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**ROD R. BLAGOJEVICH
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May 1, 2007

USDOL/ETA
Office of Workforce Investment,
Division of Workforce System Support, Room S4231
200 Constitution Avenue, NW
Washington, DC 20210

ATTN: Ms. Janet Sten, Federal Coordinator for Plan Review and Approval

Dear Ms. Sten:

In accordance with the *Planning Guidance and Instructions for Submission of Years Three and Four of the Strategic Five-Year State Plan for Title I of the Workforce Investment Act of 1998 and the Wagner-Peyser Act*, I hereby submit Illinois' State Plan.

As always, I would like to thank the staff of Region V of the U.S. Department of Labor for their assistance in the development of Illinois' plan.

Sincerely,

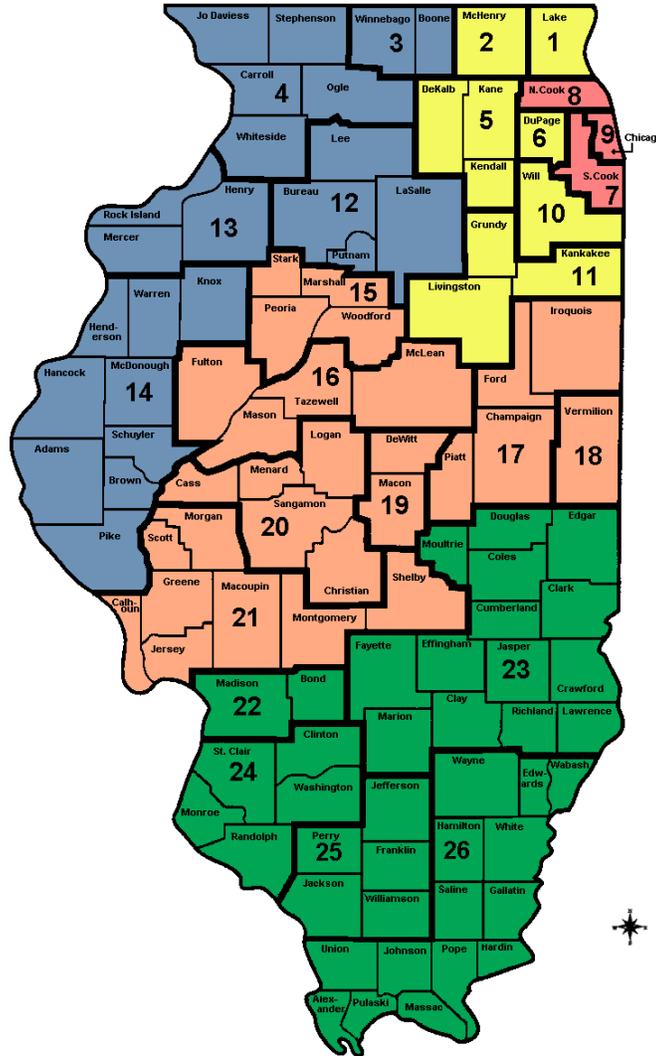
A handwritten signature in black ink that reads "Rod Blagojevich".

Rod R. Blagojevich
Governor

cc: Byron Zuidema

State of Illinois

Strategic Five-Year State Plan For Title I of the Workforce Investment Act of 1998 And the Wagner-Peyser Act



DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY
DEPARTMENT OF EMPLOYMENT SECURITY

May 1, 2007

ILLINOIS WORKFORCE
STRATEGIC STATE PLAN UPDATE
2007-2009

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Executive Summary
Strategic Five-Year State Plan
For Title I of the Workforce Investment Act of 1998 (WIA)
And the Wagner-Peyser Act

In February 2005, the U.S. Department of Labor (DOL) issued guidelines for development of the Strategic Five-Year State Plan for Title I of the Workforce Investment Act of 1998 (WIA) and the Wagner-Peyser Act (hereafter referred to as the State Plan or simply the Plan). Submittal and approval of a State Plan is required in order for states to receive funding allotments under these two federal laws.

The State Plan in effect at that time was scheduled to expire on June 30, 2005. At that time, DOL had anticipated that reauthorization of WIA would occur before the end of program year 2006 (i.e., June 30, 2007). Recognizing this likelihood, DOL required states to develop a plan for only the first two years of the five-year planning cycle. Therefore, the duration of the plan developed by the State in response to DOL's guidance was two years, encompassing the period of July 1, 2005 through June 30, 2007. However, WIA was not reauthorized as expected. It is not clear when reauthorization of WIA will be enacted. With the expiration of the new plan approaching, DOL issued instructions for the submittal of a modification to update Plan content and extend the Plan through June 30, 2009.

Generally, the content of the State Plan must meet specific information requirements defined in statute and demonstrate compliance with requirements of the WIA, the Wagner-Peyser Act, and various implementing federal regulations. The Plan also responds to national priorities and strategic direction provided by DOL. Therefore, the Illinois State Plan describes a vision for Illinois' workforce development system going forward, responds to DOL's direction, and demonstrates compliance with federal requirements.

As required by the DOL, the plan is organized into eleven sections: (1) Governor's vision; (2) Governor's investment priorities; (3) state governance structure; (4) economic and labor market analysis; (5) overarching state strategies; (6) state policies and requirements; (7) actions to integrate One-Stop center services; (8) administration and oversight; (9) service delivery strategies; (10) state administration; and (11) assurances. In each section of DOL's planning guidelines, a series of detailed questions are presented. DOL's questions are repeated in each section of the State Plan and are then followed by the state's responses. The last section of the Plan is a list of assurances provided by DOL for inclusion, verbatim, in the Plan.

The questions contained in DOL's guidelines are extensive. Questions address broad areas of strategic direction and state policy as well as detailed issues of compliance and mandated procedures. Of necessity, the state's response is also extensive and detailed. Also, questions in various sections of the guideline at times overlap, requiring some redundancy in plan content. This executive summary provides an overview of the major themes presented in the State Plan, while not attempting to summarize every aspect of the information presented to describe procedures or provide evidence of compliance.

DOL guidance for the plan update identifies a national strategic direction that continues to emphasize thinking regionally within states while building a talent development system that

allows the United States to successfully compete globally with an educated and prepared workforce. Global competition requires regions to connect talent, infrastructure and investments into: lifelong learning strategies, regional infrastructure and economic development strategies and investment and entrepreneurship strategies.

DOL is challenging states to do the following in the coming phase of the planning cycle:

- Build a demand-driven system within a regional economic development context;
- Implement system reform, with streamlined governance and alignment of economic and workforce development programs;
- Enhance an integrated service delivery system that focuses on services rather than programs;
- Advance a vision for serving youth most in need;
- Expand workforce information as the foundation for strategic planning and career guidance;
- Strengthen partnerships with community and faith-based organizations;
- Increase the use of flexibility provisions in WIA to design innovative programs that fuel regional economic competitiveness and create employment opportunities for career seeker customers; and
- Utilize an integrated and enhanced performance accountability system.

Regionalism and Linking Demand-Driven Economic & Workforce Development: Planning related to Illinois' workforce development system is presented against to backdrop of Governor Rod Blagojevich's economic development initiative known as *Opportunity Returns*. The Governor recognized that the Illinois economy is actually a collection of regional economies, each with distinct identities, opportunities and challenges. For the purposes of planning, the Governor divided the state into ten Economic Development Regions (EDRs). The goal of *Opportunity Returns* is to make each EDR more accessible, more marketable, more entrepreneurial, and more attractive to businesses. It is about upgrading the skills of the local workforce, increasing the access to capital, opening new markets, improving infrastructure, and creating and retaining jobs.

Since starting his second term in January 2007, Governor Blagojevich has committed to building on the successes of the State's workforce system. These successes are outlined in the report and build on the momentum gained since DCEO and its State partners adopted a regional approach to economic and workforce development, as well as the concept of providing priority support to sectors of the economy facing shortages of skilled workers. Governor Blagojevich remains committed to focusing on upgrading the talent of our workforce so that Illinois remains competitive in the global economy.

Given the regional nature of this approach, there is no single list of economic development goals for the state. Rather, there are separate goals associated with plans developed within each EDR. An analysis of the plans suggests that certain regional goals are frequently cited across EDRs. Activities listed in the EDR plans frequently require actions to: support manufacturing retention and modernization; support Agri-business; support small business and entrepreneurs; increase

access to venture capital; improve the state's infrastructure and connectivity; promote energy independence; capitalize on existing assets; and, strengthen education and workforce preparation.

During this planning cycle Illinois will make a pointed effort to direct resources toward job training activities. Part of this approach will provide for incentive funding to areas of the state that train, place and retain customers in high-demand, high-paying occupations. Our strategy is to focus WIA training investments on responding to the critical needs of the labor market, including flexible, innovative strategies for training in high paying jobs in skill shortage areas. We are requesting a number of waivers that will help us implement this strategy.

A related strategy to link workforce programs with economic development and leverage other (non-WIA) federal and state funds is the Illinois' Critical Skill Shortages Initiative (CSSI). CSSI is an important component of Opportunity Returns. The EDRs established under Opportunity Returns are the geographic basis used for CSSI. This strategy calls for local workforce investment boards (LWIBs) to create consortia in each EDR to influence the regional workforce system.

CSSI consortia utilize broad networks of public and private organizations to develop solutions to skill shortages including: business and industry associations, labor unions, professional associations, universities and community colleges, community-based organizations, economic development organizations, One-Stop centers, partner agencies, and business organizations. The basic strategy is to: (1) identify skill shortage occupations that pay a good wage and provide benefits in key sectors of the regional economy; (2) rigorously examine the "root causes" that led to shortages; (3) influence state and local education and training agencies to voluntarily redirect existing programs and services (as well as private resources) to address the root causes and create a reliable "supply chain" of qualified job seekers; and, (4) examine on-the-job factors that contribute to shortages (e.g., high turnover or inadequate recruitment) and work with employers to address those issues. Industry representatives participate in planning and validate the selection of jobs as shortage occupations. This process represents a shift toward funding projects that invest in talent development in demand occupations, i.e. those with a dearth of skilled workers. By increasing training capacity and reducing attrition from challenging training programs and from the sector itself, we are addressing the demand of the job market on multiple fronts.

At the end of the regional CSSI planning process and after the local options had been exhausted, consortia applied for Workforce Investment Act (WIA) 15 percent training funds to fill "gaps" in the regionally funded solutions. Training funds are awarded on a competitive basis to consortia that produce the best regionally funded plans and have the best-developed requests for supplemental funding. The Department of Commerce and Economic Opportunity (DCEO) earmarked \$15 million in WIA 15 percent reserve funds to be awarded as CSSI training grants.

EDRs have now completed the planning phase of the CSSI (i.e., identification of shortage occupations and root cause analyses). Subsequently, nearly 100 CSSI-related projects have been undertaken by Illinois' EDRs. These projects were designed to reduce critical occupational shortages identified through regional planning efforts. As part of the next phase of the CSSI, DCEO is now evaluating the projects funded to date. Drawing on experience gained through the first two rounds of project funding, DCEO will issue several Requests for Applications (RFAs)

over the coming two-year period. Projects funded in response to these RFAs will be targeted to critical occupational shortages in selected industries, including health care, manufacturing, and , transportation, distribution and logistics (TDL). The requirements for these RFAs will be based on best practices learned from earlier CSSI projects.

CSSI is augmented by other efforts to align training and capacity building resources designed to meet the needs of the three aforementioned targeted sectors. Illinois was recognized as a national leader in the implementation of sector strategies by the National Governor's Association (NGA). NGA invited Illinois to join an elite cadre of five other states in a Learning Academy devoted to economic and workforce development strategies. The mission of the Learning Academy is to provide an opportunity for participating states to share information and ideas, and to convey this information to states considering developing their own sector strategies.

Another sector effort directed to manufacturing in the Innovate Now! Initiative. Innovate Now! is a partnership between the Illinois Department of Commerce and Economic Opportunity (DCEO), the Chicagoland Chamber of Commerce and World Business Chicago to advance innovation in several key sectors of the economy and to help make the Chicagoland region, and eventually the entire state of Illinois, a globally recognized center of innovation. The first phase of the initiative will focus on manufacturing and promoting innovation with leading small and mid-sized manufacturers in the region.

Innovate Now! will focus on four major strategies:

- Promote business innovation leadership by showcasing up to 100 leading innovative manufacturers who are developing new products and services and developing new processes and supply-chain solutions; and conduct 6 to 8 CEO peer-to-peer regional forums to promote the sharing of best practices among leading Chicagoland manufacturers. This also will promote the use of leading business metrics for measuring innovation capacity and performance; pioneer the development of state and regional measures for innovation performance for guiding and evaluating economic development initiatives; and recognize performance excellence through state and regional information dissemination and recognition and award events.
- Expand the use of proven innovation approaches and tools that get results by providing direct assistance to businesses in adopting proven approaches and tools to innovation in all aspects of their business, especially in products and services, business models, markets, and processes. This will be supported by CEO forums and workshops and training funds manufacturers can use to adopt and implement these proven approaches and tools.
- Promote open and collaborative networks by encouraging manufacturers to develop collaborative approaches to innovation in partnership with other manufacturers, customers, suppliers, universities and government in the region, and build closer and more effective innovation networks between public and private organizations. This includes improving linkages between small and mid-sized manufacturers and expertise in universities, federal labs, and public and private organizations to promote the use of leading technologies in product and process innovation.

- Expand the innovation talent pool by building on the efforts of CSSI, help leading innovative manufacturers find the home-grown talent they need to compete at all levels, including managers, engineers, and front-line workers; and promote new business strategies to attract and retain the best talent from around the world.

A third major effort to align training toward talent development in high demand sectors is our use of the Incumbent Worker waiver granted under the current state plan. By providing businesses with a mechanism to train their employees, we are making Illinois more competitive in the global economy. Our use of the Incumbent Worker waiver is discussed in more detail in the waiver section of the plan.

Investment Priorities: Opportunity Returns combines funding from state and federal programs to address high priority economic development needs, as identified in regional plans. This State Plan describes the types of investments being made through the Opportunity Returns program. Investments made in public and non-profit sectors of the economy are described, as are investments in the private for-profit sector. In the public and non-profit sectors, investment priorities include: infrastructure improvements; low-income housing; energy related projects; economic development planning; projects to expand public access to computer technology; and recycling projects.

Significant investments are also being made in the private for-profit sector through the Opportunity Returns program. Investments are made in Illinois companies through grants, low interest loans, and various tax incentives. As part of Opportunity Returns, projects were announced to construct new facilities such as: business incubators, distribution centers, warehouses, office buildings, manufacturing centers, and coal gasification facilities. Other projects were undertaken to add jobs and expand existing businesses (e.g., expanding production space, adding shifts, and adding product lines). Incentives were also provided to businesses to locate new enterprises within Illinois. In addition, investments were made in existing Illinois businesses to increase productivity (e.g., upgrade training for employees and purchase of new equipment).

The Governor's priorities for investment of WIA state reserve funds are also described in this Plan. A high priority is being placed on increasing staff resources of DCEO's Bureau of Workforce Development (BWD). The BWD is responsible for state administration of WIA. The Bureau suffered a significant loss of experienced personnel due to retirement. Many of the vacated positions have been filled. Staff training and development activities are being intensified and continue, including special efforts to upgrade the state's program and fiscal monitoring capabilities. Additional monitoring staff were hired since the current plan was drafted and the bureau is developing an electronic tool to increase monitoring efficiency. Additional staff were also added to the reporting unit to address federal reporting requirements.

The state made significant investments in the physical infrastructure of the One-Stop center system. Investments in the system continue; but have changed focus. WIA state reserve funds are now being used to support: (1) costs of the Illinois Workforce Investment Board (IWIB); (2) staff of local workforce investment boards (LWIBs); (3) broadband access for local workforce investment areas (LWIAs); (4) statewide and locally customized technical assistance and training; and, (5) expanded access to One-Stop services via the Internet.

In addition, a significant investment of WIA reserve funds have been made to enhance Illinois' ability to provide economic and labor market information to system decision makers. The Illinois Department of Employment Security (IDES) used WIA reserve funds to redesign the Substate Employment Projections System (SEPS), develop current monthly job counts and short-term industry projections, and increase support from local Labor Market Economists and other IDES staff to state and local WIA entities.

The state also reserves a large proportion of the WIA 25 percent dislocated worker funds for distribution to LWIAs in response to mass layoffs and plant closings. This is done to ensure that LWIAs have sufficient funds available to provide readjustment, training, reemployment, and supportive services to affected workers.

The state also places high priority on using WIA 15 percent reserve funds to directly sponsor training programs. Several of these state-funded training programs are described throughout this plan including: Incumbent Worker Training grants; the Critical Skill Shortages Initiative (CSSI), the K-12 Career Development Program (sponsored through WIA Section 503 incentive funds); and the Foster Care Demonstration Project among others.

During this planning period, the State will invest funds to incent local areas to train more clients. Using 15% Discretionary funds, DCEO will provide additional funding to local areas that succeed in training and placing customers in high paying occupations and skill shortage occupations. This strategy will reward superior performance and provide an incentive for areas to embrace training for talent development in demand occupations.

In addition to the use of 15% funds used as an incentive, DCEO intends to phase in a minimum training expenditure requirement for adult and dislocated worker local allocations to strongly encourage further investments in training. The long-term objective is to position WIA Title I primarily as a targeted training program.

State Governance: The Plan describes mechanisms to govern and coordinate the state's workforce, education, and economic development systems. One mechanism to coordinate economic development and workforce development across departments is directly through the Governor's Office through the oversight, management and coordination of the Governor's senior staff.

As required by the DOL guidelines, the Plan includes an organizational chart illustrating the Governor's line authority over the state's economic development agency (i.e., DCEO) and three other departments responsible for administration of workforce programs identified in WIA as mandated or optional One-Stop partners. These agencies are the Illinois Department of Employment Security (IDES), the Illinois Department of Human Services (IDHS), and the Illinois Department on Aging (DOA). As shown in the chart, the Governor does not have line authority over the Illinois Community College Board (ICCB) or the Illinois State Board of Education (ISBE). However, the Governor appoints the board members with the consent of the Illinois Senate.

A second coordinative mechanism is the Illinois Workforce Investment Board (IWIB). The IWIB was created pursuant to the requirements of WIA and is charged with a variety of duties related to planning and oversight of the state's workforce development system. The principle code departments involved in economic and workforce development as well as the state's major education agencies are represented on the IWIB. The plan lists all entities represented on the IWIB and describes how the IWIB is using a task force strategy to fulfill its statutory responsibilities. The IWIB established four task forces, which were the Healthcare Task Force, the One-Stop Redesign Task Force, the Private Sector Leadership Task Force, and the Planning Task Force. While some of the task forces have completed their work and have been disbanded, others have been created to address emerging issues. More recently, task forces were established to address the workforce needs of: manufacturing; TDL (i.e., transportation, distribution and logistics) and individuals with disabilities. In 2006, the IWIB created two new Task Forces: the Medicaid Infrastructure Taskforce designed to improve employment opportunities for persons with disabilities and the Career Development Taskforce which is designed to expand career development opportunities for K-12 students in Illinois. The responsibilities and progress of each of these task forces is described in the body of the State Plan.

Service Integration Strategies: A theme repeated throughout the Plan relates to actions to ensure that services are thoroughly integrated and duplication is avoided. Integration strategies being pursued include: consolidation of programs at the state level; policies governing services that must be accessible in local One-Stop centers; and strategies to expand access to One-Stop services through technology. A large percentage of WIA funding is dedicated to the operation of physical One-Stop Centers. We intend to partially redirect our investments away from the current level of support for One-Stop Centers, and toward training expenditures. We are committed to maintaining a high level of service to the citizens of Illinois, and we believe there are less expensive methods of service delivery than those currently in use. By making effective use of available technology, our goal is to expand access while implementing a Career Center network that is responsive to the needs of Illinois workers and businesses.

At the state level, Governor Blagojevich merged the WIA Title I-B programs (i.e., adult, dislocated workers and youth programs) and the Trade Adjustment Assistance program into the state's economic development agency, the Department of Commerce and Economic Opportunity (DCEO). These programs complement other state funded programs administered by DCEO including the Employer Training Investment Program (ETIP), High Technology School-to-Work (HT-STW) Program, the Job Training and Economic Development (JTED) grant program, and the Eliminate the Digital Divide grant program. The merger helps to: ensure that Illinois' workforce programs are demand driven; strengthen the linkage between workforce development and economic development; and facilitate close collaboration across state and federal workforce programs and provide for talent development that makes Illinois competitive in the global economy. The consolidation also creates an opportunity to coordinate workforce programs with a wide array of DCEO administered business services targeted to small business. These small business services are also described in this State Plan.

Under WIA, a primary mechanism for achieving operational collaboration across programs is the Memorandum of Understanding (MOU) process required by WIA Section 121(c). Mandatory and optional partner agencies, in accordance with locally negotiated MOUs, collaborate to deliver services through the state's One-Stop centers. The state issued guidance to local areas in

support of MOU negotiations and provides technical assistance to support local negotiations when requested. Also, at the request of individual local areas, the state uses WIA 15 percent technical assistance funds to cross-train local partners' staff and otherwise integrate services.

Another strategy to integrate services is Illinois workNet. This effort uses the Internet to expand access to universal (core) services. Illinois workNet expands the delivery of core workforce services throughout the state to improve talent development opportunities. Illinois workNet provides tools for self-assessment and improves access for persons with disabilities. By connecting online to an expanded network of agencies and partners (including community and faith-based organizations, technology centers, schools, libraries, and community colleges), the project extends the reach and expands the services of physical One-Stop Centers. Illinois workNet is an effective and cost efficient strategy to create greater access to these services.

Illinois workNet staff is working directly with statewide umbrella organizations to include the Illinois Community Action Association (ICCA). The Illinois Community Action Association is a membership organization which serves as the network for Illinois' not-for-profit corporations and units of government which strive to raise the health, education and economic standards of Illinois' low income population. Through working directly with ICCA, membership organizations are updated on Illinois workNet program activities and they are encouraged to work with Local Workforce Investment Areas (LWIA). The ICCA member organizations work with the LWIAs to be identified as Illinois workNet affiliate sites. The ICCA is represented on the Illinois workNet Workforce Investment Board Task Force and the Certified Illinois workNet Advisor Course Advisory Group.

Business Services Teams

During PY 2005 a set of activities took place to lay the foundation for the provision of business services through the Illinois workNet Portal and to ensure a consistent level of business services through the physical system. The activities included:

- surveying of business services offered across all Local Workforce Investment Areas
- convening of a advisory group composed of pilot site business services team members, DCEO staff, and others
- providing a series of live Webinars for Illinois' employers that garnered immediate feedback on proposed system improvements
- providing an update to IWP members through a live Webinar
- reviewing of CSSI reports
- reviewing of Web sites identified as "best practices" through an NIU study
- making ongoing improvements based on feedback from the advisory group and IWP members to the *For Businesses* component of the portal
- providing a final report and recommendations

The research looked at the commonalities of the One-Stop employer services teams to determine how they may be characterized and promoted to employers, what minimum requirements should be in place to ensure consistent quality of services, identify leading national and state Web sites, and, through employer feedback, identify what Web-based resources add value to the Illinois workNet Portal for employers.

The research found an inconsistent level and quality of business services offered by business services teams. A means to ensure that business services teams provide consistent quality services is to develop a certificate program for all Business Services Team members. A certificate program that includes minimum training requirements in tandem with use of the Illinois workNet Portal will improve services that are provided both in person and online. Once the quality assurances are put in place, to increase awareness and access, a targeted marketing plan aimed at employers should be implemented within the context of the re-branding of the statewide workforce system. Based upon employer feedback, work is underway to refine the Illinois workNet For Businesses pathway with a focus on inclusion of sector-based information beginning with CSSI occupational areas and to identify benchmarks for business service team certification.

As negotiated through the MOU process, state and local partners make a full array of One-Stop services available to all job seekers and local businesses. One-Stop centers are laid-out to facilitate easy access to all customers through appropriate signage, shared waiting rooms, and greeters to assist clients to quickly navigate center services. New customers are introduced to center services through orientation workshops, hosted by all partners, so clients are made aware of the complete range of services and related eligibility requirements. Job search workshops, jointly presented by the center partners, are also typical. Each center has a resource room where a wide range of labor market information and job search related products are available. These products are available in hard copy and computerized formats. The resource rooms are open to all populations and staff is available to assist customers who need help to access the computer systems or other materials. Illinois centers also meet accessibility requirements for access to persons with disabilities populations. However there are also two significant disadvantages of One-Stop centers: 1) customers have to walk in the door to receive services, and 2) the centers are expensive to maintain.

In addition, most of Illinois' One-Stop centers have business service teams (BSTs) to ensure that local businesses have easy access to all services of the One-Stop system. Teams typically include representatives from the WIA program, the Illinois Department of Employment Security (IDES), and the local community colleges. Other partners are also frequently included such as representatives from Adult Education, the Department of Human Services (DHS), DHS' Division of Rehabilitation Services (DHS-DRS), and operators of Title V, Older Americans programs. BST services typically include: coordinated employer outreach, basic labor exchange services, customized applicant recruitment, employment and training services (e.g., on-the-job and customized training), job fairs, labor market information, and workshops on issues such as ADA compliance, Unemployment Insurance, OSHA requirements, and tax credits.

