation services	Yes	Yes	No	Originally unemployment compensation was included, but the program was later moved by executive order to the Department of Consumer and Industry Services.
KENTUCKY <i>(statute)</i>	Cabinet for Workforce Development. Oversees 50 programs from 9 agencies or boards.		Yes	Yes	Yes, including rehabilitation services (Departments of the Blind and Vocational Rehabilitation)	Yes, except for post secondary vocational and technical education	No	Yes	



STATE	PERFORMANCE MANAGEMENT & CONTINUOUS IMPROVEMENT					INTERAGENCY COLLABORATIONS IN WELFARE REFORM			
	<i>Developing performance measures and standards across programs</i>	<i>Developing statewide goals & benchmarks across programs</i>	<i>Using unemployment insurance wage records in connection with performance management</i>	<i>Using continuous improvement in processes in workforce development systems</i>	<i>Benchmarking best practices in workforce development</i>	<i>State Employment and Training Agency has Formal Responsibilities for Work-Related Aspects of TANF</i>	<i>State Employment and Training Agency has interagency contract with welfare agency and funds are transferred</i>	<i>State Employment and Training Agency has interagency agreement with welfare agency but no funds are transferred</i>	<i>State Employment and Training Agency has TANF responsibilities according to state statute</i>
Texas	Yes	Yes	Yes	No	Yes	Yes, in local areas where local workforce boards are not yet operational.	Yes	No	Yes
Utah	Yes	Yes	Yes	Yes	Yes	Yes. Administration of employment and training and TANF programs is combined in the state's Dept. of Workforce Services.	No	No	Yes
Michigan	Yes	No	Yes	No	Yes	Yes	Yes	No	Yes
Kentucky	Yes	No	No	Yes	Yes	Yes	Yes	No	No
Ohio	Yes	No	Yes	Yes	No				



Terms:

- ◆ *Performance measures and standards* are tied to specific policy areas, such as workforce development, and are used to assess and monitor the performance of the system with the intention of improving results.
- ◆ *Statewide goals and benchmarks* articulate broad, societal outcomes or conditions to which government, the private sector, and individuals can contribute.
- ◆ A *wage record tracking system* tracks the earnings of program participants after training and placement to determine how well they do in the labor market.
- ◆ *Continuous improvement processes* are continuing cycles of examining operational processes used in an organization, reviewing data on results, and then making adjustments to improve performance.

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