In addition to MOU guidance, Illinois issued policy regarding the requirements for a One-Stop center to be considered a comprehensive center, per the requirements of WIA Section 134(c)(2). State requirements are designed to ensure a level of consistency across centers. As required by WIA, the state has certified that at least one center in each of the 26 local workforce investment areas meets these standards. However, as will be detailed in the next section, Illinois is requesting a waiver from the requirement to have a comprehensive One-Stop center in each local workforce area. This waiver will allow Illinois to pursue more cost effective methods of service delivery.

A related effort is IDES' Benefit Information System (BIS) Redesign Project. The new BIS provides greater access for individuals in filing unemployment claims and interfaces with the Illinois Skills Match (ISM), an online system that provides skills-based job matching services for employers and jobseekers. The new BIS system provides online UI filing for claimants via the Internet, offering individuals a new means of access in addition to the phone, fax, and in-person filing services, and can be accessed via Illinois workNet through an automatic crosswalk.

Waiver Requests: The DOL strongly indicated in the planning guidance that states should pursue waivers of federal statute and regulation (as permitted under WIA), as needed, to make further enhancements to the state's workforce system. Therefore, Illinois is requesting to renew two waivers as part of this Plan submission.

- **Use of ITAs for Youth Ages 16 and Above:**

The U.S. Department of Labor (DOL) approved an Illinois request for a waiver of the prohibition in the Workforce Investment Act final rule excluding the use of Individual Training Accounts (ITAs) for out-of-school youth participants. This waiver now permits LWIBs to use the state's list of eligible training providers to secure training for these youth. The waiver is designed to enhance customer choice, allow out-of-school youth to benefit from services provided by Illinois' certified training providers, and expand services without requiring One-Stop operators to register participants in the adult program. Funds used for ITAs are tracked separately for each funding stream.

In addition to the requested extension of this waiver, the state is requesting an expansion of the waiver to include all youth participants ages 16 and above, regardless of school enrollment status. This requested expansion is based on comments on the current waiver, and the state's experience with implementing the ITA waiver for out-of-school youth. Whether or not DOL is able to grant the expansion of this waiver, the state still seeks extension of the current waiver.

- **Incumbent Worker Training:**

The state has undertaken an innovative program, known as the Critical Skill Shortages Initiative (CSSI) to encourage local workforce investment boards (LWIBs) to plan services on a regional basis and target training to occupations that are critical to their regional economies. The state is using WIA 15 percent reserve resources as "seed funds" to encourage LWIBs to participate in CSSI. Many areas found that providing incumbent worker training programs is needed, along with other WIA service offerings, to develop a full continuum of training opportunities to meet local needs. However, when state reserve funds are exhausted, LWIBs currently do not have the authority to use their own allocated WIA funds to provide incumbent worker training programs.

Extension of this waiver will ensure that Illinois' workforce system continues to be demand-driven and LWIBs are given maximum flexibility in tailoring service delivery and making strategic investments in talent development activities to meet the needs of state and local economies and labor markets. Allowing LWIBs the authority to use a limited portion of their allocated funds for incumbent worker training programs allows them to develop a full

continuum of training services that address the needs of the existing workforce, unemployed, underemployed, and new entrants to the labor force.

- **Requirement for a Comprehensive One-Stop Career Center in Each LWIA**

The state is requesting a waiver of the WIA requirement for a comprehensive One-Stop center in each LWIA. This waiver would provide the maximum flexibility to the state and to local areas to structure the career center network in the most efficient manner possible. In addition, it supports the overall state objective of encouraging greater reliance on technology rather than physical facilities as a means of accessing career transition services. Finally, the increased flexibility obtained through this waiver will allow the state to implement policies that are intended to increase WIA Title I expenditures for training.

- **Adoption of WIA Common Measures**

The state is requesting a federal waiver permitting the early adoption of the WIA common measures. This waiver would encourage the provision of training to adults and dislocated workers by removing the current WIA credential rates, which strongly discourage on-the-job or customized training delivery. In addition, it would enhance services to out-of-school youth, who are more clearly targeted by the new common measures for youth.

- **Exemption from Individual Training Accounts and Customer Choice Requirements**

The state is requesting a waiver of the requirement to use Individual Training Accounts as the primary means of purchasing occupational training services for adults and dislocated workers. It is also requesting a waiver of the related provisions regarding customer choice from the state eligible training provider list. This waiver would encourage the use of WIA funds to increase training capacity rather than merely purchasing training slots in existing classes.

- **Exemption from the Procurement of Youth Services**

The state is requesting a waiver of the requirement for LWIAs to competitively procure youth services. This waiver request is an extension of our existing waiver permitting LWIAs to use the Individual Training Account system for procuring training for out-of-school youth. In addition to the use of ITAs for training, most LWIAs can readily use existing case management staff to provide most of the ten youth service elements directly, rather than through service providers. The existing requirements create another layer of staff that is often not needed.

Economic and Labor Market Information: The Plan includes a detailed analysis of the State's economy, the labor pool, and the labor market context. This analysis describes the distribution of employment in Illinois by industry sector and describes how that distribution has evolved over time. Changes in average earnings by major industry sectors between 1990 and 2005 are displayed. Key industries and high demand occupations are identified, as are the major demographic characteristics of Illinois' workforce. The affect of in and out population migration is also discussed. The skill composition of the current workforce is described and skill demands are projected for two and ten-year time horizons, including projected skill shortages.

The Plan also describes a wide assortment of economic and labor market information products and services available from IDES to support Illinois' One-Stop system. These products and services are delivered as core services to customers through One-Stop centers in the resource rooms, via IDES' One Source Web-portal page accessible at www.ILWorkInfo.com. The IDES One Source Web site provides a portal to five Web sites and is linked to Illinois workNet, which provides the public face into the system.

- **Workforce Info Center** delivers labor market and occupational information and resources, such as local area profiles, industry employment trends, largest employers, average wages, and population and employment data, available by geographic area including counties, metropolitan areas, and local workforce areas.
- **Career Information System (CIS)** enables displaced workers, adults, career changers, students and their parents to focus on occupational information such as wages, current employment, and future job outlook using assessment links, sort features, and videos. Related information on programs of study, state and national schools, financial aid, and other topics to augment the career decision-making process is also accessible.
- **Career Click** organizes career and occupational data for quick and easy access by students and young adults. State and regional employment, wage, and job outlook information are clustered by career interest area. Additional information and features include top employing industries, skill requirements, and occupational videos, available in English, Spanish, and captioned versions.
- **Countdown** builds career awareness for middle and junior high school students through general information about occupations and career interest areas. A career interest inventory assists students to focus on key topics important to begin their career exploration.
- **LMI Source** provides comprehensive workforce information reports and databases for a variety of geographic alignments along with access to publications and economic analysis including Occupational Outlook In Brief, Guides to Career Choices, and the Illinois Labor Market Review.

Targeting At-Risk Population: The State Plan describes policies requiring priority access to One-Stop services to low-income individuals and veterans. In addition, the Plan describes services provided to migrants and seasonal farm workers. An initiative the Department is implementing is to pilot test a strategy for full inclusion of people with disabilities in targeted sectors. The first sector to be developed is health care and it provides for projects that incorporate people with disabilities into proven models for training in health care occupations.

As described below, the Plan also highlights several state-funded model projects targeted to hard-to-serve populations including out-of-school youth and workers with disabilities.

Youth

- **K-12 Career Development Programs:** DCEO, the Illinois Community College Board (ICCB), and the Illinois State Board of Education (ISBE) are working to promote statewide

K-12 career development programs based on career clusters that are aligned with the economic sectors identified through the Critical Skill Shortages Initiative (CSSI) - healthcare, manufacturing, transportation, and logistics. This effort is being supported through education innovation grants to promote these programs in pilot schools in Illinois. Based on the recommendations of the IWIB's Healthcare Task Force, the first priority is healthcare. The remaining sectors will be addressed over the next two years. Please note that this project is being supported through Section 503 incentive funds rather than WIA 15 percent reserve funds.

- **Foster Care Demonstration Project:** Four Illinois state agencies are working together, along with the Alternative Schools Network (ASN) of Chicago, to provide services to youth in foster care. The state agencies are: DCEO; the Department of Children and Family Services (DCFS); ICCB; and the Illinois Department of Human Services' (IDHS) Juvenile Justice Division. ASN is serving as the subgrantee to the state and service provider. ASN is matching foster care youth with mentors to guide and encourage youth to complete high school and go on to post-secondary education and/or accredited apprenticeship programs. The project targets older foster care youth who dropped out of Chicago public schools. They are being identified from within the Chicago Alternative Schools Network. The pilot is staffed with twelve full-time mentors who will each coach thirty foster care students per year. Each mentor will work closely with his or her assigned youth during the transitional year from high school to college, continue through college (or apprenticeship program) and will continue to mentor the youth until each participant obtains secure employment.
- **Waiver Requests:** As mentioned above, we are requesting waivers to allow ITAs for youth, giving us another tool for talent development and also to allow LWIAs to be exempt from competitively procuring youth services. These waivers will give Illinois the flexibility to target funding for direct training efforts.
- **E-Learning Pilot Projects:** A series of projects explored the potential of using online learning, coupled with career development and job skills components to allow youth who had left high school to obtain a diploma while also preparing them for employment. These pilot projects met with varying degrees of success and served as a catalyst for incorporating e-learning into projects now being used for post-secondary talent development. In the coming plan cycle, we intend to integrate lessons learned from the pilot projects into services targeting youth.
- **Disability Program Navigators:** An effort to increase One-Stop service levels to persons with disabilities is the Illinois' Disability Program Navigator project. Disability Navigators are hired at One-Stop centers to increase the capacity of centers to effectively serve customers with disabilities. Navigators develop linkages within and outside the centers to provide a higher level of collaboration, resource sharing, and improve opportunities for job seekers with disabilities to obtain employment. Relationships are maintained with One-Stop mandated partners, local Benefits Planning and Outreach (BPAO) coordinators, and local Centers for Independent Living through regular Disability Concerns Committee meetings and community outreach activities. Relationships are also maintained with local housing authorities, public transportation providers, faith-based organizations, mental health agencies,

private non-profit organizations, local government agencies, and Community College Special Populations Coordinators.

- **Farmers:** An additional underserved category of workers was served during the past two years, agricultural workers. DCEO provided grants to help farm families harmed by a severe drought that left many counties in Illinois declared a disaster area. Support is also being provided to programs that help train those interested in becoming farmers to develop business plans, attend classes and meet with mentors to learn the intricacies of farming and how to make farming a viable career opportunity.
- **Women:** DCEO supported the Women in Skilled Trades (WIST) project that to date has provided outreach services to almost 4,000 women. Under this project, Chicago Women in Trades cultivated relationships with apprenticeship programs with ironworkers, plumbers and pipefitters, electricians, painters, and sheet metal workers.

Capacity Building: A wide range of technical assistance and training needs will be addressed during the course of this plan. Activities will be designed to support continuous improvement of Title I-B programs, as well as improvement of all partner and educational programs. To set priorities for the delivery of technical assistance and training, a needs assessment is periodically undertaken by DCEO. The needs assessment informs the state of technical assistance and training offerings that need to be developed and/or expanded.

The state earmarks WIA 15 percent reserve funds to provide capacity building and technical assistance services to local areas to improve the functioning of local Boards, Board staff, One-Stop operators, One-Stop partners, and eligible providers. Funds are awarded to local workforce investment areas (LWIAs) and a portion of the Technical assistance (TA) reserve is used for training activities delivered statewide.

Local workforce investment boards (LWIBs) and Title I-B entities may apply for TA funds. Local applications must meet the following criteria: (1) the project must address a pressing local or regional workforce development need; (2) the intended results must be replicable; (3) the project must be judged a cost effective use of TA funds; and (4) the intended results must be sustainable once TA funds are expended.

An issue that will be addressed in this planning cycle is the refocusing of existing LWIB staffing grants to a more comprehensive, LWIB support grant. The grants provide support for the following, measurable tasks: 1) support of regional, sector-based workforce pipeline solutions; 2) boards must define and identify local training priorities; 3) providing effective local oversight of WIA programs; and 4) implementing and maintaining Illinois workNet. Targeted training and technical assistance will be provided to LWIBs to improve local capacity to perform these functions.

An important goal will be to strengthen the capacity of the ten EDRs to engage in regional workforce development planning, including forging partnerships with private sector businesses and entities, foundations and other philanthropic organizations to leverage additional funding from WIA dollars. This regional planning is intended to promote and improve linkages between

workforce and economic development.

The state also supports capacity building among local workforce investment boards, businesses and service providers through the use of Technical Assistance grant funds to pilot specific projects identified as promising practices. The first pilot project is a web based job matching tool that aligns job seekers and businesses. The JobFit System will allow the business service teams to quickly respond to employers needs while providing an improved referral system. In a second pilot project, Technical Assistance grant funds were used to support the integration of WIA youth services in the City of Chicago to maximize services for the city's youth. The Chicago Workforce Board, the Mayor's Office of Workforce Development (WIA Title 1 Administrator) and the Chicago Department of Children and Youth Services received the support needed to facilitate a smooth transition with the least amount of disruption to customers.

Since Trade Adjustment Act activity transferred to DCEO from IDES in 2004, DCEO invested significant effort and resources into providing technical assistance to local staff, as well as our own staff. A manual was prepared and distributed so that individuals working on trade-related tasks have a reference resource available.

Technical assistance workshops related to fiscal issues, monitoring and planning will be developed and held during the next phase of the planning cycle.

The annual Governor's conference is another vehicle for the provision of training. Plenary sessions and workshops typically cover a wide range of topics such as: (1) techniques to serve various at-risk populations; (2) new program requirements; (3) performance management; (4) counseling methods; (5) collaborative leadership; (6) employer services; (7) building local partnerships; (8) leveraging resources; (9) economic and labor market information; and (10) successful techniques to meet the workforce needs of target populations such as youth, dislocated workers, incumbent workers, older workers, and the economically disadvantaged.

Conference workshops also address issues related to workforce program administration such as a review of WIA and Trade Act statutory and regulatory provisions. Workshops frequently focus on general administrative issues such as team building, techniques to hold successful meetings, and ways to motivate staff. In addition, the annual conference provides a vehicle to showcase state and local model programs and special initiatives to the rest of the system. Lastly, the conference has become the venue for recognizing superior performance of local Boards, program administrators, service providers, and most important, program participants. The award ceremony is a continuing source of inspiration and a motivating force for the entire system.

The state is also committed to building the capacity of LWIBs through direct financial support, as well as technical assistance. DCEO annually awards LWIB staffing grants to local workforce investment areas (LWIAs). The state's annual commitment to LWIB staffing and operating support is \$2.2 Million. This commitment of WIA 15 percent reserve funds helps to ensure LWIBs have the staff resources to fulfill their responsibilities. In addition, WIA 15 percent reserve grants are routinely awarded to LWIAs to increase local Board capacity. Training topics typically cover basic orientation for LWIB staff and new Board members (i.e., WIA overview and Board roles and responsibilities). Training topics also may cover topics related to

programmatic techniques, such as effective job retention strategies and participant follow-up services.

The statewide LWIB Leadership Association creates another vehicle the state supports to build local board capacity. By providing state support, the LWIB Leadership Association can meet its objective to promote effective communication and linkages among workforce development efforts and economic development priorities. To ensure statewide coordination, a representative from the LWIB Leadership Association has a seat on the IWIB as a voting member.

Local Labor Market Economists (LMEs) of the Illinois Department of Employment Security (IDES) also assist LWIBs and other regional economic and workforce development partners by providing training and localized technical assistance to better compile and analyze regional labor market conditions. LMEs and other IDES training staff also provide training on the uses of workforce information products and online delivery vehicles (especially Illinois Workforce Info Center) to all partner staff in the Illinois workforce development system which is linked to Illinois workNet.

IDES staff works with DCEO staff, One-Stop partner staff, and LWIBs to improve the utilization of data and analysis of workforce information, especially employment projections and the Local Employment Dynamics (LED) online system, in the pursuit of successful Critical Skill Shortages Initiative (CSSI) strategies. During the next year, data compilation and analysis will focus on the health care, transportation, and logistics industries. Training will focus on using available online resources to improve economic analysis of local areas (e.g., industry profiles fashioned with LED demographic breakouts of EDR workforces by examining trends in hiring, retention, and wages; and LED analysis on youth employment concentrations in growing industries) and increasing utilization of reliable data sources to standardize resulting CSSI planning.

Policies and Procedures: The State Plan provides descriptions of a wide range of state policies and procedures required by the WIA and Wagner-Peyser Acts as well as related federal statutes and implementing federal regulations. For example, the following policy and procedures related to administration of WIA programs are described in the Plan.

- Processes used to make appointments to the Illinois Workforce Investment Board;
- Policies governing appointments and certifications of local workforce investment boards;
- Procedures for the issuance of state policy and other guidance to local areas;
- Procedures for the designation of local workforce investment areas (LWIAs);
- Policies governing negotiations of local Memoranda of Understanding;
- Policies governing the selection of One-Stop Operators;
- Requirements for inclusion of optional partners in One-Stop centers;
- Policies governing certification of comprehensive One-Stop Centers;
- Policies governing fund transfers between the WIA Adult and Dislocated worker programs;
- Policies governing the reallocation of funds across LWIAs;
- Policies relating to the use of individual training accounts;
- Policies relating to on-the-job and customized training;
- Policies encouraging co-enrollment of Trade Act participants in WIA;
- Policies governing the administration of the Trade Adjustment Assistance Program

- Procedures supporting common data collection and reporting across programs;
- Policies governing appointments (i.e., criteria) to local workforce investment boards;
- Procedures for local planning and local plan approval;
- Policies relating to the use of optional funding formula for local allocations;
- Policies governing approval of training providers for inclusion on the statewide list;
- Procedures for procurement of state-level grants and contracts;
- Procedures to provide rapid response services in response to mass layoffs; and
- Procedures for the review of complaints and grievances.

Policies and procedures relating to IDES administered programs, such as Veterans Services, Wagner-Peyser services, and economic and labor market information services are also describe in the State Plan. For example, the following policies and procedures are described.

- Procedures for the distribution of workforce information core products and services;
- Procedures to coordinate with the America’s Job Bank (AJB);
- Procedures to coordinate and America’s Career Information Network (ACINet);
- Procedures to deliver labor exchange services using the “three-tiered” model;
- Procedures governing the Unemployment Insurance work test requirements;
- Procedures targeting reemployment services to (UI) claimants (i.e. profilees);
- Procedures for providing services to Veterans (i.e., LVER and DVOP staff);
- Procedures to promote access to services for limited English populations; and
- Procedures to provide services to migrant and seasonal farm workers;

Oversight and Accountability: The Plan describes state mechanisms and procedures to ensure that local programs comply with federal programmatic and fiscal requirements. The state developed automated reporting systems and on-site monitoring procedures to support these compliance efforts. For example, DCEO created an Internet-based participant tracking system, the Illinois Workforce Development System (IWDS) to support Illinois’ One-Stop centers and affiliate providers. IWDS has a broad range of functionality including: case management, grant management, entity management, performance management, dislocation event tracking, training provider information, and reporting. IWDS supports Workforce Investment Act (WIA) programs for adults, dislocated workers and youth as well as the Trade Adjustment Assistance program. In addition, DCEO created the Grant Reporting System (GRS) to support cash disbursements and cost reporting by grantees. State program monitoring staff uses information drawn from these systems to conduct desk reviews of grantee compliance. DCEO is now working on modifying our accounting system to provide system edits that will increase accountability and control over WIA funding.

Additionally, the state is in the design and development phases for the Automated Compliance Monitoring System (ACMS), which is a critical element in our overall management strategy. The system will permit the state to more-effectively manage and monitor the field operations of the WIA and Trade programs at each of the state’s 26 LWIAs, as well as in other grantee locations.

On an annual basis DCEO's Bureau of Workforce Development (BWD) staff complete formal on-site monitoring of each local workforce investment area (LWIA). The scope of this monitoring covers both fiscal and programmatic compliance issues as they relate to federal and state laws, regulations, and policies. DCEO aims to improve the management and accountability for workforce programs under its auspices. One specific example of this is an initiative to modify WIA financial reporting requirements so that the amount spent on direct training costs is known. Another example involves requiring LWIBs to comprehensively identify their operating costs, which DCEO will monitor. In the past six months, DCEO modified grants to comply with new federal guidelines on administrative cost limits, and this new initiative will help DCEO ensure WIA funds are expended in an appropriate manner.

The state WIA Equal Opportunity (EO) Officer, along with specialized EO compliance monitoring and technical assistance staff was integrated into the Bureau as part of the recent reorganization. Each One-Stop center is monitored for being physically and programmatically accessible (including telecommunications and computer accessibility) to individuals with disabilities. Annual monitoring of facilities using an ADA checklist provides the state EO Officer with a basis for examining accessibility issues through the annual EO monitoring process.

The State Plan also describes modifications Illinois made to its performance accountability system to comply with DOL requirements for WIA measures for PY 2007 and 2008. DOL issued revised common measures policy, including definitional changes affecting existing WIA core measures, which are effective for PY 2007 and 2008. Illinois adheres to these revised measure definitions in implementing its WIA accountability system.

Final negotiated state levels for federal WIA performance measures to be used by DOL to assess the performance of the state over the period of this Plan have not been finalized at this time. The proposed goals are provided in Table 12 in Section X. When performance goals are finalized, we shall modify the plan per the planning guidance.

I. GOVERNOR'S VISION

Describe the Governor's vision for a Statewide workforce investment system. Provide a summary articulating the Governor's vision for utilizing the resources of the workforce system in support of the State's economic development that address the issues and questions below. States are encouraged to attach more detailed documents to expand upon any aspect of the summary response if available. (§§112(a) and (b)(4)(A-C).)

- A. What are the State's economic development goals for attracting, retaining and growing business and industry within the State? (§§112(a) and (b)(4)(A-C).)
- B. Given that a skilled workforce is a key to the economic success of every business, what is the Governor's vision for maximizing and leveraging the broad array of Federal and State resources available for workforce investment flowing through the State's cabinet agencies and/or education agencies in order to ensure a skilled workforce for the State's business and industry? (§§112(a) and (b)(4)(A-C).)
- C. Given the continuously changing skill needs that business and industry have as a result of innovation and new technology, what is the Governor's vision for ensuring a continuum of education and training opportunities that support a skilled workforce? (§§112(a) and (b)(4)(A-C).)
- D. What is the Governor's vision for bringing together the key players in workforce development including business and industry, economic development, education, and the workforce system to continuously identify the workforce challenges facing the State and to develop innovative strategies and solutions that effectively leverage resources to address those challenges? (§§112(b)(10).)

State Economic Development Goals: As cited in the description of the state's planning process, Illinois defined ten geographic areas as Economic Development Regions (EDRs). This was done in recognition of the fact that the state's economic structure is best described as a set of regional economies, each with unique needs and opportunities. The overriding goal is to ensure that each EDR is more accessible, more marketable, more entrepreneurial, and more attractive to businesses, thereby creating well-paying job opportunities for Illinois citizens and ensuring that no individual or community is left behind.

To achieve this goal, the Governor brought together representatives of more than a dozen state agencies to work on comprehensive strategies for regional economic growth. Further, to ensure that each idea contained in the regional plans is implemented as quickly as possible, each EDR has a team of state employees who are responsible for coordinating the activities of these state agencies and overseeing the regional strategies' implementation.

Given the regional nature of the approach, there is no single list of economic development goals for Illinois. Rather, there are separate goals associated with plans developed within each EDR through the Governor's Opportunity Returns program. An analysis of the plans to date suggests

that certain regional economic development goals are cited frequently across plans. Those goals are summarized below.

- **Support manufacturing retention and modernization.** Regional plans call for efforts to: open new markets; support modernization, innovation, and utilization of advanced manufacturing technologies; and, provide better “business intelligence”, especially related to takeovers and consolidations.
- **Support agri-business.** Regional plans call for efforts to: invest in emerging agri-business related technologies; support new promising agri-business ventures; and, open new markets for Illinois’ agricultural products.
- **Support small business and entrepreneurs.** Regional plans call for efforts to: support small business modernization; establish and support entrepreneurship centers, procurement centers, and business incubators; support emerging biotechnology and nano-technology ventures; and promote Illinois products, including the purchase of Illinois products by the state’s businesses and governmental agencies.
- **Increase access to venture capital.** Regional plans call for efforts to increase business’ (especially small business) access to venture capital through: creation of the Governor’s proposed \$200 million Illinois Opportunity Fund (IOF); expansion of community revolving funds; assisting small business access credit; and, creating partnerships with Community Development Financial Institutions (CDFIs).
- **Improve the state’s infrastructure and connectivity.** Regional plans call for efforts to: improve basic community infrastructure (e.g., housing, water, and sewer); expand access to broadband services; upgrade Illinois’ locks, dams, and ports; preserve and improve the state’s transportation system (e.g., roads, bridges, airports, and rail service); and, develop targeted business districts (e.g., industrial, medical, and tourism).
- **Promote energy independence.** Regional plans call for efforts to: promote ethanol as a renewable energy source; develop clean coal technology and expand use of Illinois coal; support efficient energy use by Illinois businesses; and, promote business recycling.
- **Capitalize on existing assets.** Regional plans call for efforts to: return brownfields to productive use; preserve and promote use of Illinois’ military bases and military-related facilities; market and reuse closed industrial properties; preserve and promote use of Illinois’ waterways and lakes; and, promote and improve the state’s tourism infrastructure.
- **Strengthen education and workforce preparation.** Regional plans call for efforts to: expand access to college degree programs; create and expand science and technology programs in Illinois’ universities, community colleges, and schools; upgrade educational infrastructure; increase access to “employer-focused” customized training programs; and, target training programs to critical skill shortage occupations.

Leveraging Funds and Collaborative Planning: At the local level, the primary strategy to link workforce and education programs with economic development and leverage other (non-WIA) federal and state funds is the Critical Skill Shortages Initiative (CSSI). CSSI is an important component of Opportunity Returns. The EDRs established under Opportunity Returns are the geographic basis used for CSSI as well.

CSSI uses Workforce Investment Act (WIA) Title I-B 15 percent funds as seed money, awarded on a competitive basis to regional consortia, to leverage private sector and other state and federal funds. Funds leveraged through CSSI are used to meet the training needs of high growth industries and occupations, critical to the economies in each of the state's ten EDRs; thus ensuring that Illinois' workforce system is a demand driven talent development mechanism. A primary goal of CSSI is to align regional workforce programs to provide an ongoing and reliable supply of qualified job seekers for critical occupations. CSSI projects are designed to ensure that there is a continuum of education and training options available to workers to support the development of a skilled workforce.

The CSSI strategy calls for local workforce investment boards (LWIBs) to provide the initial leadership to create consortia in each EDR to influence the regional workforce system. Creation of these consortia is an ongoing process. Consortia utilize broad networks of public and private organizations and training providers to develop solutions to skill shortages including: business and industry associations, labor unions, professional associations, universities and community colleges, community-based organizations, economic development organizations, One-Stop centers, One-Stop partner agencies, and business organizations.

Consortia focus on the skill shortages that can be practically addressed by the workforce development system in concert with the business community. Local industry representatives participate in planning and validate the selection of jobs as shortage occupations and areas where help from the public sector is welcome. The basic strategy is to:

- Identify skill shortage occupations that pay a good wage and provide benefits in key sectors of the regional economy.
- Rigorously examine the "root causes" that led to shortages;
- Influence state and local education and training agencies to voluntarily redirect existing programs and services (as well as private resources) to address the root causes and create a reliable "supply chain" of qualified job seekers; and,
- And examine on-the-job factors that contribute to shortages (e.g., high turnover or inadequate recruitment) and work with employers to address those issues.

During September 2003, the Department of Commerce and Economic Opportunity (DCEO) released a Request for Applications (RFA) for the two phases of CSSI – a planning phase and a training/implementation phase. DCEO awarded a total of \$3 million in planning funds to consortia of LWIBs representing each of the ten EDRs. Planning funds were used to underwrite activities designed to identify key economic sectors (e.g., healthcare) that drive the economy of the EDR and key industries (e.g., hospitals, long-term care facilities) within those sectors. The consortia then were asked to identify critical skill shortage occupations within those industries. Targeted occupations were required to be “good jobs” in the sense that they provide a self-

sufficiency wage and benefits. After targeting occupations, the consortia were asked to determine the reasons or “root causes” for these shortages, such as a lack of career awareness, lack of training capacity, or high turnover. Once the root causes were well understood and verified by industry, the consortia were required to develop regional solutions to pool and voluntarily redirect both public and private resources to address the causes of the shortages.

At the end of the planning process and after the regional options have been exhausted, the consortia are eligible to apply for Workforce Investment Act (WIA) 15 percent training funds to fill “gaps” in the regionally funded solutions. Training funds are awarded on a competitive basis to consortia that produce the best regionally funded plans and have the best-developed requests for supplemental funding. DCEO earmarked \$15 million in WIA 15 percent funds to be awarded as training grants over a 24 to 36 month period.

As shown below, thus far, DCEO awarded competitive CSSI training grants totaling approximately \$11.1 million to all ten EDRs in the state. The most prevalent industry sector targeted is healthcare. Grants were awarded beginning in February of 2005 as follows:

Sector	Amount (In Thousands)
Health Care	\$6,976.8
Manufacturing	2,554.4
Transportation	1,561.6
TOTAL	\$11,092.8

For the second round of grant applications (i.e., the “calendar year” round), applications for funding related to occupations in manufacturing, and transportation, distribution, and logistics along with more requests related to health care occupations are being reviewed.

At the state level, the Illinois Workforce Investment Board (IWIB) is a forum to bring together the key stakeholders in workforce development including business and industry, economic development, education, and the public workforce system to identify the workforce challenges facing the state and to develop innovative strategies and solutions that effectively leverage resources to address those challenges. Governor Rod Blagojevich charged the IWIB with the responsibility to review the implementation progress of CSSI on an ongoing basis. More specifically, the IWIB was charged with reviewing CSSI applications from each EDR to identify root causes that need to be addressed at the state level. Once identified, the State Board is to take action and provide the catalyst to affect needed change. The IWIB Healthcare Task Force is a good example of the IWIB responding to the Governor’s charge. The task force reviewed CSSI plans from the early bird round of funding in the healthcare area and made a series of recommendations for state-level action to address shortages of registered nurses, licensed practical nurses, and therapists. The work of the Healthcare Task Force is discussed in greater detail in Section III-B of this plan.

I. GOVERNOR'S VISION

Describe the Governor's vision for a Statewide workforce investment system. Provide a summary articulating the Governor's vision for utilizing the resources of the public workforce system in support of the State's economic development that address the issues and questions below. States are encouraged to attach more detailed documents to expand upon any aspect of the summary response if available. (§§112(a) and (b)(4)(A-C).)

- E. What is the Governor's vision for ensuring that every youth has the opportunity for developing and achieving career goals through education and workforce training, including the youth most in need of assistance, such as out-of-school youth, homeless youth, youth in foster care, youth aging out of foster care, youth offenders, children of incarcerated parents, migrant and seasonal farm worker youth, and other youth at risk? (§§112(b)(18)(A).)
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The Illinois Workforce Investment Board (IWIB) at the state level and Youth Councils at the local level are focal points for comprehensive and inclusive youth planning. The state's vision for youth services is characterized by:

- Inclusive, coordinated, and comprehensive planning of youth services;
- Involvement of the private sector in program planning and implementation;
- A focus on improving services to all youth, while targeting the hardest-to-serve;
- Improved career awareness and orientation services for all youth;
- Maximum efficiency in the delivery of services through use of advanced technology;
- A commitment to continuous improvement and professional development; and,
- Accountability for outcomes across all youth programs and providers.

At the state level, planning for youth services through the IWIB is proceeding on an inclusive and comprehensive basis. Youth serving state agencies represented on the State Board include the: (a) Illinois State Board of Education (ISBE); (b) Illinois Board of Higher Education (IBHE); (c) Department of Commerce and Economic Opportunity (DCEO); (d) Illinois Community College Board (ICCB); (e) Illinois Department of Employment Security (IDES); (f) Illinois Department of Human Services (DHS); and (g) DHS' Division of Rehabilitation Services (separately represented). Local youth serving agencies are also represented on the IWIB.

Youth Councils: At the local level, Youth Councils required by Section 117(h) of WIA provide a focal point for comprehensive planning. The state developed a series of recommendations to local elected officials, LWIB Chairpersons, and the public regarding the composition and mission of Youth Councils. Those recommendations are paraphrased below.

- The vision of local Youth Councils must extend beyond the legislative scope of the Workforce Investment Act (WIA) and ensure the implementation of a comprehensive and integrated youth development strategy that serves all youth (i.e., K through 16, and 14 through 21 year olds).

- Youth Councils are part of an overall workforce development system that includes: (a) the education and training of youth; and, (b) the education and training of instructors, administrators, school board members, and school counselors.
- When making appointments to the Youth Councils, local elected officials and LWIBs are encouraged to draw on existing successful capacities and relationships. Youth Councils should also include members from the private sector (especially private sector LWIB members) and members from existing local area networks and collaborative in the community.
- In the selection of Youth Council members, special consideration should also be given to assuring an appropriate ethnic and gender balance and other representation as reflective of the area. It is further recommended that Youth Councils be representative of all relevant interests and programs for youth.

Illinois will continue to support local Youth Councils as long as those councils are required by statute. Illinois intends to support their ongoing development throughout the period of this plan. In particular, Illinois will emphasize the ongoing role of Youth Councils in a continuing and comprehensive youth planning process. If the requirement for Youth Councils is eliminated due to reauthorization legislation, the state will continue to support such councils where they are voluntarily continued.

Private Sector Involvement: The state encourages LWIBs to develop partnerships between Illinois businesses, education, local community and faith-based organizations, and the workforce development system to serve youth throughout Illinois. Such partnerships will create meaningful employment and training opportunities for all Illinois youth. Partnerships will be established in every community to create:

- Paid and unpaid work experience programs;
- Summer employment opportunities for in-school youth;
- Programs that link academic educational programs with work-based learning;
- Opportunities for volunteer and leadership development experiences;
- Job shadowing and mentoring programs; and,
- Unsubsidized employment opportunities for youth that provide for career advancement.

Targeting At-Risk Youth: Final decisions regarding the targeting of limited categorical funds for youth will, and should, be made at the local level. Such decisions are the purview of the local Youth Council, the LWIB, and state and local agencies responsible for the administration of local youth programs. However, there appears to be an opinion, shared by many across the state that limited WIA Title I youth funds would be best targeted to at-risk youth.

State and local categorical programs are encouraged to target various at-risk youth populations. Populations considered to be at-risk include (but are not limited to): (a) out-of-school youth who lack basic skills, (b) pregnant and parenting teens, (c) youth in TANF households, (d) youth who are non-custodial fathers of children in TANF households, (e) youth in foster care (especially

older youth), (f) youth with disabilities; (g) youth involved with the juvenile justice system (especially those on parole), and (h) youth with limited English speaking ability.

The IWIB will consider policies that create incentives for LWIBs to: (a) identify youth at-risk as early as possible; (b) outreach and recruit at-risk youth; and, (c) target services to at-risk youth populations. In addition, the state will provide technical assistance and training to professional staff to improve services to at-risk youth and will develop improved program models for youth services. As described below, three major youth-related model program development efforts are currently underway.

- **K-12 Career Development Programs:** DCEO, ICCB, and ISBE are working together to promote statewide K-12 Career Development Programs based on career clusters that are aligned with the economic sectors identified through the Critical Skill Shortages Initiative (CSSI) - healthcare, manufacturing, transportation, distribution, and logistics. This effort is being supported through education innovation grants to promote these programs in pilot schools in Illinois. Based on the recommendations of the Healthcare Task Force, the first priority is healthcare. The manufacturing and TDL task forces recently submitted their final reports to the IWIB. Both reports call for integrating K-12 career development as part of a comprehensive effort to impact talent development in these critical skill shortage sectors. Please note that this initiative is underwritten with WIA Section 503 incentive funds.
- **e-Learning Projects:** This initiative explored ways to help WIA youth develop and achieve career goals using advanced computer and telecommunication technology. Specifically, model projects explored the potential use of the Internet and specialized software as an efficient means of delivering education and training services to youth. Four demonstration pilot projects were developed utilizing different curricula in four geographic areas of the state. Sites were selected to allow close integration with related programs and activities being provided through ISBE and ICCB. The pilots had three primary goals. First, assist youth to recover lost credits and complete accredited courses online to attain a high school diploma. Second, incorporate an online module to assist youth to raise career awareness. And third, incorporate a job readiness skills module to prepare youth for entry-level employment. Each model program took a unique approach to attaining these goals. In some pilot sites, adaptive technologies were assessed, coupled with tutors, to ensure that youth with disabilities were included fully in this e-learning initiative.

The pilot projects demonstrated that e-Learning has the potential to be an effective tool to reach individuals that otherwise would have problems attending a traditional classroom. Out of 144 enrolled, 95 (66 percent) obtained a diploma. Future efforts to embrace technology-based solutions will draw upon the experience learned in these pilot projects.

One current example of a second-generation e-Learning initiative is already underway. In cooperation with the Illinois Community College Board, DCEO is pilot testing the use of blended on-line learning within healthcare bridge programs to expand access of low- income, low literacy adult workers to career pathway opportunities in the healthcare industry. This project will evaluate the effectiveness of blended on-line learning in improving the completion and transition rates of said workers in bridge programs by: 1) improving and

accelerating learning and 2) lowering participation costs including time savings for balancing work and family life and lowered childcare and transportation costs. This project will also evaluate the effectiveness of online learning in reducing government support services costs including case management, childcare and transportation.

This project is building on statewide initiatives in promoting sector-specific career pathway programs and blended online learning. DCEO and ICCB are collaborating in promoting regional workforce pipeline solutions involving career pathway strategies through Critical Skill Shortages Initiative (CSSI) and Postsecondary Innovation Grants. DCEO and ICCB have both funded healthcare bridge programs across the state including northern, central and southern parts of the state. Currently, Truman College, Lincoln Land, and Illinois Eastern Colleges are conducting the Postsecondary Innovation Grants with partner involvement from healthcare providers in each area, Harold Washington College, Howard Area Vocational Services, Jewish Vocational Center, and Instituto del Progreso Latino.

The first phase of the project was to engage Illinois experts and stakeholders in developing a model healthcare bridge program with blended online learning. The pilots are now in the implementation phase to deliver the model they created. These projects demonstrate the commitment to integrate initiatives into the talent development efforts of our Critical Skill Shortage Initiative sector strategy.

- **Foster Care Demonstration Project:** Four Illinois state agencies are working together, along with the Alternative Schools Network (ASN) of Chicago, to provide services to youth in foster care. The state agencies are: (a) DCEO; (b) the Department of Children and Family Services (DCFS); (c) ICCB; and (d) IDHS' Juvenile Justice Division. ASN will serve as the subgrantee to the state. ASN is also the service provider and will match foster care youth with mentors to guide and encourage youth to complete high school and go on to post-secondary education and/or accredited apprenticeship programs. The project will target older foster care youth who dropped out of Chicago public schools. They will be identified from within the Chicago Alternative Schools Network. The pilot will be staffed with twelve full-time mentors who will each coach thirty foster care students per year. Each mentor will work closely with his or her assigned youth during the transitional year from high school to college, continue through college (or apprenticeship program) and will continue to mentor the youth until each participant obtains secure employment. It is estimated that this pilot project will serve approximately 360 students per year with 35 to 40 graduating per year.

LWIBs throughout the state will be appraised of the progress of these projects with the goal of encouraging them to incorporate successful elements from these initiatives into their own local programs.

Youth will also benefit from several other research and development activities described elsewhere in this plan. Those activities include: the Illinois workNet Project, the Critical Skill Shortages (CSSI) initiative, the Healthcare initiative, and Disability Navigator Projects. While these initiatives are not targeted exclusively to youth, they will benefit youth as well as adults, dislocated workers, displaced homemakers, and other at-risk populations.

Improving career awareness: Informational services available through the state's network of One-Stop Centers will be available to all youth. There is considerable consensus on the need to make youth, parents, and teachers more aware of the skill requirements and opportunities available in the local labor market. The state encourages LWIBs to make efforts to ensure that resource room services and materials are tailored to meet the needs of all youth as well as the professionals who serve the youth population (e.g., teachers, administrators, planners, and counselors). The state will provide technical assistance, as needed, to help achieve this objective. Illinois workNet is also being positioned as a tool to reach youth with access to the Internet.

II. GOVERNOR'S INVESTMENT PRIORITIES

Identify the Governor's key workforce investment priorities for the State's public workforce system and how each will lead to actualizing the Governor's vision for workforce and economic development? (§§111(d)(2) and 112 (a).)

Opportunity Returns Investments Priorities: The Governor's workforce investment priorities should be viewed within the context of overall economic development planning. Economic development priorities and workforce development priorities are linked through the Opportunity Returns and Critical Skill Shortages Initiative (CSSI).

The Opportunity Returns program combines funding from state and federal programs to address high priority economic development needs, as identified in regional plans. A review of announced Opportunity Returns projects highlights the diversity of such projects. Investments are being made in the public, non-profit, and private for-profit sectors of the economy. The analysis presented below is based on a sample of announced projects. Therefore the data should be viewed as an approximation. However, these findings are believed to be illustrative of the Governor's economic development investment priorities. Note that the findings also exclude investments made through WIA and the Wagner-Peyser, which are described separately below.

Opportunity Returns investments in the public and non-profit sectors address a variety of regional needs. These investments draw on state and federal programs administered by the Department of Commerce and Economic Opportunity (DCEO), the Illinois Environmental Protection Agency (IEPA), the Department of Natural Resources, the U.S. Department of Agriculture (USDA), and the U.S. Department of Energy (US DOE).

**Chart 1: Distribution of Opportunity Returns
Investments in the Public and Non-Profit Sectors**

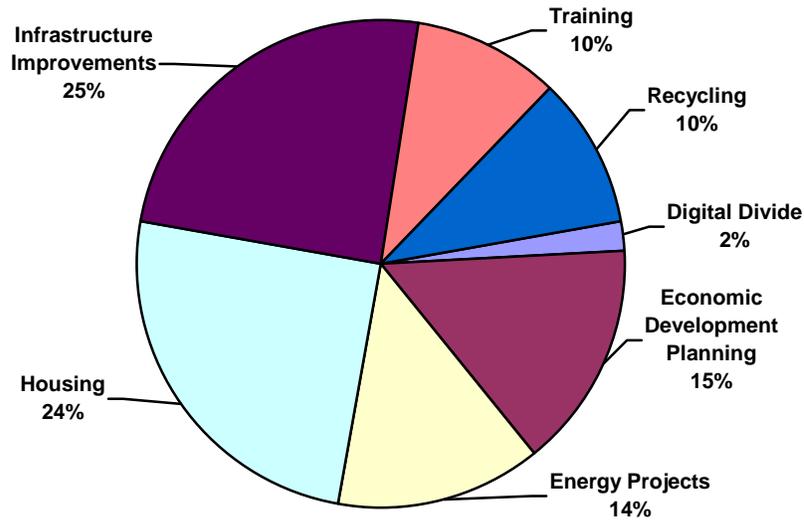


Chart 1 displays the percentage distribution of Opportunity Returns investment in the public and non-profit sectors by major purpose. The sample of projects reviewed includes investments in the following areas.

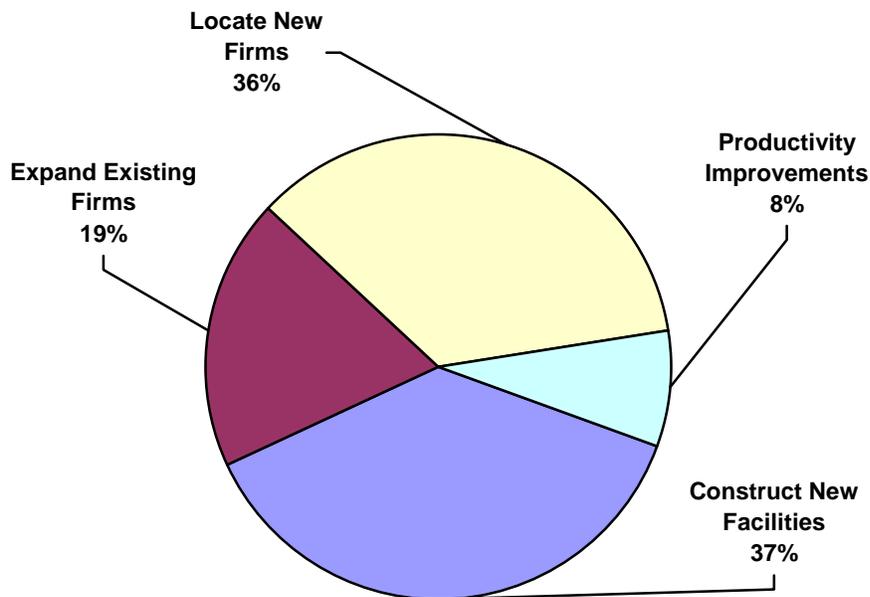
- **Training Projects:** Several projects were awarded to non-profit and educational agencies to provide training in areas such as entrepreneurial and manufacturing skills. Other projects focused on training minority contractors.
- **Recycling Projects:** Projects were funded to expand regional recycling services by adding drop-off sites, placing balers free of charge at local businesses, and adding secure document shredding for customers of recycling centers.
- **Digital Divide Grants:** Grants were made to Community Technology Centers (CTCs), which respond to the recognition that populations that do not have regular access to computer and telecommunications technology are at a disadvantage in the labor force demanded by the emerging new economy. CTCs provide technology access to individuals, communities, and populations that typically would not otherwise have places to use computer and telecommunications technologies.
- **Economic Development Planning:** A number of economic development planning projects were funded in areas such as increasing opportunities for people with disabilities, encouraging minority participation in emerging sectors of the economy, promoting international trade and tourism, and producing economic impact statements relating to revitalization plans.
- **Energy Projects:** Regional energy projects were funded to improve the local economies through increased energy efficiency. Regional projects focus on initiatives such as developing energy efficient building codes, small business education and assistance,

residential education, and community involvement. Other projects support the development of renewable energy (e.g., solar thermal energy).

- **Housing:** Grants were awarded to municipalities and non-profit agencies to rehabilitate owner-occupied housing and construct new low-income and persons with disabilities housing to enhance the quality of life for those individuals, as well as build the capacity for economic growth in the affected communities. Investments were also made to support shelters and non-profits that serve the state’s poor and homeless population.
- **Infrastructure Improvements:** Grants were awarded to municipalities to make infrastructure improvements, primarily in sewer systems, water treatment, waste treatment, sanitation, and flood control.

Significant investments were also made in the private for-profit sector. Investments were made in Illinois companies through grants, low interest loans, and various tax incentives. Over the past twelve months, projects were announced to construct new facilities such as business incubators, distribution centers, warehouses, office buildings, manufacturing centers, ethanol and biodiesel plants, and coal gasification facilities. Other projects were undertaken to add jobs and expand existing businesses (e.g., expanding production space, adding shifts, and adding product lines). Incentives were also provided to businesses to locate new enterprises within Illinois. In addition, investments were made in existing Illinois businesses to increase productivity (e.g., upgrade training for employees and purchase of new equipment). Chart 2 displays the percentage distribution of Opportunity Returns investment in the private for-profit sector by major purpose.

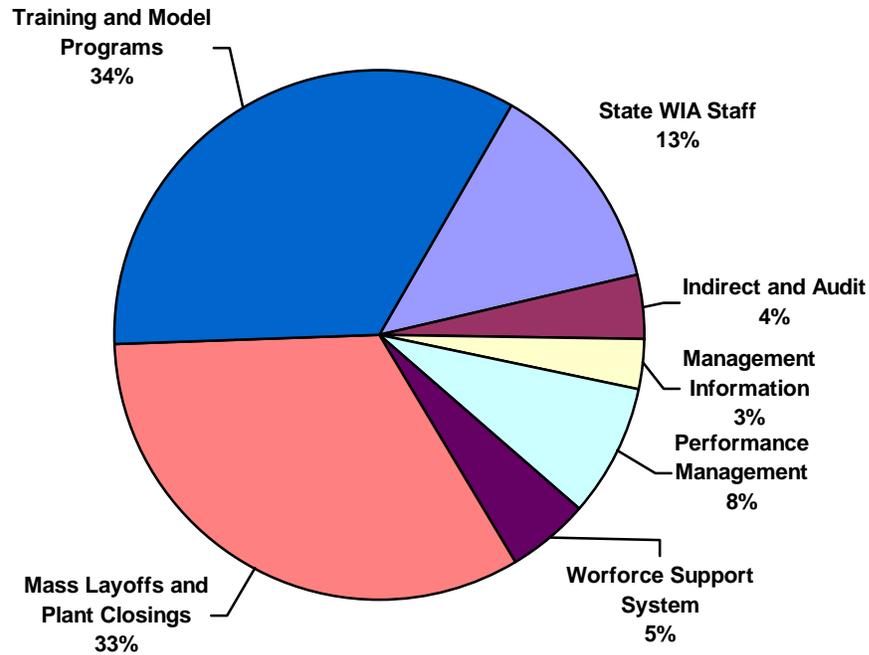
Chart 2: Distribution of Opportunity Returns Investments in the Private For-Profit Sector



DCEO WIA State Reserve Investment Priorities: Investment of Governor's WIA state reserve funds responds well to the national direction and priorities suggested by the U.S. Department of Labor (DOL). For example, current investments support continuous improvement of the One-Stop system, an increased focus on training, and increased programmatic and fiscal accountability. Chart 3 displays the percentage distribution of reserve funds by major budgeted purpose for program year (PY) 2006. Although changes to this distribution may be expected in response to changing conditions during PY'07 and PY'08, investments during the period of this plan will likely be similar. The major budget categories displayed are described briefly below.

- **State Workforce Staff:** A high priority is being placed on increasing staff resources and reorganization of DCEO's Bureau of Workforce Development (BWD). BWD is responsible for state administration of WIA. The BWD suffered a significant loss of experienced personnel due to retirement incentive programs. BWD gained approval to fill many of the vacated positions. In addition, the BWD recently underwent a major reorganization to achieve greater efficiency of operations. Regional support staff were added, as well as new hires in policy development, planning, performance measurement, reporting and fiscal monitoring units. Staff training and development activities are being intensified and will continue. Efforts to strengthen the BWD will improve state capabilities in all areas of its responsibilities. However, special efforts and resources have been dedicated to upgrade the state's program and fiscal monitoring capabilities.
- **Management Information:** Illinois upgraded its WIA participant tracking system, the Illinois Workforce Development System (IWDS), to make it accessible through the Internet. This change makes the system accessible to a wider range of service providers, including community-based and faith-based organization; thus, simplify program management and reporting for those organizations. IWDS has a broad range of functionality including: case management, grant management, entity management, performance management, dislocation event tracking, training provider information, and reporting. In addition, customers may add localized content. BWD continues to explore opportunities to use technology to improve the sharing of information, both within the bureau and with our partners at the state, regional and local levels.

**Chart 3: Workforce Investment Act
15 and 25 Percent State Reserve Investment Priorities**



- **Workforce System Support:** During the first five years of WIA, the state made significant investments in the physical infrastructure of the One-Stop system. Investments in the system continue; but have changed focus. WIA state reserve funds are now being used to:
 - ▶ Support the costs of the Illinois Workforce Investment Board (IWIB);
 - ▶ Support staff of local workforce investment boards (LWIBs);
 - ▶ Support broadband access to IWDS for local workforce investment areas (LWIAs);
 - ▶ Support statewide and locally customized technical assistance and training; and,
 - ▶ Support development and implementation of Illinois workNet,

In addition, a significant investment of WIA reserve funds is being made to enhance Illinois' ability to provide meaningful economic and labor market information to system decision makers. The Illinois Department of Employment Security (IDES) is using WIA reserve funds to redesign the Substate Employment Projections System (SEPS), develop current monthly job counts and short-term industry projections for the three LWIAs in Cook County Illinois, and generally increase support from local Labor Market Economists and other IDES staff to state and local WIA entities.

- **Mass Layoffs and Plant Closings:** In addition to state-level rapid response activities, the state reserves a large proportion of the 25 percent dislocated worker funds for distribution to local workforce investment areas (LWIAs) in response to mass layoffs and plant closings. This is done to ensure that LWIAs have sufficient funds available to provide readjustment, training, reemployment, and supportive services to affected workers.

- **Training and Model Programs:** The state also placed high priority on using reserve funds to directly fund training programs. Several of these state-funded training programs are described throughout this plan including: Incumbent Worker Training grants; the Critical Skill Shortages Initiative (CSSI); the K-12 Career Development Program (funded through WIA Section 503 incentive funds); E-learning Projects; and, the Foster Care Demonstration Project.

IDES BIS Redesign: IDES is investing in a major redesign effort that will better link the unemployment insurance (UI) and employment service (ES) systems. IDES is currently in the process of testing and implementing its new Business Information System (BIS). The new BIS will provide greater access for individuals in filing unemployment claims and will interface with the Illinois Skills Match (ISM) system, an online system that provides skills-based job matching services for employers and jobseekers and will be linked to DCEO's Illinois workNet portal.

The new BIS system will provide online UI filing for claimants, offering them a new means of access in addition to the phone, fax, and in-person filing services now available. Moreover, the system will prompt claimants to register with ISM to satisfy their work search requirement and remind them that they must register with ISM within two weeks to qualify for UI benefits. Failure to register can result in denial of UI benefits.

BIS redesign also brings with it improvements to the ISM system. While a number of refinements lend themselves to more efficient staff usage of the system, two new functions will improve the ISM system's labor exchange features.

- First, enhancements will allow employers to establish their own acceptable "job match percentage". In the current ISM system, employers posting jobs do not see information on potential job candidates unless the candidate matches 100 percent of the skills listed by the employer. In many cases, this eliminates candidates the employer may want to consider, such as a jobseeker who may have all but one of the skills listed. With the new enhancement, the employer can set whatever match percentage best meets the firm's recruitment needs.
- Second, enhancements will allow job seekers to view jobs to which they may not match. Now in ISM, jobseekers can only look at jobs to which they match. With the new function, they will be able to look at basic information on any job listed, assess the skill requirements of the job and determine those skills that they may possess or may be able to develop to qualify for jobs they view on system.

The newly redesigned BIS system will be rolled out in phases over the coming year. Internet UI claims will be featured in the first major release and ISM enhancements in the second.

IDES Special Programs: In addition to regular labor exchange functions, IDES also invests in special programs that support Illinois' overall workforce strategy of serving those most in need, including youth and the formerly incarcerated.

To provide more youth with job finding and career development skills, IDES restructured its Hire-the-Future (HTF) program to better integrate with local workforce development systems, educational partners and its own career and labor market information products. While the program will continue to work with school counselors, major corporations and other business to place students into part-time and summer jobs, it will now also serve as a resource to help local educational systems and their students to better utilize IDES career information products available at <http://www.ilworkinfo.com/icrn.htm>. (These are the Career Resources links described in Section IX. A of this document) These online systems not only support the long-term career and educational development of youth so that they can acquire high demand skills needed for the future, they can also help youth seeking employment to achieve their more immediate goal of finding a job.

The additional emphasis on integrating the use of the IDES Career Information System, Countdown, and Career Click into the HTF delivery structure will enhance the program's ability to:

- Encourage youth to aspire to future careers in higher level professional and growth-oriented occupations;
- Introduce students to new career opportunities;
- Foster understanding of the relevancy of school courses to the world of work; and,
- Encourage students to stay in school and apply themselves to their studies.

IDES serves the formerly incarcerated through its Re-Entry Services Program (RESP). This program serves individuals on parole or being released from penal institutions. Operating in partnership with the Illinois Department of Corrections, RESP provides:

- Ongoing staff training on best practices in the employment of the formerly incarcerated;
- Identifying local office technical assistance needs and providing technical assistance;
- Developing policy initiatives and conducting research, which supports the employment and retention of the formerly incarcerated; and,
- Establishing performance goals and monitoring success in achieving these goals.

RESP, when launched, was a statewide project serving the increasing number of formerly incarcerated job seekers. While the program has been successful at placing hundreds of formerly incarcerated individuals into jobs, a review of the program and its counterpart that serves veterans, the Incarcerated Veterans Transition Program (IVTP) indicates that program delivery could be made more effective through the implementation of two strategies:

1. Concentrating RESP resources in those areas of the state that have the greatest number of individuals returning after incarceration, and
2. Wherever possible, working with incarcerated individuals on job finding skills before their release.

For the first strategy, IDES will look to refocus its efforts on the ten areas of the state that have largest reentering offender populations. These population centers account for over 80% of the state's entire reentering adult parole population and include:

- Cook County
- Chicago Metro Area Collar Counties
- St. Clair and Madison Counties
- Winnebago County
- Champaign and Vermillion Counties
- Macon County
- Peoria County
- Sangamon County
- Rock Island County
- Jefferson and nearby counties

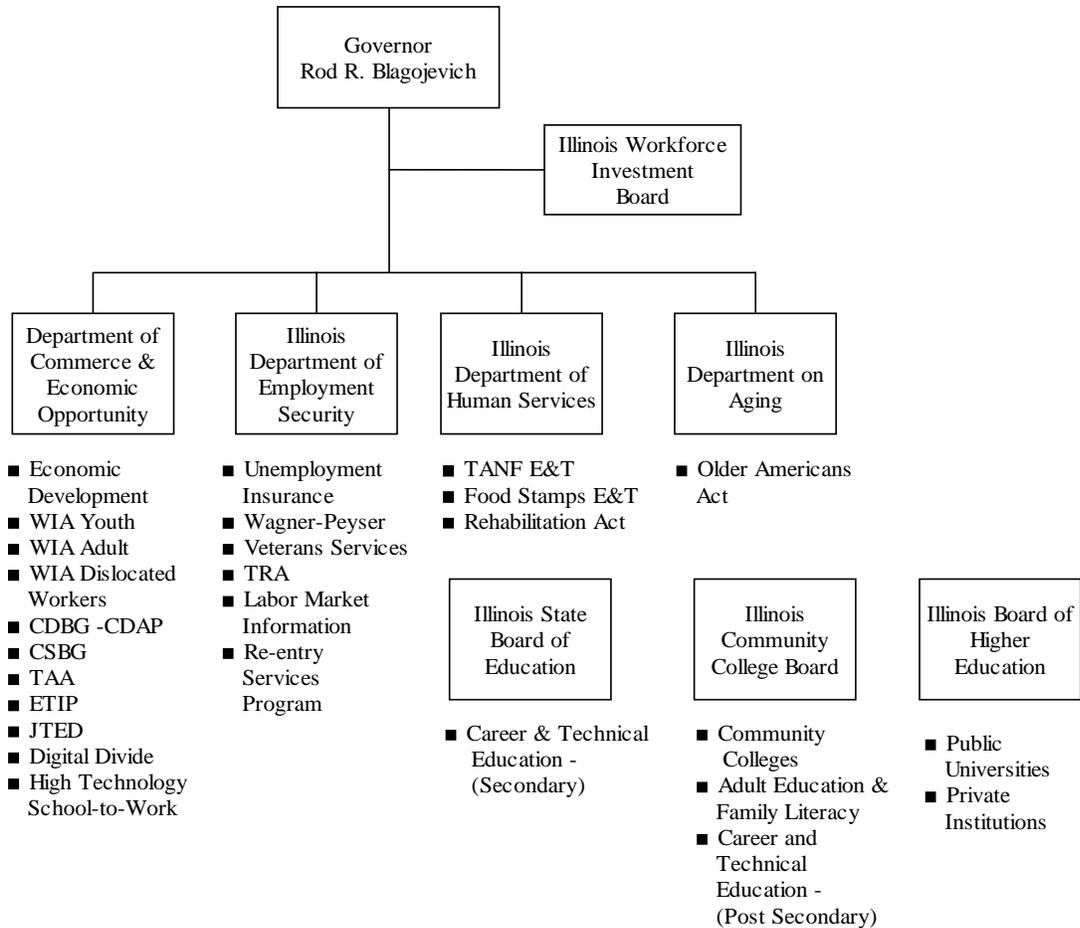
To realize the second strategy, IDES will work closely with the Illinois Department of Corrections, the Safer Foundation, local WIA partners and its own IVTP program to provide job finding workshops for inmates nearing the end of their incarceration. Workshops will be conducted in Illinois correctional facilities and will emphasize providing inmates with techniques and resources to help them address the unique employment barriers and other obstacles they face in acquiring employment. This approach emulates IDES’s IVTP program which, according to data provided by the Illinois Department of Corrections, has reduced the recidivism rate for participating incarcerated veterans from 67% to 3.7%.

Complimenting RESP is IDES’ Fidelity Bonding Program, which assists employers in securing bonding for formerly incarcerated individuals. Similarly, the Worker Opportunity Tax Credit (WOTC), also administered by IDES, helps support the RESP program by providing tax credits to employers for hiring the formerly incarcerated. WOTC also provides employer tax credits for other hard to place groups, including TANF recipients.

III. STATE GOVERNANCE STRUCTURE (§§112(b)(8)(A).)

A. Organization of State Agencies in Relation to the Governor:

1. Provide an organizational chart that delineates the relationship to the Governor of the agencies involved in the public workforce investment system, including education and economic development and the required and optional One-Stop partner programs managed by each agency.
2. In a narrative describe how the agencies involved in the public workforce investment system **interrelate** on workforce and economic development issues and the respective lines of authority.



As shown in the organizational chart above, the Governor has direct line authority over the state economic development agency and three other departments primarily responsible for administration of workforce programs identified in WIA as mandated or optional partners. The Governor does not have direct line authority over the Illinois Board of Higher Education (IBHE), Illinois Community College Board (ICCB) or the Illinois State Board of Education (ISBE). However, the Governor appoints the board members with the consent of the Illinois Senate.

The Governor has no authority, either direct or indirect, regarding the administration of some federally administered partner programs operating in Illinois. These include:

- Title I Subpart C - Job Corps;
- Section 166 - Native Americans Programs;
- Employment and training activities underwritten with funds awarded directly by HUD to municipalities; and,
- The portion of the Title V Older Americans Act, Senior Community Service Employment Program, directly awarded to national sponsors.

One mechanism to coordinate economic development and workforce development across departments is directly through the Governor's Office; specifically through the oversight, management, and coordination of the Governors' senior staff. A second mechanism is the Illinois

Workforce Investment Board (IWIB). The principle code departments involved in economic and workforce development, as well as the state's major education agencies are represented on the IWIB.

A third approach is consolidation of workforce programs into the state's economic development agency, the Department of Commerce and Economic Opportunity (DCEO). Governor Blagojevich's Executive Order 2003-11 transferred the federal WIA Title 1B programs (i.e., adult, dislocated workers and youth programs) and the Trade Adjustment Assistance program to DCEO. Executive Order 11 also transferred two state general revenue funded workforce programs to DCEO – the Prairie State 2000 Authority and the Current Worker Training Grant Program. The transferred programs supplement other state funded programs administered by DCEO including the Employer Training Investment Program (ETIP), High Technology School-to-Work (HT-STW) Program, the Job Training and Economic Development (JTED) grant program, and the Eliminate the Digital Divide Grant Program.

The program consolidation was undertaken to more closely link Illinois' system of workforce and economic development and build a skilled and globally competitive workforce. DCEO's mandate from the Governor is to closely align workforce programs to meet the needs of Illinois' employers for skilled workers, while ensuring that the populations served by various workforce programs (including hard-to-serve and at-risk populations) gain access to jobs that lead to sustained employment and decent earnings. The challenge is linking together economic development and workforce programs in such a way as to achieve both of these important goals.

At the regional level, the mechanism for coordinating economic and workforce development is the Governor's Opportunity Returns program. A central feature of this strategy is the recognition that Illinois' economy is actually a collection of regional economies, each with distinct identities, opportunities, and challenges. Given this insight, the Governor designated ten geographic areas of the state as Economic Development Regions (EDRs). The regions were designated based on economic and labor market factors that made them logical areas for economic development and workforce planning purposes. The regions were designated, in part, based on detailed economic and labor market analyses provided by the Illinois Department of Employment Security (IDES).

Goals of the Opportunity Returns program include making each region more accessible, more marketable, more entrepreneurial, and more attractive to business. Each of the ten regions either has or is in the process of developing an action plan tailored to its unique strengths and needs. These plans may be viewed on the DCEO Opportunity Returns home page at: <http://www.opportunityreturns.com/main.html>. Development and updating of these regional plans requires a close partnership with business, labor, and public sector leaders in each region. As called for in the regional plans, Opportunity Returns makes targeted investments in each region drawing on a wide range of state and federal economic and workforce development programs. Opportunity Returns calls on several state agencies to pool existing resources using partnerships to fund specific projects and expertise to produce results. Opportunity Returns efficiently targets those resources to meet the priorities identified by the local communities as being most crucial to generating renewed economic growth.

To support plan implementation DCEO employees are based in each region implementing the regional Opportunity Returns plans. These regional teams enable the state to closely track economic conditions and trends, rapidly respond to opportunities and challenges, and customize regional development initiatives with greater precision.

III. STATE GOVERNANCE STRUCTURE (§§112(b)(8)(A).)

B. State Workforce Investment Board (§§112(b)(1).)

1. Describe the organization and structure of the State Board. (§111.)
2. Identify the organizations or entities represented on the State Board. If you are using an alternative entity which does not contain all the members required under section 111(b)(1), describe how each of the entities required under this section will be involved in planning and implementing the State's workforce investment system as envisioned in WIA. How is the alternative entity achieving the State's WIA goals? (§111(a-c) 111(e), and 112(b)(1).)
3. Describe the process your State used to identify your State board members. How did you select board members, including business representatives, who have optimum policy making authority and who represent diverse regions of the State as required under WIA? (20 CFR 661.200.)

The Illinois Workforce Investment Board (IWIB), functions as the state advisory board for workforce development policy. IWIB is co-chaired by Jack Lavin, Director of the Department of Commerce and Economic Opportunity and Ronald Whitley, Director of Human Resources for Cushman & Wakefield. The IWIB includes leaders from state businesses, industry, labor, education and community-based organizations. The IWIB ensures that Illinois' workforce development services and programs are coordinated and integrated, and have facilitated further cooperation between government and the private sector.

The IWIB currently has three operational task forces: Healthcare; Transportation, Distribution & Logistics; and Manufacturing. At its December 2006 meeting, the IWIB unanimously passed motions to develop two new task forces to continue to study the employment and training needs of Illinois citizens. The two new Task Forces are the Medicaid Infrastructure Taskforce designed to improve the employment rate for persons with disabilities and the Career Development Taskforce which is designed to expand career development opportunities for K-12 students in Illinois. In addition, several task forces have completed their mission but continue to report results to the IWIB. These task forces include the Benchmarking Task Force, the One-Stop Redesign Task Force, the Private Sector Leadership Task Force and the Planning Task Force to oversee the development of this state plan.

The following organizations and entities are represented on the Illinois Workforce Investment Board.

Private Sector:

- Campos Construction *
- Caterpillar, Inc
- Chicago Metropolis 2020
- Clark Engineers, Inc
- Cushman & Wakefield
- Excel Foundry and Machine
- Illinois State Chamber of Commerce
- Provena United Samaritan Medical Center
- Rico Enterprises, Inc.
- South Central Transit
- T. Castro / Distribution
- TEC Services Consulting, Inc
- United Parcel Service (UPS)

Labor:

- AFSCME Council 31
- Illinois AFL-CIO

Public Non-Profit:

- Chicago Women in Trades
- Illinois Migrant Council
- Safer Foundation / Workforce
- Women Employed
- California Indian Manpower Consortium, Inc
- AFL-CIO Manpower Assistance Program

Education:

- Illinois Board of Higher Education
- Illinois State Board of Education
- Illinois Community College Board
- Lake County Area Vocational System
- Lincoln Land Community College
-

Office of the Governor & General Assembly:

- Office of the Governor
- Illinois State Senate
- Illinois House of Representatives

Local Workforce Investment Areas:

- City of Peoria
- Workforce Investment Office of Western Illinois

Illinois State Workforce-Related Agencies:

- Department of Labor
- Department on Aging
- Department of Human Services (IDHS)
- IDHS / Division of Rehabilitation Services
- Department of Employment Security
- Commerce and Economic Opportunity

* Indicates the appointment is in process through the Office of Boards and Commissions, or is awaiting confirmation in the State Senate.

The Governor appointed his senior advisors to represent him on the IWIB. The President of the Senate and the Speaker of the House appointed representatives from the Illinois Senate and House of Representatives respectively, as required by Section 111(b)(1)(B). Private sector members were nominated through state business organizations and business trade associations per Section 111(b)(1)(C)(i). State labor federations, pursuant to Section 111(b)(1)(C) (iii), nominated labor representatives. State agency officials with lead responsibility for the programs and activities described in Section 121(b) were also appointed. Additional appointments were made to represent local chief elected officials and organizations with expertise in the youth services and the delivery of workforce investment activities, including education agencies and community-based organization.

All nominations, including resumes and biographical information are sent to Illinois' Office of Boards and Commissions (B&C). B&C sends the candidate a form for signature, authorizing a criminal background check (a.k.a. the vetting process). A B&C attorney reviews the background and biographical information to confirm that the candidate meets the requirements of WIA

Section 111. B&C then forwards recommendations to the Governor for approval. The Oath of Office is sent to the appointee and is subsequently filed with the Illinois Secretary of State's Office. The final step is a Conference Hearing in the State Senate to approve the appointment.

III. STATE GOVERNANCE STRUCTURE (§§112(b)(8)(A).)

B. State Workforce Investment Board (§§112(b)(1).)

4. Describe how the board's membership enables you to achieve your vision described above? (§111(a-c) and 112(b)(1).)
5. Describe how the Board carries out its functions as required in §111 (d) and 20 CFR 661.205. Include functions the Board has assumed that are in addition to those required. Identify any functions required in §111 (d) the Board does not perform and explain why.

An overarching strategy of the Governor's vision for creating a demand driven workforce development system is the Critical Skill Shortages Initiative (CSSI). As previously stated, Governor Rod Blagojevich charged the Illinois Workforce Investment Board (IWIB) with the task of overseeing implementation of CSSI. The membership of the IWIB is well suited to undertake this charge. The private sector membership of the State Board is diverse in terms of the industries and the geographic areas of the state represented. These individuals bring expertise to the IWIB that assists the Governor to evaluate and validate the findings, recommendations, and CSSI plans emerging from the Economic Development Regions (EDRs) in terms of the potential affect on Illinois business. Organized labor representatives provide a valuable check on these workforce development activities, as those activities may affect the working conditions and lives of workers across the state.

The state education, economic development, and workforce departments represented on the IWIB bring their expertise in the administration of state and federal workforce and economic development programs. In addition, their presence on the IWIB provides access to resources each agency administers and creates the opportunity to leverage funds and coordinate efforts.

The expertise of state agency representatives is greatly augmented by the public non-profit members (i.e., community-based organizations), who bring special expertise to the IWIB relating to the needs of at-risk populations. This is especially important when designing or evaluating continuous improvement and research and development (R&D) activities aimed at developing improved program models to serve populations with multiple barriers to employment. Such efforts include the state's Foster Care Demonstration Project, e-Learning Projects, and initiatives targeted to persons with disabilities. In addition, representatives of local chief elected officials and WIA administrative agencies allow the IWIB to hear, first hand how proposed policies and initiatives under consideration by the State Board may affect local program operations.

Finally representation by the Governor, through his senior advisors, and representatives from the Illinois General Assembly, provide a direct communication link to the apparatus of state government when executive or legislative action is required.

In addition to the functions required by WIA, Section 111d, state law (i.e., Public Act 89-0382) defines the following duties for the IWIB.

- Adopt a comprehensive set of workforce preparation and development goals and implementation strategies for the development of a coordinated human resource system in the state;
- Advise the Governor on the development, implementation, and coordination of state and local standards and measures relating to applicable federal human resource programs;
- Identify human investment needs and priorities for workforce preparation in the state and recommend to the Governor the goals for meeting these needs;
- Continuously monitor and evaluate new federal and state legislative proposals and make recommendations regarding their implementation;
- Advocate for the establishment of standard terms to promote understanding, planning, coordination, and evaluation of workforce preparation programs and services at the state and federal levels; and,
- Recommend to relevant agencies and the Governor, with respect to applicable federal human resource programs and others, the provision of services and the use of funds and resources for workforce preparation services.

To begin to address these mandates, Governor Rod Blagojevich's administration commissioned a "baseline evaluation study" to make an initial assessment of functioning of the WIA program. One goal of this study was to help set the agenda of the IWIB under the new Governor. The study began in July 2003, with a focus on Title I-B programs and the state's One-Stop centers. The study included an analysis of participant tracking data, detailed analyses of program expenditures for a sample of local workforce investment areas (LWIAs), and stakeholder interviews. The findings focused on the adult and dislocated worker programs, One-Stop centers, and local workforce investment boards (LWIBs). Some of the key findings are summarized below.

- **Training Investments:** Although the total number of customers registered in Title I-B has returned to and even exceeded the levels seen under the predecessor program, the Job Training Partnership Act (JTPA), the rate at which WIA customers enter training is much lower, and has remained lower. Lower levels of entry into training were concentrated in seven of Illinois 26 LWIAs. The remaining areas showed rates of entry into training that met or exceeded the levels previously observed. At the time of the study, the perception among most stakeholders was that WIA is not training enough people.
- **Local Workforce Investment Boards:** LWIBs are generally viewed by stakeholders as not having independence from the local chief elected official (CEOs) or from the Title I-B operator. In addition, many respondents cited problems attracting, retaining, and effectively using business sector members of the local Boards. Many respondents want greater support for the local Boards by the state, including a clearer mission, and continued dedicated WIA 15 percent funding for local Board staff, which was seen to be likely to foster LWIB independence and effectiveness.

- **One-Stop Centers:** Looking back on the implementation of the One-Stop centers, most stakeholders felt that the state was never fully committed to true service integration, but was focused only on program collocation. In fact, many stakeholders felt that the state’s emphasis on facility collocation was misplaced, and that instead the focus should be on access to services and service quality. Above all, most respondents said, the state needs to have a unified vision of the workforce development system across all partner agencies. These perceptions were later supplemented by a detailed study of two Chicago One-Stop centers. The study was commissioned by the Chicago Workforce Board (CWB) and underwritten with WIA 15 percent funds. The findings pointed to the potential of virtual One-Stop services, delivered via the Illinois workNet portal, as a valuable supplement and alternative to a strict reliance on collocation.
- **Performance and Program Accountability:** Illinois has been successful so far in meeting its federal performance goals under WIA Title I-B. However, as the economic conditions in the state have deteriorated, meeting these goals has become increasingly challenging for many LWIAs. Beyond the federal performance measures, the baseline evaluation revealed some weaknesses in the quality of information that is available regarding key elements of the Title I-B program. First, the state does not know how many persons are receiving universal services, the intensity of these services, or the outcomes. Anecdotal evidence suggests that the numbers of non-registered customers may be several times the numbers of registered customers. Second, current required financial reporting to the state reveals little about how the WIA Title I-B funds are being spent locally. For example, the state cannot determine how much money is being spent on One-Stop centers, support of the LWIBs, core (universal) services, training, or staff salaries and related expenses.

The baseline evaluation helped to establish initial priorities for the IWIB, beyond overseeing implementation of CSSI. In response to CSSI and the baseline study, several continuous improvement initiatives are being undertaken by IWIB task forces including projects to: redesign Illinois’ One-Stop centers, meet the workforce needs of the healthcare industry, and strengthen private sector involvement in the overall operation of the state’s workforce system.

Illinois workNet:

Through the One-Stop Redesign initiative, which is part of the state’s new strategic vision, Illinois has become more flexible and creative in how it defines and implements its career center network. To that end, the state’s workforce system will be made up of physical locations, including One-Stop centers and satellite sites, a broad range of community partners and the Illinois workNet portal.

Illinois is in the process of rebranding and will aggressively market the Illinois workforce system as “Illinois workNet™”. This effort is aimed at eliminating disparity in the perceived level of services, fostered by a system that is identified area-by-area and building-to-building by various organizational/agency names and logos. As a result, individuals and businesses often do not perceive connection or continuity among workforce services. The implementation of Illinois workNet as a strategy for connecting physical locations and virtual services under one cohesive, statewide brand will resolve this issue.

The Illinois workNet portal (<http://www.illinoisworkNet.com>) is an effective and cost-efficient means of providing self-access, leveraging current technology investments in state education and workforce development agencies, and permitting more individuals and businesses to benefit from services than can be reached when access is only provided through physical locations.

Illinois workNet was launched in June 2005 and its pilot phase ended in June 2006 in three LWIAs: (LWIA 9 the City of Chicago, LWIA 15 the North Central Region, and LWIA 25 the Southern Region). Beginning July 2006, Illinois workNet entered a testing and expansion phase or “Phase II Rollout” in 13 LWIAs comprised of the following counties: Bond, Carroll, Cass, Christian, City of Chicago (portion of Cook County), Clark, Clay, Clinton, Coles, Crawford, Cumberland, DeWitt, Douglas, Du Page, Edgar, Effingham, Fayette, Franklin, Fulton, Jackson, Jasper, Jefferson, Jo Daviess, Lake, Lawrence, Logan, Macon, Madison, Marion, Marshall, Mason, McLean, Menard, Monroe, Moultrie, Ogle, Peoria, Perry, Randolph, Richland, Sangamon, St. Clair, Stark, Stephenson, Tazewell, Washington, Whiteside, Will, Williamson, and Woodford. The Phase II partner sites include One-Stop Centers, including their satellites and partners, community-based organizations, faith-based groups, libraries, education entities, and other non-traditional partners.

Illinois workNet delivers core services using a service-integrated approach (from an end-user perspective); improves access to intensive and training services; provides referral information to supportive services; reduces costs by supplementing physical centers through alternative means of access to core services and through an expanded network of agencies and partners, including community- and faith-based organizations, technology centers, schools, libraries, community colleges, and others; incorporates extensive reporting in order to refine service delivery, functionality, and content relevant to partners, businesses and residents; connects regional employment opportunities and agency services with job seekers in the same region; and supports economic development through workforce development by building partnerships, retaining businesses and helping them to expand, making jobs available, and helping more businesses to recruit staff, find training resources and access other types of assistance in order to remain competitive.

In short, recognizing that the needs of local communities and customers differ, this Internet-based strategy encourages access to a wide array of information sources and services instead of locking the state into a single model of service delivery.

Integrate Services: Illinois workNet expands the availability and delivery of workforce services via the Web using a service-integrated (i.e., integrated across mandatory and optional partners) approach. The state has increased access to career, job seeker, and business tools via implementation of Illinois workNet, which interfaces with external partners and uses standards for flexible interaction.

Reduce Costs: As the population served in Illinois grows the cost-to-serve each person must decline dramatically to be affordable. Illinois workNet enables the state to serve this growing population at a significantly reduced cost. By supplementing the existing physical locations and by connecting online to an expanded network of agencies and partners, Illinois workNet extends the reach and expands the services of physical centers at a fraction of the cost.

Improve Tracking: As a result of continuing development and of newly implemented federal requirements for resource room use tracking and reporting, Illinois workNet will interface with the Illinois Workforce Development System (IWDS) to support the exchange of customer information and support reporting in order to refine service delivery, functionality, and content relevant to partners, businesses and residents.

Tailor Services: Illinois workNet provides access skills assessments and education and training program information to support job seekers in their efforts to improve their employment potential. It also provides recruiting assistance, training resources and other types of assistance to businesses to help them remain competitive and expand their operations. Through the use of dynamic presentation of information, the system provides geographically relevant regional employment opportunities and agency services for all.

Illinois workNet supports and encourages personalization based upon end users' stored profiles: Content presented may be customized for visitors from different parts of the state. For example, an individual who lives in Peoria sees a different list of events and news than a Chicago resident sees. Illinois workNet presents information about local events, promotions, and news based on the ZIP code stored in the user's profile, and offers a personalized career and job search planner.

Illinois workNet presents information to end users in a variety of formats. Dynamic and static information may be presented as seamless Web services, text, files, links to other Web sites, audiovisual formats and graphics.

Currently, a resume builder and statewide search engine are being piloted and will be available to authenticated users as another benefit. Continued development planning includes increasing personalization to support, for example, viewing updated information on specific occupations or career areas; automating and e-mailing updates based upon authenticated end users usage patterns and preferences; providing Spanish language content; and adding help features. Illinois workNet development staff work closely with the Illinois Department of Human Services Division of Rehabilitation Services to ensure full compliance with Illinois Web Accessibility Standards

Illinois workNet interfaces or links to the following state provided systems:

- **intoCareers:** Illinois workNet uses a Web Service to provide options for exploring careers, including catalog browse navigation, an interest profiler, and a skills profiler. Wage and labor market trends specific to Illinois, as reported by IDES, are cross-referenced with labor market, industry, and career information provided by IDES through intoCareers.

IWDS: Illinois workNet interfaces IWDS to provide virtual resource room use and to support resource room tracking and reporting. In the future, the ability to exchange user information will become available.

- **Employer Database:** Illinois workNet uses a Web service to access employer listings as licensed through InfoUSA in a well cross-referenced manner. Occupational group and O*NET occupation job codes are used, which then tie to other career and occupational information and identify relevant employers in the region.
- **Illinois Community College Board:** Illinois workNet uses a Web Service to provide access to the ICCB program database. This includes a college location directory and course information for degree seeking and adult education residents. Illinois workNet uses cross-referencing between college curriculum and field of study with career occupation data to improve exploration of career and available education choices.

Certified Illinois workNet Advisor: In tandem with implementation of Illinois workNet the Certified Illinois workNet Advisor course has been developed and is currently being field tested. Course completers, who will receive a certificate of completion, will be designated as knowledgeable of and able to connect customers to career transition assistance, education and training opportunities, and work support services through the use of technology, and in particular, through Illinois workNet. These individuals may work in a number of settings, including physical One Stop locations and partner agencies, faith-based organizations, community-based organizations, libraries, and education entities, and using Illinois workNet:

- Have the ability to connect customers to job search planning techniques and strategies.
- Understand and be knowledgeable of how to interact with diverse populations.
- Understand, utilize, and connect customers to basic labor market and career information.
- Demonstrate the ability to use technology, including providing basic technology training and assistance.
- Understand, utilize, and connect customers to education and training opportunities in Illinois.
- Know how to connect individuals to state and local work support services.

One-Stop Redesign Evaluation: At the close of PY 2005, the One-Stop Design Evaluation was issued, in which the implementation of associated system and policy changes was examined. Since most elements in the overall vision are in progress, the evaluation focused on implementation as opposed to results. Among the findings were:

- There has been a substantial (302 percent) increase in the number of visits (site hits) to the Illinois workNet portal since the pilot period.
- The number of Illinois workNet visitors (persons visiting the site) has also increased substantially since the pilot period, as have the number of repeat visitors.
- The average amount of time that a visitor spends on Illinois workNet has increased from a low of 20.9 minutes following the pilot, to 43.5 minutes as of the end of PY 2005.
- One-fourth of all visitors to Illinois workNet during the last quarter of PY 2005 either established a user account, or had previously done so.

Over the coming year, DCEO will implement the following recommendations as outlined in the evaluation report:

- Establish a long-term target for the numbers of persons using Illinois workNet .
- Establish a goal to increase the percentage of users creating an account, and implement appropriate actions to encourage users to do so.
- Develop an explicit goal of moving all LWIAs to an “extensive” level of content development within the first year of Illinois workNet deployment.
- Continue to review Illinois workNet features and functions with a view to ensuring that all of the ingredients are present to allow Illinois workNet to become a viable alternative to the staff-based delivery of core services.
- Implement the Certified Illinois workNet™ Advisor courseware as soon as practicable, and collect feedback from course takers.
- Provide technical assistance and enforcement of resource room use tracking and reporting to ensure that accurate information is provided.
- Monitor changes to WIA service levels in light of reduced funding levels and greater emphasis on training.

IWIB Task Forces

The Illinois Workforce Investment Board endorses the sector-strategy approach to workforce development. By identifying economic sectors most key to the vitality of the state’s economic engine, the IWIB built the framework around which state agencies and local boards can structure services that will have maximum impact with the highest return on investment. Task forces were established to address the workforce needs of: health care, manufacturing, and transportation, distribution and logistics (TDL). In 2006, the IWIB created two new Task Forces: the Medicaid Infrastructure Taskforce designed to improve the employment rate for persons with disabilities and the Career Development Taskforce which is designed to expand career development opportunities for K-12 students in Illinois.

Healthcare Task Force: The IWIB established the Healthcare Task Force in April of 2004 to review and recommend actions to address the causes of healthcare worker shortages in Illinois. The task force included representatives of healthcare associations; state regulatory, education, and workforce development agencies; community colleges; employers; and, labor unions. A final report was submitted to the IWIB in December of 2005 and may be viewed on the DCEO Workforce Development web page.

Task force members reviewed CSSI findings and related industry studies with statewide implications and identified: healthcare occupations experiencing shortages; the types of root causes for the shortages; and ways to reduce the shortages. The task force first reviewed the list of healthcare occupations cited most frequently by regional CSSI consortia. The task force decided to give top priority to the nursing cluster (i.e., registered and licensed practical nurses) and second priority to the therapist cluster (i.e., physical, occupational, and respiratory therapists). The task force focused on clarifying the nature and size of shortages and how to address each of the types of root causes identified and proposed solutions.

Nursing Shortages: The task force reviewed a summary of the CSSI regional reports on the nature and size of the shortages in the two occupations - registered nurses and licensed practical nurses. For the purpose of this report, short-term shortages are considered to be shortages

currently being experienced, and long-term shortages are projected out ten years. The Healthcare Task Force concluded that:

- Illinois faces severe short-term and long-term shortages of registered nurses (RNs). The state is facing a short-term shortage of approximately 8,200 registered nurses. Shortages are significant in all regions but are more severe in some regions, especially rural areas. Long-term estimates were difficult to determine due to limited information about rates of nurse retirements and the expanded demand for healthcare services because of an aging population. However, within these limitations, the state estimates the long-term shortage at 7,033 per year.
- Illinois also faces a significant short-term shortage of licensed practical nurses (LPNs). Illinois faces a short-term shortage of approximately 1,300 LPNs. As with RNs, long-term estimates of the LPN shortage are more difficult to determine. At this time there is no long-term estimate.

Please note that the task force also considered shortages of Certified Nurse Assistants (CNAs) cited by some regions. However, the Healthcare Task Force did not have sufficient time to evaluate this area. The reader is referred to the full report available on the DCEO Web site, as cited above, for a discussion of CNA-related findings.

The task force recommended that regional public-private partnerships be created to address these shortages. The state should leverage public and private resources to increase the supply of healthcare workers, especially the supply of nurses. The task force recommended that the state provide seed funding to establish a statewide network of healthcare industry coordinators to promote such regional public-private partnerships, with the expectation that partnerships will assume increasing financial responsibility for sustaining these positions over time. Illinois should provide seed funding to serve as a catalyst and assist with the initial costs of coordinators and reduce funding over time.

This statewide network would have one state-level coordinator and regional coordinators in all regions where there are strong regional public-private partnerships in place and commitments for sustaining those partnerships. Prior to committing any financial resources, Illinois should receive a sustainability plan where the key stakeholders in the region (public and private sector) commit to continuing financial support into the future.

Although the actual outcomes would vary by region, at a minimum, coordinators would be responsible to: (a) expand the capacity of educational programs; (b) promote best practices; and (c) promoting alternative training options for adult workers to help them enter (or upgrade to) new shortage occupations. The coordinators began their work in 2006 and continue to meet regularly to fulfill their mission.

The task force recognized that existing state funding and leveraging of existing public and private resources would not be sufficient to fully address the magnitude of healthcare worker shortages. Additional public investment will be required. Given the current budget problems of the state, the task force recommended that Illinois explore a variety of options.

- **Increase State Appropriations:** Public community colleges are the primary providers of LPN and associate degree RN nursing programs in Illinois. These colleges receive funding from three major sources: local property taxes, student tuition and fees, and state appropriations, including credit hour reimbursements. While community college credit hour reimbursements are driven by program costs, community colleges report that the current level of reimbursement for nursing programs is not sufficient to operate the programs. Because of economic conditions, current appropriation levels do not fully fund the reimbursement rates. Further, the state reimbursement comes two years after the programs are offered, resulting in the community colleges being forced to absorb the front-end costs for high-demand programs, such as nursing, and often hindering the creation or expansion of such programs. In addition, there is no seed money provided to community colleges to allow them to pilot new programs and/or delivery methods or innovative new initiatives to address critical skill shortages.
- **Target Financial Aid:** Some states provide targeted student financial assistance for students to enter critical, high-demand careers such as nursing. This financial assistance is usually provided in the form of grants and low interest loans that are forgiven if students work in selected healthcare fields in the state, especially in underserved areas. The Illinois Student Assistance Commission operates similar programs for other career areas such as teaching through the Illinois Future Teacher Corps (IFTC) Program. These programs could serve as models for Illinois.
- **Target the Nursing Dedicated and Professional Fund:** Illinois established a state nursing fund, the Nursing Dedicated and Professional Fund. This fund is appropriated annually to the Department of Public Health and is financed through state nurses' licensing fees, in part, to provide funding to award nursing scholarships pursuant to the Nursing Education Scholarship Law. This fund could provide additional resources for student grants and loans to expand the supply of nurses, especially in underserved areas. This fund could also be used to expand the supply of qualified instructors for nursing programs by providing scholarships to nurses pursuing master's degree programs. Illinois should explore how to utilize this fund in the future to expand the supply of nurses in Illinois.

To explore these strategies, the task force recommended that the IWIB convene representatives from Illinois education agencies, community colleges as well as representatives from the private sector healthcare industry. These representatives would make recommendations to the IWIB about how to implement the strategies cited above, more effectively leverage other existing resources, and what level of additional state appropriations are needed to address the shortfalls.

- The task force also examined state regulatory policies. Compared to other states, Illinois faces significant disadvantages in the regulatory area related to the licensure of faculty and nurses not trained in Illinois. Illinois should review state legislation and regulatory policies (e.g., Illinois Nursing Act) to identify opportunities to expand the number of nurses in Illinois.

Illinois should explore potential policy changes with the full participation and involvement of the healthcare industry and professional associations, including nursing associations.

Most CSSI regional consortia identified inter-regional and interstate mobility as another primary cause of nursing shortages in their regions. However, these consortia were not able to provide reliable estimates of the percent of nurses trained in their regions who entered employment out of the region. The task force recommended that state education and workforce development agencies work with industry organizations and stakeholders to analyze the mobility of Illinois-trained nurses between regions and across state borders. Illinois agencies and industry associations should use these findings to work with CSSI regional consortia with high levels of nurse mobility to develop strategies to reduce the number of Illinois-trained nurses leaving their regions.

Shortage of Therapists: The task force further recommended that Illinois focus on improving the articulation and alignment of healthcare programs for therapists identified as shortage occupations through the CSSI process (e.g., physical, occupational, and respiratory therapy). Illinois should explore how to improve the articulation between therapist assistant and therapist programs to provide career pathways for therapist assistants to become four-year degree and master's level therapists.

The IWIB should work with state education agencies to convene the appropriate stakeholders (education and workforce agencies, regulatory agencies, and industry and worker representatives) in the therapist cluster and develop recommendations for better articulation of therapist programs to allow for defined career pathways that will address the demand for therapists throughout Illinois.

Career Awareness: CSSI consortia also identified the lack of career awareness and inadequate preparation of secondary students as major causes of long-term healthcare worker shortages. Most CSSI regional consortia identified this cause as a top priority and proposed regional solutions to improve career awareness and preparation to enter postsecondary healthcare education programs in shortage occupations.

The Illinois State Board of Education (ISBE) and DCEO, in cooperation with other state agencies and industry associations recently launched a project to promote the national Health Sciences Career Cluster model developed by the National Consortium on Health Science and Technology Education. This national model was successfully pilot-tested in Illinois starting in 1994. This national model also has proven very successful in other states. The model promotes career awareness and preparation in five major pathways: therapeutic services, diagnostic services, health informatics, support services, and biotechnology research and development.

As part of this pilot, the Illinois Office of Educational Services (IOES) at Southern Illinois University will work with state education and workforce development agencies, healthcare industry associations, employers, and postsecondary education partners to promote this model with one school district in the Northeast Region, one school district in the Central Region, and a regional educational district in the Southeast Region. IOES will work with the pilot schools to develop or enhance programs based on the national career clusters program emphasizing five

major components: (a) career awareness in healthcare occupations; (b) related academic curricula; (c) advanced health-related postsecondary credit courses; (d) private sector partnerships for work-based learning opportunities in healthcare; and, (e) professional development.

The task force recommended that because of the success of pilot projects operating in Illinois since 1994, Illinois' education and workforce development agencies and industry organizations should also establish a statewide advisory group and develop a plan to fully implement the Health Sciences Career Cluster model in schools throughout Illinois.

Illinois should provide funding to immediately expand current plans to promote the national model program at schools in additional regions where there are strong public-private partnerships in place to sustain the program. As part of this effort, Illinois should also increase the level of financial support provided to support dual enrollment programs with community colleges and high schools in critical skill occupations, especially in healthcare.

Manufacturing Task Force

The Illinois Workforce Investment Board (IWIB) established the Manufacturing Task Force on December 9, 2005 to develop recommendations for addressing the causes of worker shortages in manufacturing as documented in regional reports from the Critical Skill Shortages Initiative (CSSI). The task force was asked to focus on issues that required state level action. The Manufacturing Task Force presented its final report to the IWIB in December 2006. The task force reviewed the CSSI findings on shortages and identified the major occupational clusters to address. The task force also reviewed CSSI findings on the root causes of shortages and identified five major issues to address:

1. Image of Manufacturing—Improving the image of manufacturing focusing on the message that manufacturing is a critical industry in Illinois and that manufacturers must compete on innovation.

Recommendation: Conduct a public-private statewide campaign to improve the image of manufacturing to the general public and potential job seekers. This image campaign will provide a realistic and balanced perspective on manufacturing that recognizes that manufacturing is undergoing major transformations but that manufacturing will continue to provide good career opportunities in the future, especially during a period in which many skilled workers will be retiring. This campaign will emphasize that Illinois manufacturers are increasingly competing on innovation---business models, markets, products and processes. And, potential job seekers will need higher skills to help Illinois manufacturers compete and to be successful in manufacturing careers of the future. This statewide campaign will be coordinated with the larger Innovate Now! campaign that will be promoting innovation across all sectors including manufacturing.

2. K-12 Career Awareness and Guidance—improving the student and parent awareness of career opportunities in manufacturing and expanding career guidance and exploration in K-12 schools.

Recommendation: CSSI consortia in all regions of Illinois identified the need to expand career awareness and guidance opportunities for K-12 students. Students and their

parents should be given the opportunity to fully understand the career opportunities in manufacturing and how to develop career and education plans to pursue these careers. The proposed image and career awareness campaign is only the first step. Illinois must also provide structured opportunities for K-12 students to explore careers and develop career and education plans to pursue career in manufacturing as well as other career fields. Future efforts to expand career development opportunities in Illinois should be part of a larger effort to establish a comprehensive career development system in schools in which students can explore and plan for all careers.

This will be a major challenge in Illinois. Schools currently do not have the staff and resources necessary to provide these opportunities. Career guidance staff cannot be expected to provide these opportunities because of existing priorities and resources. In addition, teachers do not have the resources and support to provide these career development opportunities in classrooms. There is also no existing statewide effort by the manufacturing industry to partner with schools to provide these career development opportunities. Finally, there is limited time in the school curriculum for career development because of increased focus on academic preparation and increased graduation requirements. As a result, any effort at expanding career development must be designed so career development can be fully embedded into and linked to existing academic courses and career and technical education programs.

3. Improving Workplace Skills---improving the basic workplace skills of entry-level production workers.

Recommendation: Illinois needs to focus on talent development and lifelong learning elements that allow workers to enter the workforce, no matter what their age, with skills necessary for companies to compete in the global economy. By directing resources toward training, especially through specific bridge programs, Illinois businesses will benefit by having workers that are capable of meeting the demands of the 21st century workplace. Illinois successfully leveraged funding from the Joyce Foundation to develop bridge programs that will address this issue. Illinois dedicated \$500 thousand which generated \$1 million from the Joyce Foundation, which will be applied to both manufacturing and transportation sectors.

4. Improving Workforce Pipelines—improving the capacity and alignment of the workforce pipeline including P-20 alignment and integration of leading public-private training models and credentialing systems.

Recommendation: Illinois should further develop a regional workforce pipeline model that integrates and aligns bridge, foundation, and specialized training programs and provides linkages to K-12 career development and career and technical education. This effort should integrate leading national models including the Advanced Manufacturing Competency Model recently developed by the U.S. Department of Labor and the Manufacturing Career Cluster model developed by the U.S. Department of Education and the state directors of career and technical education. Illinois should use the pipeline model to identify and develop leading models for manufacturing bridge programs, foundation programs, and specialized training programs and promote related programs in secondary career and technical education.

Illinois will promote the comprehensive regional implementation of these program models within regional pipeline solutions that allow regions to customize and tailor these program models to meet regional needs. However, all regions will be encouraged to develop comprehensive regional pipelines that align all three types of programs—bridge programs, foundation programs, and specialized training programs—and secondary career and technical education within a seamless system.

5. Continuous Learning—Engaging incumbent workers to recognize the need for continuous learning and training.

Manufacturing remains a large and important sector in the Illinois economy, as measured by share of gross state product, and is projected to continue to provide strong employment opportunities throughout Illinois. These current and projected trends combined with rising skills requirements and the aging of the workforce will continue to create major shortages of skilled workers. The Critical Skill Shortages Initiative (CSSI) identified significant shortages in: (1) engineering technicians, (2) machinery maintenance, (3) manufacturing production (e.g., machinists, welders, assemblers, fabricators), and (4) supervisors and managers.

Because of the importance of manufacturing to the state economy, the task force recommended Illinois take immediate actions to address these worker shortages. The Critical Skill Shortages Initiative (CSSI) and related state and regional efforts are an important first step in addressing these shortages. However, Illinois must now build on these state and regional initiatives. Illinois must take immediate actions to: (1) improve the image of manufacturing to attract youth and adults to pursue manufacturing careers, (2) build stronger regional workforce pipelines across the state, and (3) expand K-12 career development opportunities to prepare the future Illinois workforce.

Transportation, Distribution & Logistics Task Force

The Illinois Workforce Investment Board (IWIB) established the Transportation and Logistics Task Force on December 9, 2005 to develop recommendations for addressing the causes of worker shortages in transportation and logistics as documented in regional reports from the Critical Skill Shortages Initiative (CSSI). The task force was asked to focus on issues that required state level action. The IWIB requested that the task force present findings and recommendations at the September 2006 IWIB meeting.

The Illinois Workforce Investment Board (IWIB) established this task force because of the critical importance of the transportation and logistics industry to the future economic development of the state and its regions. Illinois is at a critical crossroads in promoting the future growth of the transportation and logistics industry. Illinois currently has the advantages of location and a well-developed physical infrastructure. However, to retain these advantages, Illinois must take immediate actions to upgrade and expand the capacity of its infrastructure. Illinois must also address some critical workforce challenges that threaten the future growth of the industry. The task force focused on addressing those critical workforce challenges and making recommendations on what Illinois must do to support the continued growth of the transportation and logistics industry in Illinois.

The TDL Task Force presented its final report to the IWIB in December 2006. The task force identified several issues that should be addressed in order to help bring focus to the needs of this sector.

The task force reviewed CSSI findings on shortages and identified the major occupational clusters to address. The task force also reviewed CSSI findings on the root causes of shortages and identified five major issues to address:

1. Industry Visibility and Image: Increasing awareness and understanding of the importance of the industry to the Illinois economy.
Recommendation: Illinois should launch a statewide and regional awareness campaign to increase awareness and understanding of transportation and logistics at the state and local levels.
2. Career Awareness: Increasing awareness among adults and youth of the wide variety of career opportunities and how to prepare for these careers.
Recommendation: Illinois should develop and pilot-test a comprehensive set of career development materials based on problem-based learning scenarios that allow students to explore careers in the transportation and logistics industry. These materials should be designed for use in a career exploration or orientation course or as instructional models within existing mathematics, science, and career and technical education courses. These materials should be based on the national career clusters framework and be supported by career awareness materials developed for the statewide and regional career awareness campaign.
3. Retention of Truck Drivers: Improving the retention of truck drivers.
Recommendation: Illinois should develop more precise estimates of statewide and regional shortages of truck drivers and the contributions of turnover and other types of leakages to shortages by improving the capacity to identify and track students completing training programs and receiving their licenses in Illinois. Illinois should use this data capacity to produce a report on the size and distribution of trucker turnover in Illinois and its relative contribution to current shortages.

Illinois should also conduct a study to identify the major causes and potential solutions to the problem. This study should analyze the root causes of truck driver turnover with a special focus on employer and education and training practices. This analysis should also identify leading employer and education practices that have been successful in reducing truck driver turnover. This analysis should include leading employer practices in providing career pathways for adults and youth to explore truck driving careers while working in the transportation and logistics industry.

Illinois should then promote the use of leading employer and training provider practices through industry and education forums and the funding of demonstration and pilot projects.

4. Workplace Skills Preparation: Improving the basic workplace skills of adults and youth including basic academic skills, soft skills, and employability skills. Illinois needs to focus on talent development and lifelong learning elements that allow workers to enter the workforce, no matter what their age, with skills necessary for companies to compete in the global economy. By directing resources toward training, especially through specific bridge programs, Illinois businesses will benefit by having workers that are capable of meeting the demands of the 21st century workplace. Illinois successfully leveraged funding from the Joyce Foundation to develop bridge programs that will address this issue. Illinois dedicated \$500 thousand which generated \$1 million from the Joyce Foundation, which will be applied to both manufacturing and transportation sectors.

5. Capacity and Alignment of Education and Training Programs: Improving the capacity and alignment of training programs at all levels—K-12, community colleges, and universities—to address the current and future needs of the industry.
Recommendation: Illinois should conduct a systematic baseline inventory of secondary and postsecondary education programs at the statewide and regional levels and evaluate the alignment of these programs to ensure seamless transitions between programs and into the workforce. This inventory should include all types of publicly funded and regulated programs including programs offered by universities, community colleges, community-based organizations, proprietary schools, and high schools. It also should include private training programs wherever possible including union apprenticeship and training programs. This inventory should address whether programs are providing access to career opportunities for Illinois workers including women and minorities. Finally, this inventory should address whether programs are preparing workers to gain credentials that matter to employers including industry-recognized certifications.

This baseline inventory should specifically address whether Illinois is establishing programs, such as transportation and logistics bridge programs, to provide job seekers with the basic workplace skills needed to get and retain entry-level jobs in the industry. In general, bridge programs are programs designed to prepare individuals, particularly individuals with literacy levels below the ninth grade, to enter education and training and employment leading to career advancement. This effort should identify the core set of workplace skills needed for entry-level positions in transportation and logistics that should be incorporated into bridge programs. Illinois should then use this analysis to identify leading models for bridge programs in Illinois and how they are linked to and aligned with other programs to provide access to career pathways within the industry

Local Workforce Investment Board (LWIB) Leadership Association:

The LWIB Leadership Association was established through a series of recommendations made to the Governor from the Private Sector Leadership Task Force of the IWIB to reinforce the State's vision for creating a demand driven workforce while meeting the needs of the private sector. The LWIB Leadership Association is comprised of private sector individuals from each local workforce investment board. The Department provides staff support and meeting location and expenses. In addition, one designated member of the LWIB Leadership Association is a voting member of the State IWIB.

Activities the LWIB Leadership Association are developing include:

- **Recruitment:** The LWIB Leadership Association, with staff assistance from the State is developing and will issue a recruitment primer and distribute it to LWIBs and recommend (not mandate) its use as a guide for recruiting board members from the private sector. It is expected that the primer would be modified somewhat to incorporate local content. The purpose of the primer is to define what is expected of a board member, so members will be clear about expectations when they make a commitment. The primer should clarify the role of private sector representatives on the local Board and address issues such as: (a) ethics requirements and conflicts of interest; (b) expected time commitments (e.g., number and duration of meetings); (c) expected minimum term of service; (d) attendance requirements to remain in good standing; (e) expectations about accepting committee assignments; and (f) the local LWIB committee structure.
- **Orientation:** The LWIB Leadership Association, with staff assistance from the State, is developing and will issue an orientation primer to LWIBs and recommend (not mandate) its use for orienting board members. Some of the issues to be covered and characteristics of the orientation should include: (a) holding the orientation at a One-Stop center; (b) familiarizing members with the physical facility and available resources; (c) holding a discussion with One-Stop customers; (d) participation, if possible, by the LWIB Chairperson; (e) allowing enough time for thorough orientation (i.e., two to three hours); (f) introducing board members to the staff and letting staff outline their roles; (g) clearly explaining the role of the LWIB as it relates to the community, WIA, the IWIB, and the Economic Development Regions; (h) explaining the various “funding streams” and how the funds are allocated; (i) reviewing the applicability of the ethics requirements and potential conflicts of interest; (j) explaining the demographics of the region as they apply to workforce and economic development; (k) reviewing the LWIB committee structure and determining where the board member would like to serve; (l) explaining the relationship between the board and the CEO; and, (m) reviewing how the board is funded.

The future direction of the LWIB Leadership Association will be continued growth but with a regional aspect. The state continues to work with private sector business men and women to ensure their vision is an integral part of the State’s workforce development system.

III. STATE GOVERNANCE STRUCTURE (§§112(b)(8)(A).)

B. State Workforce Investment Board (§§112(b)(1).)

6. How will the State board ensure that the public (including people with disabilities) has access to board meetings and information regarding State board activities, including membership and meeting minutes? (20 CFR 661.205).
 7. Identify the circumstances, which constitute a conflict of interest for any State or local workforce investment board member or the entity that s/he represents, any matter that would provide a financial benefit to that member or his or her immediate family. (§§111(f), 112 (b)(13), and 117(g).)
 8. What resources does the State provide the board to carry out its functions, i.e., staff, funding, etc.?
-

Public Access: All meetings will be held in facilities that are accessible to persons with disabilities. To publicize events, a calendar of Illinois Workforce Investment Board (IWIB) meetings will be posted on the Department of Commerce and Economic Opportunity (DCEO) Internet Web page. A formal public notice is also posted at the departments' Springfield and Chicago office prior to each meeting. The notice includes the meeting time, location and date. In addition, an electronic copy of the calendar will be disseminated through e-mail to stakeholders.

Conflict of Interest: No member of the Illinois Workforce Investment Board (IWIB) or a local Board may cast a vote on any matter which has a direct bearing on the services to be provided by that member (or any organization which such member directly represents) or any matter which would directly financially benefit the member or the organization which the member represents. The member(s) shall identify any conflict of interest related to such matters prior to discussion and consideration of the matter by the state or local Board or its committees.

Resources Staff of the Division of Technical Assistance is assigned to support the IWIB. In addition, the IWIB draws upon state partner agencies to donate staff support. Consultants have also been brought in to support many projects of the IWIB, such as the One-Stop Redesign and CSSI initiatives - especially during the design phases of projects. Finally, by using a task force approach for selected projects, the IWIB is able to recruit expertise on a short-term basis from state and local agencies, as well as the private sector, to supplement the resources of the IWIB.

III. STATE GOVERNANCE STRUCTURE (§§112(b)(8)(A).)

C. Structure/Process for State Agencies and State Board to Collaborate and Communicate With Each Other and With the local Workforce Investment System (§§112(b)(8)(A).)

1. Describe the steps the State will take to improve operational collaboration of the workforce investment activities and other related activities and programs outlined in

section (§§112(b)(8)(A), at both the State and local level (e.g., joint activities, memoranda of understanding, planned mergers, coordinated policies, etc.). How will the State board and agencies eliminate any existing State-level barriers to coordination? (§§111(d)(2) and (§§112(b)(8)(A).)

2. Describe the lines of communication established by the Governor to ensure open and effective sharing of information among the State agencies responsible for implementing the vision for the workforce system and between the State agencies and the State workforce investment board.
3. Describe the lines of communication and mechanisms established by the Governor to ensure timely and effective sharing of information between the State agencies/State Board and local workforce investment areas and local Boards. Include types of regularly issues guidance and how Federal guidance is disseminated to local Boards and One-Stop Career Centers? (§§112(b)(1).)
4. Describe any cross-cutting organizations or bodies at the State level designed to guide and inform an integrated vision for serving youth in the State within the context of workforce investment, social services, juvenile justice, and education. Describe the membership of such bodies and the functions and responsibilities in establishing priorities and services for youth. How is the State promoting a collaborative cross-agency approach for both policy development and service delivery at the local level for youth? (§§112(b)(18)(A).)

Operational Collaboration: Governor Blagojevich’s Executive Order 2003-11 merged the WIA Title I-B programs (i.e., adult, dislocated workers and youth programs) and the Trade Adjustment Assistance program with the state’s economic development agency, the Department of Commerce and Economic Opportunity (DCEO). This merger will help ensure that WIA programs are demand driven and programs collaborate on an ongoing basis. The transferred programs supplement other state funded programs administered by DCEO including the Employer Training Investment Program (ETIP), High Technology School-to-Work (HT-STW) Program, the Job Training and Economic Development (JTED) grant program, and the Eliminate the Digital Divide grant program. The transfer of these programs to DCEO strengthens the linkage between workforce development and economic development, and facilitates close collaboration across state and federal workforce programs. These state-funded programs are described below.

- **Employer Training Investment Program (ETIP):** This program helps keep Illinois workers’ skills in pace with new technologies and business practices which, in turn, helps businesses increase productivity, reduce costs, improve quality and boost competitiveness. ETIP grants may reimburse new or expanding companies for up to 50 percent of the cost of training their employees. Employers may select the workers that participate in the training; however, trainees must be employed by the company prior to implementation of the training program. Instructors may be plant workers, public educators, private consultants, or others possessing the required expertise. Grants may be awarded to individual businesses, to original equipment manufacturers sponsoring multi-company training for employees of the

Illinois supplier companies, and to intermediary organizations operating multi-company training projects. ETIP grants typically are confined to training employees of manufacturing or manufacturing-related businesses.

- **High Technology School-to-Work Program:** This program is designed to help Illinois students' transition from school to high-skilled, high-paying jobs in technology related fields. The program combines traditional classroom instruction in mathematics, science, and information technology with hands-on learning in on-the-job settings. Programs allow students to explore careers in fields such as information technology, biotechnology, engineering, agriculture, electronics, medical technology, and manufacturing, to name a few. Projects are designed by partnerships between schools and employers, with employers playing an active role in designing the curricula and providing the work-related experience. Grants are available to consortia among employers from high technology industries and local educators.
- **Job Training for Economic Development (JTED) Grant Program:** This program assists low-wage, low-skill workers to advance in their careers, and helps unemployed, disadvantaged people learn skills necessary to secure employment. The JTED program provides grants to not-for-profit community-based organizations (CBOs), which work with small local businesses (employing fewer than 250 workers) to develop curricula, training eligible workers, and provide ongoing support. CBOs may establish a partnership with a local business to provide training to its low-wage workers, thereby expanding their skills and advancing their career opportunities. In addition, CBOs may work with local economic development organizations and employers to identify local industries experiencing problems recruiting skilled entry-level workers, training economically disadvantaged individuals (including welfare recipients) in the needed skills, and placing them in employment with these companies.
- **Eliminate the Digital Divide Program:** The goal of this program is to increase access to computers and telecommunications technology (e.g., the Internet) for residents in low-income areas, thereby helping ensure that they have an opportunity to benefit from technologies and compete for technology-related employment. The program subsidizes Community Technology Centers (CTCs) in communities where 40 percent or more of students are eligible for the federal school lunch program. CTCs offer computer access and educational services tailored to the needs of their client populations. Libraries, park districts, state and local educational agencies, institutions of higher education, and other public and private agencies and organizations are eligible to receive grants.
- **One-Stop Redesign:** The goal of this initiative is improved flexibility and creativity as the state of Illinois defines and implements its career center network. To that end, the state's workforce system will be made up of physical locations, including One-Stop centers and satellite sites, a broad range of community partners and Illinois workNet.

Illinois is in the process of rebranding and will aggressively market the Illinois workforce system as "Illinois workNet™". This effort is aimed at eliminating disparity in the perceived level of services, fostered by a system that is identified area-by-area and building-to-building

by various organizational/agency names and logos. As a result, individuals and businesses often do not perceive connection or continuity among workforce services. The implementation of Illinois workNet as a strategy for connecting physical locations and virtual services under one cohesive, statewide brand will resolve this issue.

Rebranding will create an ‘umbrella’ to connect a myriad of local and state organizations and agencies that provide workforce services so individuals and businesses will have an increased understanding of the invaluable resources and services available to them. The implementation plan includes conduct of research on perceptions and best marketing practices; development of an Integrated Marketing Plan, development of a logo that incorporates Illinois workNet with a graphical representation of the physical workforce system and its connection to Illinois workNet as well as versions of the logo to show the affiliation of local and state organizations and agencies that already have their own identity, development of marketing templates for a variety of media that may be customized locally, provision of graphics guidelines, and begin implementation during 2007.

Where feasible, DCEO staff looks for opportunities to access these state-funded programs and leverage investments in regional workforce solutions. The opportunities for this type of leveraging of state and federal funds, in addition to private sector funding, are becoming more pronounced as a result of the CSSI process and its’ sector-based approach to workforce development in response to industry needs.

Another strategy to improve operational collaboration across agencies is the ongoing planning activities of the IWIB and IWIB task forces created to undertake specific projects. With few exceptions, the IWIB includes representatives from the agencies operating programs outlined in Section 112(b)(8)(A). Typically, representation on task forces is further broadened through recruitment of additional members from state and local agencies, community and faith-based organizations, and the private sector. One such project is the One-Stop Redesign Initiative. This initiative includes efforts to: (1) improve reporting on the utilization non-registered core services delivered through local resource rooms, (2) develop policies and procedures to increase access to services through computer-assisted referrals and cross-training of partner staff (in addition to collocation of staff in One-Stop centers), (3) deliver core and intensive services via the Internet (i.e., Illinois workNet), and (4) train partner staff to effectively deliver core and intensive services using Illinois workNet. The Illinois workNet training will be provided through a five-hour online curriculum, which will lead to certification as a Certified Illinois workNet Advisor. Broad participation in project planning, such as the One-Stop Redesign Project, Initiative facilitates operational collaboration. Illinois workNet has been implemented in thirteen of Illinois’ twenty-six (26) local workforce investment areas as of this writing.

At the local level, a primary mechanism for achieving operational collaboration is the Memorandum of Understanding (MOUs) process required by Section 121(c). Mandatory and operational partners, in accordance with locally negotiated MOUs, collaborate to deliver services through the state’s One-Stop centers. The state issued guidance to local areas in support of MOU negotiations and additionally, provides technical assistance to support local negotiations when requested. Also, at the request of individual local areas, the state uses WIA 15 percent technical assistance funds to cross-train local partners’ staff and otherwise integrate services.

Communication: Several mechanisms have been established to foster open and effective sharing of information among state agencies and between state agencies and the IWIB. The IWIB is a primary mechanism for sharing information. The IWIB provides the Governor with a top-level policy board to review and recommend key policies, procedures, and guidelines established to facilitate the implementation of the WIA and related workforce programs. The Board is also a high-level access point for various local, regional, and statewide organizations and constituent groups to address their concerns. The IWIB is the forum to introduce and discuss matters of importance and common concern relative to the state's workforce development needs.

Creation of the Opportunity Returns program, with staff housed in each Economic Development Region (EDR), provides the Governor and the state's economic development agency a direct means to carry the Governor's message to local areas. This mechanism also works "both ways". Local actors in both the workforce and economic development fields can go to these staff at any time to express their concerns, request assistance, and point out opportunities. The CSSI program builds on this mechanism and improves communication and collaboration across local workforce investment areas (i.e., the EDRs).

The establishment and evolution of the LWIB Leadership Association creates yet another vehicle for communication. The Governor and state economic and workforce development agencies may discuss issues, policies, and new initiatives with representatives of all the local workforce investment boards (LWIBs) together on a regular basis.

Meeting with the Illinois Workforce Partnership (IWP) is another important means of communication between the state and the local system. The IWP represents both LWIBs and agencies responsible for the administration of WIA programs in the local areas. The state agency responsible for WIA administration meets with the IWP on a monthly basis. These meetings are used to assess local technical assistance needs, review and comment on proposed policies and procedures, and generally discuss any aspect of the program. DCEO provides staff support to the IWP.

DCEO also maintains a series of WIA policy letters and technical information and assistance letters (TAILs). TAILs are used to issue announcements and distribute federal TEGs, TENs, and other federal issuances. Policy letters are routinely posted to the DCEO Web page in Adobe format for ease of distribution. DCEO also maintains a series of WIA policy letters, notices and technical assistance and information letters (TAILs). This series is used to develop and inform the LWIAs and other interested parties of Federal TEGs, TENs, and other issuances, as well as state policy and guidance. During this plan period, DCEO will complete a review of all WIA policy letters and similar guidance that is currently in effect. Under the prior administration, policy was issued directly by the Governor's Office and also by the state administrative agency for WIA. That approach has demonstrated some weaknesses in terms of tracking and maintaining the currency of all policies. Therefore all previous state WIA policy issuances, regardless of source, will be reviewed, updated, and consolidated into a single policy letter series.

Other Activities to Foster Collaboration: Actions to ensure collaboration with key partners of the statewide investment system are described throughout this plan. Such actions are numerous

and varied in purpose. The discussions presented elsewhere will not be repeated here. However, a listing of additional major activities includes:

- Adding of TANF and Food Stamp workforce programs as required partners;
- Providing technical assistance and training to all partners;
- Improving labor market and career information systems;
- Improving various computer applications programs and support systems;
- Negotiating local Title I-B performance standards;
- Creating a common data collection system;
- Maintaining the IWDS system for WIA and TAA (i.e., the participant tracking system);
- Refining the Illinois Skills Match system (i.e., state labor exchange system); and
- Providing guidance for the negotiation of memoranda of understanding.

Youth Program Collaboration: The Bureau of Workforce Development (BWD) created the position of Youth Services Specialist to help coordinate services provided to WIA eligible youth by state and local agencies. The duties of this staff person include:

- Conducting relevant background research;
- Reviewing requirements in existing and proposed laws and regulations;
- Consulting with stakeholders;
- Seeking special grant funds;
- Proposing state legislative and budgetary initiatives;
- Developing special reports;
- Developing policies and procedures needed to improve and increase services; and,
- Serving as a liaison with stakeholders and state and federal agencies to promote increased service provision, collaboration, and service quality.

The Youth Services Specialist has the responsibility to promote an integrated vision for serving youth by actively consulting with, and engaging appropriate state and local agencies in pilot programs and projects that DCEO initiates on behalf of the youth population. An example of this was the Illinois e-Learning initiative. Making this pilot project feasible required consultation and collaboration with the Chicago Public Schools, Illinois Community College Board (ICCB), various local school districts, LWIA youth service providers, community-based organizations (CBOs), and local area businesses. Similarly, the Foster Care Demonstration Project required active participation and coordination from DCEO, the Department of Children and Family Services (DCFS), the Illinois Department of Human Services' (IDHS') Juvenile Justice Division, ICCB, and CBOs.

IV. ECONOMIC AND LABOR MARKET ANALYSIS

As a foundation for this strategic plan and to inform the strategic investments and strategies that flow from this plan, provide a detailed analysis of the State's economy, the labor pool, and the labor market context. Elements of the analysis should include the following:

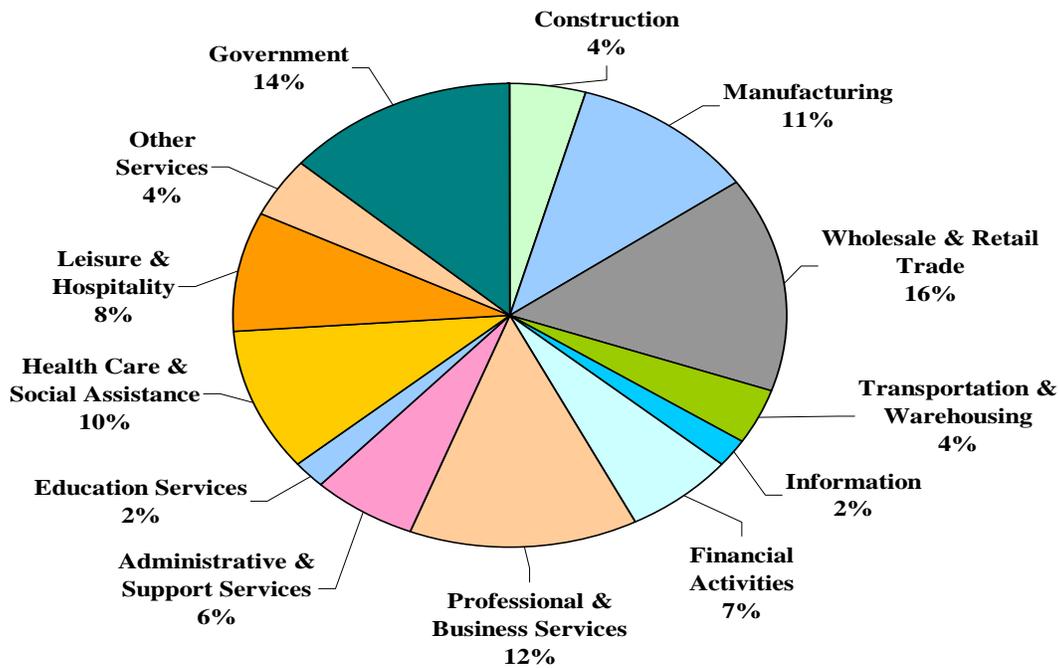
- A. What is the current makeup of the State's economic base by industry?

- B. What industries and occupations are projected to grow and/or decline in the short term and over the next decade?
- C. In what industries and occupations is there a demand for skilled workers and available jobs, both today and projected over the next decade? In what numbers?
- D. What jobs/occupations are most critical to the State's economy?
- E. What are the skill needs for the available, critical and projected jobs?
- F. What are the current and projected demographics of the available labor pool (including the incumbent workforce) both now and over the next decade?
- G. Is the State experiencing any "in migration" or "out migration" of workers that impact the labor pool?
- H. Based on an analysis of both the projected demand for skills and the available and projected labor pool, what skill gaps is the State experiencing today and what skill gaps are projected over the next decade?
- I. Based on an analysis of the economy and the labor market, what workforce development issues has the State identified?
- J. What workforce development issues have the State prioritized as being most critical to its economic health and growth?

Economy and Job Market - Recent Experience: The Illinois economy lost 235,000 jobs, or about 3.7% of its total employment, during the economic downturn in 2001. From 2002 through 2004, Illinois experienced modest employment recovery with an average job growth rate one percent lower than in the nation. The Wholesale and Retail Trade, Professional and Business Services, Manufacturing, and Healthcare and Social Assistance sectors each continue to make up over 10 percent of the total employment (see Chart 4: Industry Sector Employment in Illinois, 2005).

From 2001 to 2004, Manufacturing (-118,300 jobs), Trade/Transportation (-51,400 jobs), and Information (-26,500 jobs) led Illinois in job losses. In contrast, several industry sectors added employment in 2004, including bellwether sectors for 2005 and beyond. Among these sectors, the Professional and Business Services and Educational and Health Services sectors increased employment by 25,500 and 15,900 respectively during 2005, signaling continued business expansion for the upcoming years. In addition,

Chart 4: Industry Sector Employment in Illinois, 2005



The weakness in Manufacturing has been broad-based with commensurate declines in durable and nondurable goods. In the aftermath of the 9/11 terrorist attacks, the Transportation sector was undercut by heightened security concerns that dramatically impacted both air transportation and trucking, two key Illinois industries. The Trucking industry has demonstrated signs of strengthening during 2004 and 2005, but air transportation continues to struggle to regain its footing. The emergence of governance issues among publicly traded firms led to a sharp retreat in demand for consulting services and massive layoffs in the Professional services sector. Firms in accounting services, management consulting, and advertising were particularly affected.

Education/Healthcare and Leisure/Hospitality were among the only job producers during the 2001-2004 period (see Table 1: Payroll Employment, 2001-2005). Healthcare has been a mainstay of job growth for several years. Hiring activity in education was tempered by budget constraints. Employers in the Leisure/Hospitality sector increased payroll employment by only a marginal amount in 2002, but in 2003 resumed a healthier pace that has continued through 2004 and 2005. Leisure/Hospitality (+7,900) continued to boost employment in 2005, reflecting Illinois' position as a prime tourist/business travel destination. Education/Healthcare (+15,900 jobs) also reestablished its hiring pace compared to the earlier period.

Table 1: Payroll Employment, 2001-2005

<u>Industry Title</u>	<u>2001</u>	<u>2004</u>	<u>2005</u>	<u>2001-04</u>	<u>2004-05</u>
Total Non-farm:	5,995,200	5,815,900	5,865,000	-179,300	49,100
Construction	277,300	270,100	269,400	-7,200	-700
Manufacturing	815,400	697,100	689,100	-118,300	-8,000
Trade, Transportation, & Utilities	1,231,500	1,180,100	1,185,900	-51,400	5,800
Information	147,300	120,800	118,700	-26,500	-2,100
Financial Activities	403,600	399,400	403,000	-4,200	3,600
Professional & Business Services	820,400	798,700	824,200	-21,700	25,500
Educational & Health Services	697,200	729,900	745,800	32,700	15,900
Leisure and Hospitality	491,200	506,100	514,000	14,900	7,900
Other Services	251,100	259,700	258,900	8,600	-800
Government	850,400	844,600	846,000	-5,800	1,400

Professional/Business services experienced a turnaround in 2004 and expanded in 2005 by 25,500 workers. The bulk of this employment growth occurred in business services, such as temporary help agencies and janitorial services. Manufacturing (-8,000) continued to post job losses in 2005, but at a diminished rate compared to 2001-2004. Manufacturing experienced a rebound in new orders, but price pressures hindered hiring. Since the second half of 2004, employers in heavy machinery manufacturing have expanded payroll employment.

Employment Shifts Across Industries (1990-2005): Trade/Transportation and Manufacturing were the largest sectors of the Illinois economy in 1990, with 21.7% and 17.3% of all jobs, respectively (see Table 2: Distribution of Payroll Employment, 1990 and 2005; below). The third largest sector was Government, 14.5%. Other industries were all at or below ten percent. By 2005, the Illinois employment base had shifted with fewer manufacturing jobs and a larger representation of service jobs. More specifically, the manufacturing share declined to 11.7% with a total loss of approximately -225,600 jobs. In contrast, Professional/Business Services boosted its proportion from 10.9% to 14.1%, an increase of over 250,000 jobs. The Education/Healthcare sector also gained in its share of payroll employment from 10.2% to 12.7% adding 208,200 more workers. The allocation of workers among the other sectors has remained relatively constant during the past fifteen years.

Table 2: Distribution of Payroll Employment, 1990 and 2005

<u>Industry Title</u>	<u>1990</u>	<u>2005</u>	<u>Distribution</u>		<u>Gain/Loss</u> <u>1990-2005</u>
			<u>1990</u>	<u>2005</u>	
Total Non-farm:	5,288,400	5,865,000			576,600
Construction	223,900	269,400	4.2%	4.6%	45,500
Manufacturing	914,700	689,100	17.3%	11.7%	-225,600
Trade, Transportation, & Utilities	1,146,600	1,185,900	21.7%	20.2%	39,300
Information	131,300	118,700	2.5%	2.0%	-12,600
Financial Activities	374,300	403,000	7.1%	6.9%	28,700
Professional & Business Services	574,100	824,200	10.9%	14.1%	250,100
Educational & Health Services	537,600	745,800	10.2%	12.7%	208,200
Leisure and Hospitality	394,000	514,000	7.5%	8.8%	120,000
Other Services	207,500	258,900	3.9%	4.4%	51,400
Government	766,000	846,000	14.5%	14.4%	80,000

Earnings Change (1990-2005): The employment shift from goods producing to service producing industries in the period 1990-2005 gives rise to the question of whether job substitution has had an impact on the earnings of workers. During this period, the job loss was more severe in manufacturing than in any other sector. The average monthly earnings for manufacturing workers are \$4,179, over 12% greater than the average for all workers (see Table 3: Average Monthly Earnings, 2005; below). A disproportionate share of job growth occurred in Professional/Business Services and Education/Healthcare.

Table 3: Average Monthly Earnings, 2005

All Industries	\$3,707	Finance and Insurance	\$6,233
Construction	\$4,461	Professional Services	\$6,091
Manufacturing	\$4,179	Business Services	\$2,512
Wholesale Trade	\$4,944	Educational Services	\$3,221
Retail Trade	\$2,286	Healthcare	\$3,266
Transportation and Warehousing	\$3,480	Amusement and Recreation	\$2,118
Information	\$4,600	Accommodation and Food Services	\$1,373

The average monthly earnings in the high-end Professional Services industries are \$6,091, compared to a more moderate average of \$2,512 in the lower-end Business Services. As mentioned, governance issues provoked substantial downsizing in Professional Services in the last five years, and therefore the shift in employment has been more concentrated into the lower-paying Business Services. The hiring activity in Education/Healthcare during the last five years continued the job growth momentum, albeit at a slower rate, that characterized the decade of the 1990s. The average monthly earnings in both Education (\$3,221) and Healthcare (\$3,266) are below the average across all industries (\$3,707).

A simplistic interpretation of these data would suggest that job substitution during the last fifteen years has had a negative impact on the earnings of workers. However, an important caveat is in order. Temporary help agencies found among the lower-paying business services industries can be an important port of entry to the labor market for persons without job ready skills and to serve as a transition mechanism to better paying jobs as these workers gain additional marketable experience. Therefore, these agencies may attract individuals into the labor market sooner and provide a more stable longer-term attachment. Consequently, the appropriate measure of benefit extends beyond simple employment shifts among industries over time to the attachment of a disadvantaged worker to the labor market over time.

Key Industries and Critical High Demand Occupations: Industry employment projections through 2014 indicate that several of these critical industry sectors will continue to experience substantial employment into the next decade (see Table 4: Industry Employment Projections, 2004 – 2014). The Professional and Business Services and Healthcare and Social Assistance sectors are projected to add 180,000 and 110,000 new jobs, respectively. Three other sectors are also expected to grow more than one percent annually and add significant numbers of new jobs: Educational Services (+77,000); Leisure and Hospitality (+65,000); and Construction (+40,000).

Table 4: Industry Employment Projections, 2004 – 2014

<u>Industry Title</u>	<u>Base Year Employment 2004</u>	<u>Projected Year Employment 2014</u>	<u>Change 2004-2014</u>	<u>Annual Compound Growth Rate</u>
Total, All Industries	6,264,240	6,802,492	538,252	0.83
Natural Resources and Mining	9,044	7,867	-1,177	-1.38
Construction	267,335	306,986	39,651	1.39
Manufacturing, Total	696,446	642,947	-53,499	-0.80
Non-Durable Goods Manufacturing	285,102	270,184	-14,918	-0.54
Durable Goods Manufacturing	411,344	372,763	-38,581	-0.98
Wholesale Trade	297,620	308,458	10,838	0.36
Retail Trade	624,395	648,944	24,549	0.39
Transportation, Warehousing & Utilities	295,406	316,110	20,704	0.68
Information	120,556	125,428	4,872	0.40
Financial Activities	400,495	421,190	20,695	0.51
Professional and Business Services	802,041	982,169	180,128	2.05
Educational Services, Private & Public	516,556	593,350	76,794	1.40
Health Care & Social Assistance	639,894	749,812	109,918	1.60
Leisure and Hospitality	505,267	570,512	65,245	1.22
Other Services	289,875	319,038	29,163	0.96
Government	373,413	380,072	6,659	0.18

At a more detailed level, the 20 industries projected to add the most new jobs include several within these key sectors (see Chart 5: Leading Industries Ranked by Average Annual New Jobs). For example, 3 of the top 10 industries are within Healthcare and are expected to add a significant number of jobs each year: Nursing and Residential Care (+2,700); Doctors Offices (+1,875); and Hospitals (+1,200).

Demand Occupations: Most of these leading industry sectors and specific industries are among the high-demand economically critical business sectors that require skilled workers both today and in the future. The occupations that are most critical to these industries and the state’s overall economy generally require skilled training beyond high school. Table 5, Top 35 High Demand Occupations Ranked By Job Openings, presents some of the most critical occupational shortages with annual job openings, median wages, projected employment, education/training level, and skill requirements. Seven of these top occupations are in Healthcare with Registered Nurses ranked as the highest demand at almost 4,000 positions each year.

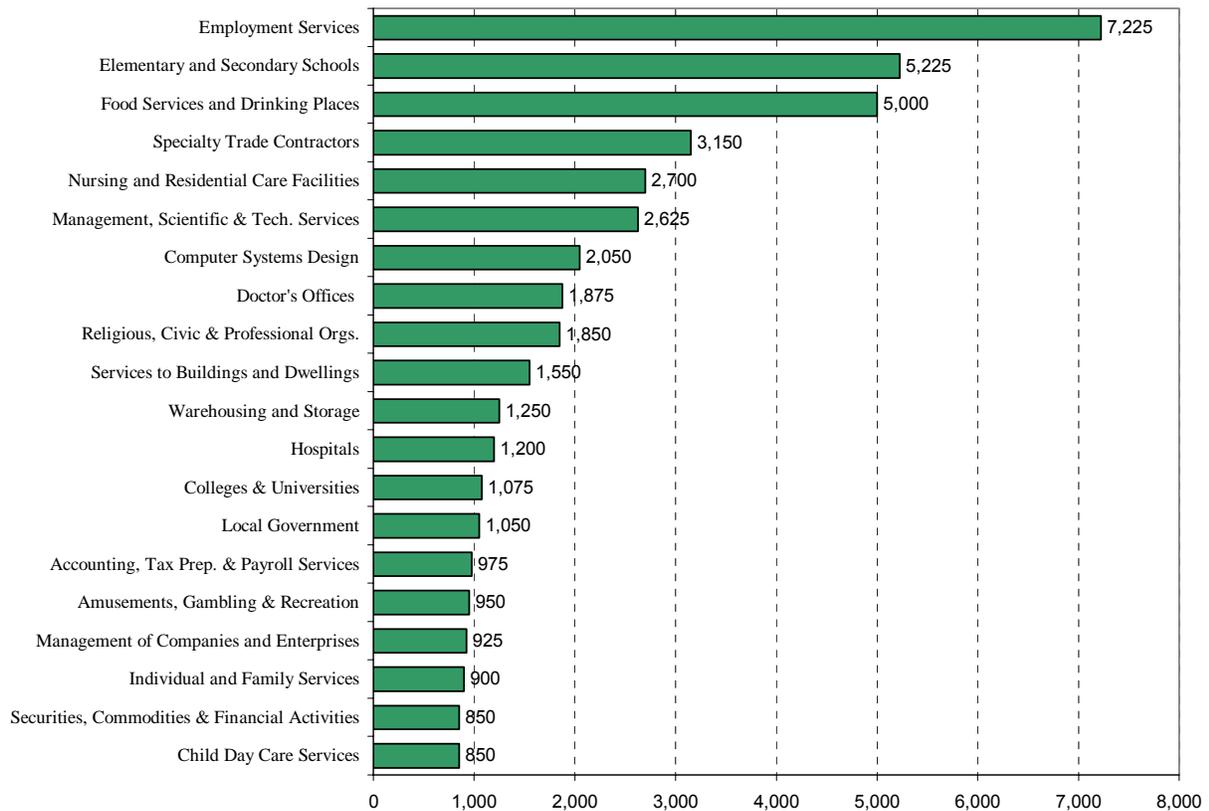
Demographics of the Workforce: The demographic breakout of the Illinois labor force is similar to that of the nation in several respects (see Table 6: Demographics of the Available Labor Pool):

- 53 % Male
- 47 % Female
- 72 % White
- 12 % Black
- 10 % Hispanic
- 5 % Other

Recent progress in non-traditional employment for women has several occupational categories approaching the 25 percent threshold, including Science, Engineering and Computer Professionals (24.9 percent) and Protective Service Workers (21.0 percent). Occupational categories in which women remain under-represented are:

- Construction & Extractive Craft Workers 2.7%
- Installation, Maintenance & Repair Craft Workers 8.4%
- Transportation & Material Moving Workers 15.8%
- Laborers & Helpers 15.3%

Chart 5: Leading Industries Ranked by Average Annual New Jobs



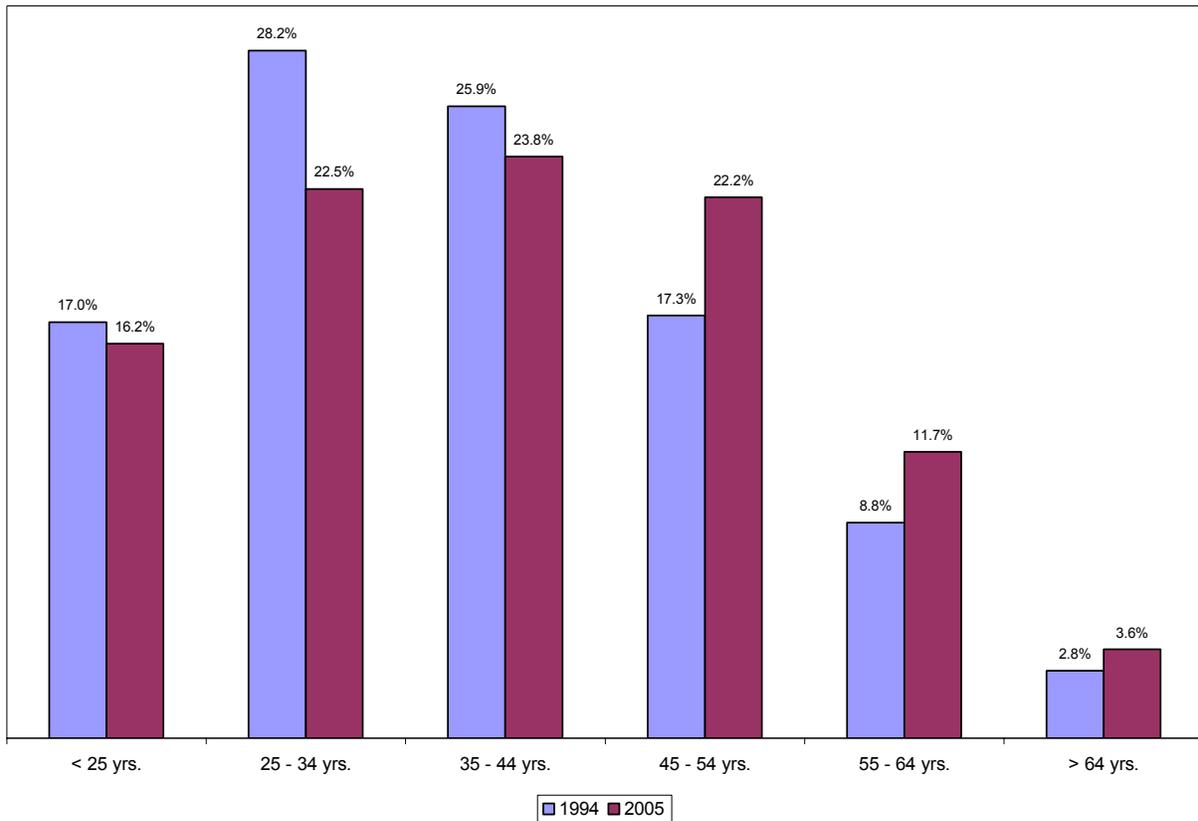
In the last half decade, the aging of the workforce has gained prominence as a key labor market issue. What are the implications of an aging workforce for employment conditions, work rules, and spatial dynamics of where workers live and where they work? The impact of this issue is potentially greater in some industry sectors than in others.

The Baby Boom generation, most often described as the cohort born between 1946 and 1964, has attracted much recent attention for its potential impact on labor market dynamics. More specifically, the potential magnitude and pace of retirement by members in this cohort will have implications for retention and recruitment strategies implemented by the employer community. We examine this issue from two perspectives: 1. Which industries are most vulnerable to the

transition of this pre-retirement cohort?; and, 2. What economic incentives exist for the retention of these workers or the recruitment of replacement workers?

From 1994 to 2005, a progressive shift occurred in the distribution of Illinois workers toward the upper age bracket (see Chart 6: Age Distribution of Illinois Workers; below). In 1994, 28.9% of Illinois workers were at least forty-five years old. Eleven years later, 37.5% of workers exceeded this threshold. Of particular interest to this analysis are workers ranging from 55 to 64 years old, representing the baby boomers that are most likely to retire in the next ten years or so. In the 1994 to 2005 period, nearly 175,000 more workers migrated into this critical age cohort, an increase of 43.2%.

Chart 6: Age Distribution of Illinois Workers



The next question, then, is which industries have the highest concentration of workers in this pre-retirement age group and, therefore, are most at risk to the outflow of the baby boom generation from the labor market? We refer to the most vulnerable industries as Risk industries. Table 7 presents a list of Risk industries arrayed by the percentage of older employed workers. This list includes only the top twenty-five percent of all detailed industries. Transit and Ground Transportation has the highest percentage of older workers, approximately 21.5% of its total workforce (22,031 employees).

Five of the top ten Risk industries are in the manufacturing sector, and range between 16.9% and 18.4% of all workers in the 55-64 age category. Among the complete list of Risk industries, the

manufacturing sector has ten industries followed by healthcare and education, each with four industries. These three industry sectors constitute two-thirds of all Risk industries.

Table 7: Worker Composition of Risk Industries

<u>Risk Industries</u>	<u>Sector</u>	<u>Employment</u>		<u>Percent</u>
		<u>All Workers</u>	<u>55 - 64 Workers</u>	<u>55 - 64 Workers</u>
Transit and Ground Passenger Transportation	Transportation/Warehousing	22,031	4,736	21.50%
Private Households	Other Services	6,813	1,333	19.56%
Elementary and Secondary Schools	Education	31,553	6,007	19.04%
Apparel Manufacturing	Manufacturing	5,580	1,027	18.40%
Machinery Manufacturing	Manufacturing	87,661	15,871	18.11%
Petroleum and Coal Products Manufacturing	Manufacturing	5,847	1,055	18.04%
Home Health Care Services	Health Care/Social Assis.	20,536	3,556	17.32%
Colleges, Universities, and Professional Schools	Education	55,427	9,523	17.18%
Primary Metal Manufacturing	Manufacturing	26,163	4,480	17.12%
Electrical Equip., Appliance, & Component Manufacturing	Manufacturing	29,997	5,073	16.91%
Community Food & Housing, & Emerg. & Oth Relief Svcs	Health Care/Social Assis.	4,216	691	16.38%
Educational Support Services	Education	3,159	513	16.25%
Mining (except Oil and Gas)	Mining	7,178	1,163	16.21%
Individual and Family Services	Health Care/Social Assis.	40,992	6,549	15.98%
Computer and Electronic Product Manufacturing	Manufacturing	43,781	6,962	15.90%
Religious, Grantmaking, Civic, Profess., & Similar Orgs	Other Services	75,532	12,010	15.90%
Fabricated Metal Product Manufacturing	Manufacturing	109,946	17,264	15.70%
Facilities Support Services	Administrative and Support	2,867	443	15.45%
Junior Colleges	Education	1,445	220	15.19%
Funds, Trusts, and Other Financial Vehicles	Finance	3,483	520	14.92%
Leather and Allied Product Manufacturing	Manufacturing	2,005	298	14.87%
Miscellaneous Manufacturing	Manufacturing	31,856	4,736	14.87%
Investigation and Security Services	Administrative and Support	31,486	4,669	14.83%
Offices of Physicians	Health Care/Social Assis.	79,177	11,712	14.79%
Real Estate	Real Estate	55,202	8,043	14.57%
Truck Transportation	Transportation/Warehousing	67,741	9,790	14.45%
Paper Manufacturing	Manufacturing	27,101	3,877	14.31%
Total		878,771	142,118	16.17%

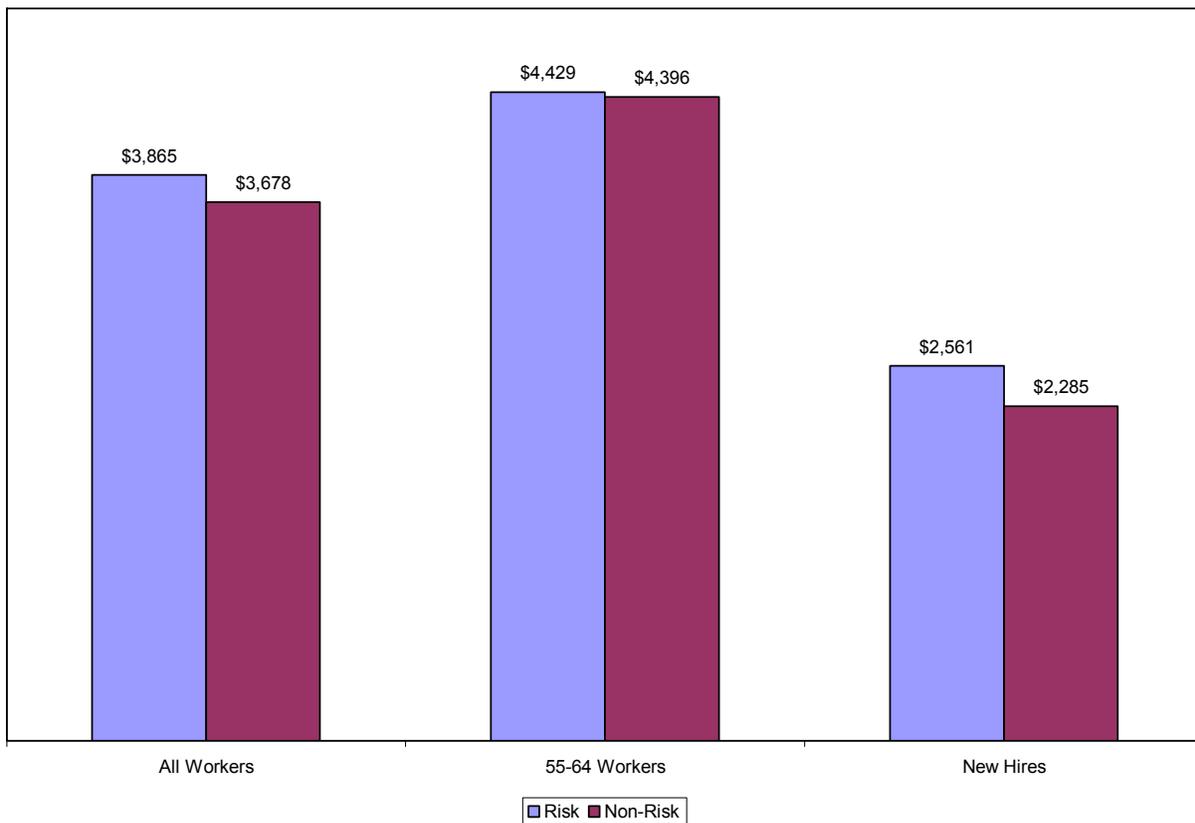
Next, we compare average monthly earnings of workers in the Risk and Non-Risk industries. Earnings are an important component of most strategies for retention and recruitment. As employers seek to retain critical employee skill sets, an earnings premium can boost future retirement payouts and serve as an attractive incentive to delay attrition. Likewise, earnings are among the top considerations for new hire candidates in the job search.

Average monthly earnings among all workers is slightly higher in Risk (\$3,865) than in Non-Risk (\$3,678) industries. The differential of \$187 per month is only 4.9% of average earnings (see Chart 7: Earnings in Risk and Non-Risk Industries). Among older workers, average

earnings is nearly identical between Risk (\$4,429) and Non-Risk (\$4,396) industries. Given these two sets of data, the earnings incentive for retention of older workers is certainly not compelling.

One would expect, then, a similar outflow of older workers regardless of industry of employment. However, those industries with a greater concentration of older workers, i.e., Risk industries, will likely experience a more pervasive departure of its workforce. As mentioned, the manufacturing, healthcare and education sectors are particularly at-risk. Recruitment can offer a counterbalance to retention problems. Indeed, average monthly earnings of new hires is significantly higher in Risk (\$2,561) than in Non-Risk (\$2,285) industries. The \$276 per-month earnings premium favors new hires in Risk industries, a differential of 11.4%.

Chart 7: Earnings in Risk and Non-Risk Industries



Average earnings among both all workers and older workers is relatively similar between Risk and Non-Risk industries. Therefore, present earnings in Risk industries will not lend much motivation to a successful retention strategy. On the other hand, these industries offer a clear earnings advantage for new hires that will serve as an inducement for the recruitment of qualified labor with competitive skill sets.

Table 8 presents a list of the best industries for employment opportunities targeted to older job seekers (55-64 years) in Illinois. This color-coded chart indicates whether the industry is significantly better than most other industries (green), significantly worse than most other industries (red), or similar to most other industries (orange). Local Employment Dynamics

(LED) data were analyzed for more than one hundred industries, but included for this description are only those industries that are the best industries for older job seekers (green in the column for Industry Title). The color designation is based on an overall score for six labor market characteristics: number of older workers, older workers as a percent of all workers, number of newly hired older workers, newly hired older workers as a percent of all newly hired workers, average monthly earnings of older workers, and average monthly earnings of newly hired older workers.

Table 8: Best Industries for Employment of Older Workers (55-64 Years) in Illinois

Industry Title	Number of Older Workers	Percent of Older Workers	Number of Newly Hired Older Workers	Percent of Newly Hired Older Workers	Average Monthly Earnings of Older Workers	Average Monthly Earnings of Newly Hired Older Workers
Elementary and Secondary Schools	56,671	18.5%	1,064	8.4%	\$3,509	\$1,794
Hospitals	36,707	14.4%	1,021	7.7%	\$3,983	\$3,552
Merchant Wholesalers, Durable Goods	22,312	13.4%	842	7.7%	\$5,626	\$4,158
Colleges, Universities, & Professional Schools	19,420	18.4%	375	7.8%	\$4,833	\$2,663
Fabricated Metal Product Manufacturing	17,212	15.7%	616	8.7%	\$4,458	\$3,208
Credit Intermediation and Related Activities	16,461	11.0%	1,256	7.5%	\$5,289	\$5,156
Machinery Manufacturing	15,902	18.1%	478	9.5%	\$5,673	\$3,805
Insurance Carriers and Related Activities	14,599	13.2%	534	8.1%	\$6,551	\$5,087
Merchant Wholesalers, Nondurable Goods	13,069	12.1%	541	7.2%	\$5,174	\$3,944
Religious, Grantmaking, Civic, Professional, & Similar Organizations	12,264	16.1%	381	8.1%	\$3,727	\$2,368
Offices of Physicians	12,009	14.8%	363	7.3%	\$7,807	\$4,214
Management of Companies and Enterprises	11,316	12.5%	353	6.4%	\$9,422	\$7,596
Food Manufacturing	10,642	13.6%	412	8.2%	\$4,502	\$3,172
Truck Transportation	9,929	14.6%	528	9.4%	\$4,030	\$3,109
Real Estate	8,193	14.8%	445	9.2%	\$4,468	\$3,056
Motor Vehicle and Parts Dealers	7,879	11.0%	418	7.2%	\$3,802	\$2,641
Junior Colleges	7,752	23.1%	189	11.8%	\$2,838	\$990
Computer and Electronic Product Manufacturing	6,989	16.0%	180	8.5%	\$4,901	\$3,967
Chemical Manufacturing	6,792	13.1%	185	7.5%	\$6,334	\$4,606
Legal Services	6,670	12.0%	197	6.0%	\$8,343	\$4,438
Transportation Equipment Manufacturing	6,395	13.8%	212	8.4%	\$4,833	\$4,528
Architectural, Engineering, & Related Services	5,810	13.3%	261	8.5%	\$6,464	\$4,830
Construction of Buildings	5,731	9.8%	419	7.8%	\$5,339	\$3,674
Management, Scientific, & Tech Consulting Svcs	5,396	9.6%	335	6.1%	\$7,915	\$5,280
Air Transportation	5,109	13.3%	82	6.1%	\$5,445	\$5,532
Electrical Equipment, Appliance, & Component Manufacturing	5,036	17.1%	90	8.6%	\$4,503	\$3,384
Primary Metal Manufacturing	4,568	17.6%	88	8.7%	\$4,987	\$4,209
Scientific Research and Development Services	4,326	13.0%	82	5.9%	\$10,547	\$5,998
Wholesale Electronic Markets & Agents & Brokers	4,054	14.3%	188	8.2%	\$6,082	\$4,464
Paper Manufacturing	3,963	14.5%	283	11.6%	\$5,020	\$4,243
Heavy and Civil Engineering Construction	3,674	11.9%	183	8.2%	\$5,355	\$4,131
Office Administrative Services	1,892	13.3%	100	8.6%	\$8,005	\$4,279

Elementary and Secondary Schools are among the top industries in terms of the number and percent of older workers and the number and percent of newly hired older workers. The average monthly earnings for older workers is about average compared to other industries, but the

earnings for newly hired older workers is very poor. The bottom line is that elementary and secondary schools employ a concentration of older workers and pay them about average, but they also hire a lot of older workers and pay them poorly. The rather substantial pay gap between experienced and newly hired older workers in this industry reflects the high returns to seniority.

For Hospitals at second on the list, the number of older workers and the number of newly hired older workers is high compared to other industries (as indicated by the color green). However, the percent of older workers and newly hired older workers is moderate (as indicated by the color orange). Hospitals employ and hire a lot of workers, including older workers, but the proportion of older workers is similar to a lot of other industries. In addition, the average earnings of older workers in this industry is not too different than in other industries (once again, as indicated by the color orange).

Similar detailed analysis of the current workforce by industry by local workforce investment area (LWIA) is also available through the Local Employment Dynamics (LED) program. These and other measures (such as new hires, separations, job gains, job losses, labor turnover, and earnings) are produced by age and gender categories of workers within industry sectors for counties, LWIAs, Metropolitan Statistical Areas (MSAs), and Economic Development Regions (EDRs).

In and Out Migration: Between 1995 and 2000 Illinois had a net out-migration of 55,500 people. Illinois saw 665,122 people move into the state from other states and an additional 287,160 from abroad. However, slightly more than one million residents moving elsewhere offset this gain. (Source: Domestic Migration Across Regions, Divisions and States: 1995 to 2000, Census 2000 Special Reports, US Bureau of the Census, Oct. 2003)

There was a positive in-migration of Asians and Hispanics. Although the state saw 39,612 Asians move to other states, 66,159 Asians moving to Illinois from overseas offset this loss. A similar experience occurred with Hispanics with a negative net migration to other states of 29,920, but a positive overall in-migration due to the influx of 146,253 Hispanics from abroad. (Source: Migration by Race and Hispanic Origin: 1995 to 2000, Census 2000 Special Reports, US Bureau of the Census, Oct. 2003)

A second interesting trend was a positive net migration into Illinois of young, single, college educated individuals. This group is defined as single persons 25 to 39 years old in 2000 and possessing at least a bachelor's degree. Illinois had 69,250 people moving into the state compared to 65,416 leaving. This was even more pronounced in the Chicago Consolidated Metropolitan Area. The total number of single, young, college-educated people moving into the metropolitan area was 70,971. The area also extends into both Wisconsin and Indiana; however, Chicago is the economic and labor center of the area. (Source: Migration of the Young, Single, and College Educated: 1995 to 2000, Census 2000 Special Reports, US Bureau of the Census, Nov 2003)

Skills-Based Employment Projections Project: Illinois is the project lead in an effort sponsored by the DOL Employment and Training Administration to develop an Internet-based application for Skills-Based Employment Projections. This application uses two primary sources

of information, occupational employment projections and O*NET. The former includes a count of current employment, two-year projected employment and 10-year projected employment for each occupation. The latter characterizes each occupation by three dimensions of job requirements: knowledge, skills, and generalized work activities.

The Skills-Based Projections application matches the occupation in the projections to the occupation in O*NET. On the basis of the match the application distributes the current employment and projected employment to the knowledge areas (thirty-three total measures), skills (thirty-five total measures) and work activities (forty-one total measures) that are of at least moderate importance or moderately required for the occupation.

Skill Composition of the Current Workforce: More than 2.15 million Illinois workers are employed in occupations for which customer and personal service is required to perform the duties (see Table 9: Skill Composition of Current Workforce (Top Ten); below). The variety of occupations linked to this skill encompasses engineering managers and bailiffs. English language is ranked second among required skills practiced by persons employed in Illinois.

The presence of mathematics and computers/electronics on the list of top skills speaks to the broad-based demand for computer-literate persons to meet current workforce needs. These two computer-literacy skills are critical for several occupations that reside primarily in industries outside of the high-technology sector, such as actuaries and surveyors. This technology has become integrated into business processes across diverse industries.

Table 9: Skill Composition of Current Workforce (Top Ten)

<u>Skill</u>	<u>Current Supply</u>
Customer and Personal Service	2,165,739
English Language	1,022,668
Clerical	916,676
Education and Training	714,588
Mathematics	700,627
Sales and Marketing	591,445
Computers and Electronics	505,214
Administration and Management	468,703
Psychology	442,068
Mechanical	407,398

Projected Skill Demand: The projected demand information was generated for both the two-year and ten-year horizons, as well as three job preparation levels (moderate on-the-job training, post-secondary vocational training, and bachelors degree or higher with work experience). The three levels were selected to capture variation in the labor market. Occupations in these three preparation levels will certainly share some skills, but a subset of skills will likely be unique to each level depending on the occupational mix. In short, filtering skills demand by job preparation levels enhances the relevance of the information to the end user.

In general, the annualized projected demand for the top skills is similar in the two-year and ten-year horizons (see Table 10: Projected Skill Demand by Job Preparation Level). These data reflect a job growth scenario whereby the near-term moderate growth in hiring activity fits well the long-term trend. The comparability of these two horizons is somewhat less exact among more skilled occupations (at least a bachelor's degree and work experience). A slightly higher proportion of new hires in the ten-year horizon will occur in higher-end occupations, such as medical and health managers, advertising managers, financial managers, and management analysts.

As mentioned, some skills are sufficiently broad-based and will be in demand across different job preparation levels, such as customer and personal service, English language, and mathematics. However, the occupational composition of these skills differs by preparation level. For example, customer and personal service is among the top essential skills for occupations that also require moderate on-the-job training (bus drivers and social service assistants), post-secondary vocational training (licensed practical nurses and fitness trainers), or at least a bachelor's degree and work experience (sales managers and public relations managers).

The potential for skill shortages is greatest in the Healthcare and Education sectors, and secondarily in the high-end Professional Services. Occupations linked most closely to the skills with the greatest gap for moderate on-the-job training are:

- Medical assistants
- Dental assistants
- Pharmacy assistants
- Social service assistants
- Emergency vehicle dispatchers
- Bus drivers

Occupations at the post-secondary vocational training level with the greatest potential skill shortages are:

- Healthcare technicians and technologists
- Licensed practical nurses
- Paramedics.

At the bachelors and work experience level, skilled occupations with the greatest supply-demand imbalance are:

- Healthcare services managers
- Education administrators
- Actuaries
- Public relations managers
- Computer system managers

Workforce Development Issues and State Priorities: Based upon analysis of recent economic development history, Governor Blagojevich implemented the Opportunity Returns regional

economic development planning initiative, a comprehensive approach to strengthening the economy and creating jobs in Illinois. Governor Blagojevich organized the state into ten Economic Development Regions (EDRs) – finding areas with common economic strengths and needs, and developing a plan with specific actions for each region. Illinois’

The Critical Skill Shortage Initiative (CSSI) builds on Opportunity Returns by providing local workforce investment boards (LWIBs) incentives to develop workforce programs on a regional (i.e., multi-LWIA) basis and target limited training resources to shortage occupations pivotal to the economic growth of the region. CSSI is a grassroots effort and is a product of significant outreach over several months with business, civic and labor leaders, and elected officials. CSSI redefines the function of workforce development to utilize the first-hand expertise of local leaders to craft highly customized regional job training programs that will give workers the skill sets most in demand in today’s and tomorrow’s workplace.

The planning consortia in each EDR examined regional economic and labor market data as a point of departure. However these types of data were supplemented through direct dialogue with regional employers and employer organizations. In the aggregate, the CSSI plans resulted in targeting occupations in several major industries: Healthcare, Manufacturing, Transportation, Warehousing, and Logistics. During the first round of CSSI funding, most often, the following healthcare occupations were targeted.

- Registered Nurses
- Licensed Practical Nurses
- Speech Language Pathologists
- Occupational Therapists & Assistants
- Physical Therapist & Assistants
- Radiologic Technicians
- Medical and Clinical Laboratory Technicians and Technologists
- Medical Information Technologists, Technicians, and Coders

Plans have been received and reviews are underway for the second round of CSSI funding. While healthcare occupations continue to be targeted, funds are being requested for shortage occupations in manufacturing by several regions. Although manufacturing continues to decline, it remains an important part of Illinois’ economy, representing nearly 700,000 jobs (i.e., 12%). The aging of manufacturing workers also heralds the need for replacement workers who must be found to keep this sector of the state’s economy strong. A wide range of occupations have been suggested by the regions such as (but not limited to):

- Maintenance & Repair Workers
- Welders
- Machinists
- Computer-Controlled Machine Operators
- First Line Supervisors
- Tool and Die Makers
- Computer Programmers & Analysts
- Project Engineers
- Civil Engineering Technicians
- Electrical & Electronic Technicians
- Electro-Mechanical Technicians
- Industrial Engineering Technicians
- Mechanical Engineering Technicians
- Chemical Technicians
- All Other Drafters, Engineering, & Mapping Technicians

During the second round of funding, regional consortia also requested funding for occupations related to Transportation, Distribution, and Logistics including:

- Truck Drivers
- Industrial Truck and Tractor operators (including forklift operators)
- Bus and Truck Mechanics and Diesel Engine Specialists
- Computer Support Specialists
- Machinists
- Locomotive Engineers
- Dispatchers, Except Police, Fire and Ambulance
- Welders
- Electrical and Electronic Engineering Technicians

The exact occupations to be targeted through the second round of CSSI grants are still being negotiated at this time. However all occupations will have to meet the tests of being “good jobs” (i.e., good wages, benefits, and in a career path) and must be shortage occupations, critical to the regional economy.

Table 5: Top 35 High Demand Occupations Ranked By Job Openings

Occupation	Average Annual Job Openings	Median Hourly Wage	Projected Employment 2014	Education or Training	Required Skills (O*Net)		
Registered Nurses	4,024	\$25.19	119,357	Associate's degree	Active Listening	Reading Comprehension	Critical Thinking
Secondary School Teachers	3,111	N/A	81,153	Bachelor's degree	Instructing	Speaking	Learning Strategies
Customer Service Representatives	2,794	\$14.50	107,118	Moderate-term OJT	Active Listening	Speaking	Writing
Sales Reps, Wholesale/Manufacturing	2,674	\$24.85	83,795	Moderate-term OJT	Speaking	Social Perceptiveness	Persuasion
Business Operations Specialists	2,501	\$27.78	76,845	Bachelor's degree	Writing	Speaking	Active Listening
Truck Drivers, Heavy & Tractor Trailer	2,264	\$18.64	85,661	Moderate-term OJT	Operation & Control	Equipment Maintenance	Reading Comprehension
Elementary School Teachers	2,158	N/A	62,464	Bachelor's degree	Instructing	Speaking	Learning Strategies
Accountants and Auditors	1,999	\$26.38	65,567	Bachelor's degree	Mathematics	Active Learning	Critical Thinking
Executive Secretaries & Admin. Assistants	1,921	\$17.45	78,851	Moderate-term OJT	Reading Comprehension	Writing	Coordination
Bookkeeping, Accounting & Audit. Clerks	1,789	\$14.54	87,935	Moderate-term OJT	Mathematics	Reading Comprehension	Writing
Secretaries	1,498	\$12.74	73,463	Moderate-term OJT	Active Listening	Reading Comprehension	Time Management
General Maintenance & Repair Workers	1,427	\$17.72	57,919	Moderate-term OJT	Equipment Maintenance	Repairing	Troubleshooting
Carpenters	1,394	\$24.97	56,741	Long-term OJT	Active Listening	Mathematics	Equipment Selection
Automotive Svc. Technicians & Mechanics	1,336	\$16.11	38,120	Postsecondary vocational	Troubleshooting	Repairing	Equipment Selection
Computer Systems Analysts	1,001	\$35.27	31,865	Bachelor's degree	Active Listening	Reading Comprehension	Complex Prob. Solving
Management Analysts	965	\$33.26	32,956	Bachelor's degree	Writing	Reading Comprehension	Speaking
Electricians	944	\$27.52	32,982	Long-term OJT	Installation	Active Listening	Repairing
Police & Sheriff's Patrol Officers	920	\$29.39	31,290	Long-term OJT	Judgment/Decision Making	Active Listening	Speaking
Middle School Teachers	869	N/A	27,672	Bachelor's degree	Instructing	Speaking	Learning Strategies
Plumbers, Pipefitters & Steamfitters	823	\$31.17	24,314	Long-term OJT	Installation	Active Listening	Repairing
Dental Assistants	782	\$14.38	16,782	Moderate-term OJT	Active Listening	Reading Comprehension	Speaking
Licensed Practical Nurses	749	\$17.16	25,951	Postsecondary vocational	Active Listening	Reading Comprehension	Time Management
Preschool Teachers	737	\$12.41	23,689	Postsecondary vocational	Instructing	Learning Strategies	Speaking
Fire Fighters	714	\$22.68	18,965	Long-term OJT	Active Listening	Equipment Maintenance	Equipment Selection
Computer Software Engineers, Applications	692	\$34.61	19,169	Bachelor's degree	Programming	Critical Thinking	Complex Prob. Solving
Computer Software Engineers, Systems	685	\$40.24	19,100	Bachelor's degree	Complex Problem Solving	Technology Design	Troubleshooting
Construction Laborers	668	\$22.10	34,815	Moderate-term OJT	Equipment Selection	Operation & Control	Mathematics
Computer Support Specialists	660	\$21.67	25,602	Associate's degree	Troubleshooting	Reading Comprehension	Critical Thinking
Employment/Recruitment/Placement Specialists	617	\$19.59	17,755	Bachelor's degree	Reading Comprehension	Service Orientation	Active Listening
Financial Managers	580	\$42.83	25,967	Bachelor's degree	Mgt of Financial Resources	Judgment/Decision Making	Critical Thinking
Machinists	567	\$16.04	22,611	Long-term OJT	Operation & Control	Operation Monitoring	Mathematics
Sales Managers	562	\$42.78	19,960	Bachelor's degree	Active Listening	Speaking	Mathematics
Medical Assistants	538	\$12.85	13,385	Moderate-term OJT	Service Orientation	Writing	Active Listening
Computer Programmers	537	\$30.22	21,975	Bachelor's degree	Programming	Critical Thinking	Complex Prob. Solving
Computer & Info. Systems Managers	513	\$42.11	16,766	Bachelor's degree	Reading Comprehension	Critical Thinking	Active Listening

Table 6: Demographics of the Available Labor Pool

*******EXPERIENCED LABOR FORCE BY RACE, SEX, AND OCCUPATIONAL GROUPS *******

	TOTALS	*****EXPERIENCED LABOR FORCE BY RACE, SEX, AND OCCUPATIONAL GROUPS *****									
		*** ALL RACES ***		***** NOT HISPANIC *****				**** HISPANIC ****			
		MALE	FEMALE	**** WHITE ****		**** BLACK ****		** OTHER RACES **		MALE	FEMALE
			MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	
Management, Business and Financial Workers	717,825	441,585	276,240	380,435	218,655	23,785	32,845	19,490	10,555	17,875	14,185
Science, Engineering and Computer Professionals	275,779	207,175	68,604	162,070	48,580	9,765	6,670	27,925	10,469	7,415	2,885
Healthcare Practitioner Professionals	188,255	48,730	139,525	35,755	106,585	2,450	12,525	8,430	16,775	2,095	3,640
Other Professional Workers	683,745	269,815	413,930	220,195	328,190	23,650	49,250	14,020	17,420	11,950	19,070
Technicians	126,615	49,690	76,925	36,960	55,885	4,845	12,360	4,390	5,425	3,495	3,255
Sales Workers	693,350	346,900	346,450	280,430	253,665	26,415	46,805	17,090	15,885	22,965	30,095
Administrative Support Workers	1,070,975	268,215	802,760	175,500	588,510	45,425	125,515	15,430	27,225	31,860	61,510
Construction and Extractive Craft Workers	250,770	244,090	6,680	198,355	4,925	13,320	955	4,670	150	27,745	650
Installation, Maintenance and Repair Craft Workers	291,419	266,915	24,504	209,535	16,245	20,115	3,330	8,580	1,814	28,685	3,115
Production Operative Workers	490,670	325,705	164,965	198,670	83,230	31,225	18,940	13,995	10,895	81,815	51,900
Transportation and Material Moving Operative Workers	278,315	234,400	43,915	157,210	24,225	37,050	9,060	8,680	1,190	31,460	9,440
Laborers and Helpers	248,865	210,840	38,025	126,420	22,460	27,310	6,845	4,475	1,160	52,635	7,560
Protective Service Workers	122,559	96,800	25,759	69,170	14,450	18,780	9,045	2,435	719	6,415	1,545
Service Workers, except Protective	717,210	261,750	455,460	140,565	309,375	46,490	78,965	14,680	20,055	60,015	47,065
Other Occupations	52,230	26,405	25,825	8,195	9,250	12,780	10,305	1,425	1,345	4,005	4,925
	6,208,582	3,299,015	2,909,567	2,399,465	2,084,230	343,405	423,415	165,715	141,082	390,430	260,840

Table 6: Demographics of the Available Labor Pool (Continued)

******* DISTRIBUTION OF EXPERIENCED LABOR FORCE BY RACE AND SEX *******

	TOTALS	*** ALL RACES ***		***** NOT HISPANIC *****				** OTHER RACES **		**** HISPANIC ****	
		MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Management, Business and Financial Workers	100.0%	61.5%	38.5%	53.0%	30.5%	3.3%	4.6%	2.7%	1.5%	2.5%	2.0%
Science, Engineering and Computer Professionals	100.0%	75.1%	24.9%	58.8%	17.6%	3.5%	2.4%	10.1%	3.8%	2.7%	1.0%
Healthcare Practitioner Professionals	100.0%	25.9%	74.1%	19.0%	56.6%	1.3%	6.7%	4.5%	8.9%	1.1%	1.9%
Other Professional Workers	100.0%	39.5%	60.5%	32.2%	48.0%	3.5%	7.2%	2.1%	2.5%	1.7%	2.8%
Technicians	100.0%	39.2%	60.8%	29.2%	44.1%	3.8%	9.8%	3.5%	4.3%	2.8%	2.6%
Sales Workers	100.0%	50.0%	50.0%	40.4%	36.6%	3.8%	6.8%	2.5%	2.3%	3.3%	4.3%
Administrative Support Workers	100.0%	25.0%	75.0%	16.4%	55.0%	4.2%	11.7%	1.4%	2.5%	3.0%	5.7%
Construction and Extractive Craft Workers	100.0%	97.3%	2.7%	79.1%	2.0%	5.3%	0.4%	1.9%	0.1%	11.1%	0.3%
Installation, Maintenance and Repair Craft Workers	100.0%	91.6%	8.4%	71.9%	5.6%	6.9%	1.1%	2.9%	0.6%	9.8%	1.1%
Production Operative Workers	100.0%	66.4%	33.6%	40.5%	17.0%	6.4%	3.9%	2.9%	2.2%	16.7%	10.6%
Transportation and Material Moving Operative Workers	100.0%	84.2%	15.8%	56.5%	8.7%	13.3%	3.3%	3.1%	0.4%	11.3%	3.4%
Laborers and Helpers	100.0%	84.7%	15.3%	50.8%	9.0%	11.0%	2.8%	1.8%	0.5%	21.2%	3.0%
Protective Service Workers	100.0%	79.0%	21.0%	56.4%	11.8%	15.3%	7.4%	2.0%	0.6%	5.2%	1.3%
Service Workers, except Protective	100.0%	36.5%	63.5%	19.6%	43.1%	6.5%	11.0%	2.0%	2.8%	8.4%	6.6%
Other Occupations	100.0%	50.6%	49.4%	15.7%	17.7%	24.5%	19.7%	2.7%	2.6%	7.7%	9.4%

Race Category Definitions

White: White Alone Non-Hispanic; Black: Black Alone Non-Hispanic; Hispanic: White Alone Hispanic, Other Hispanic or Latino

Other Races: Asian Alone Non-Hispanic, Native Hawaiian and Other Pacific Islander (NHOPI) Alone Non-Hispanic, American Indian and Alaskan Native (AIAN) Alone Non-Hispanic, Black and White Non-Hispanic, Asian and White Non-Hispanic, AIAN and White Non-Hispanic, AIAN and Black Non-Hispanic, Balance of 2+ Races and Some Other Race

SOURCE: 2000 Special EEO Tabulation File, US Census Bureau

Table 10: Projected Skill Demand* by Job Preparation Level

Moderate On-the-Job Training			Post-Secondary Vocational Training			At Least Bachelor's Degree and Experience		
Skill	Projected Demand 2-year	Projected Demand 10-year	Skill	Projected Demand 2-year	Projected Demand 10-year	Skill	Projected Demand 2-year	Projected Demand 10-year
Customer and Personal Service	12,207	13,410	Customer and Personal Service	2,770	3,341	Administration and Management	6,254	7,312
Clerical	6,706	7,371	Mechanical	1,641	1,984	Mathematics	5,415	6,238
English Language	4,195	4,719	English Language	1,310	1,479	English Language	5,380	6,317
Sales and Marketing	3,741	3,715	Education and Training	1,190	1,626	Education and Training	4,985	5,887
Mechanical	2,624	2,968	Psychology	1,091	1,267	Personnel and Human Resources	4,207	4,957
Mathematics	1,666	1,801	Mathematics	1,060	1,109	Economics and Accounting	4,107	4,734
Computers and Electronics	1,650	1,792	Clerical	1,031	1,176	Sales and Marketing	4,096	4,830
Building and Construction	1,474	1,742	Medicine and Dentistry	774	889	Customer and Personal Service	4,032	4,610
Design	1,192	1,433	Therapy and Counseling	642	749	Law, Government & Jurisprudence	3,402	3,875
Psychology	780	836	Computers and Electronics	632	714	Public Safety and Security	2,325	2,641

(*) Projected skill demand is annualized such that the number of job openings is reported for each year of the horizon.

V. OVERARCHING STATE STRATEGIES

- A. Identify how the State will use WIA Title I funds to leverage other Federal, State, local and private resources in order to maximize the effectiveness of such resources and to expand the participation of business, employees, and individuals in the Statewide workforce investment system? (§§112(b)(10).)
 - B. What strategies are in place to address the national strategic direction discussed in part I of this guidance, the Governor's priorities, and the workforce development issues identified through the analysis of the State's economy and labor market? (§§112(b)(4)(D), 112(a).)
-

Leveraging Funds: The state adopted two primary strategies to leverage other federal, state, and private resources to maximize the effectiveness of such resources and expand the participation of business, employees, and individuals in the statewide workforce investment system. First, the Governor, by executive order, consolidated state administration of several major workforce programs under the Department of Commerce and Economic Opportunity (DCEO). DCEO is the state's primary economic development agency. This program consolidation facilitates integration of the federal Workforce Investment Act (WIA) programs into the state's economic development strategy and allows for close coordination and packaging of services, drawing on an array of state and federal programs administered by DCEO. DCEO administered workforce programs include:

- Federally funded programs:
 - ▶ WIA Adult Program
 - ▶ WIA Youth Program
 - ▶ WIA Dislocated Worker Program
 - ▶ WIA National Emergency Grants
 - ▶ Trade Adjustment Assistance (TAA)
 - ▶ Community Development Block Grant (CDBG) Program
 - ▶ Community Services Block Grant (CSBG) Program
- State funded programs:
 - ▶ Employer Training Investment Program (ETIP)
 - ▶ High Technology School-to-Work Program (HT-STW)
 - ▶ Job Training and Economic Development (JTED) Program
 - ▶ Eliminate the Digital Divide (EDD) Grant Program

Second, regional consortia serving the state's ten Economic Development Regions (EDRs) leverage federal, state, and local funds in response to incentives offered through the Critical Skill Shortages Initiative (CSSI). CSSI uses WIA Title I-B 15 percent funds as seed money, awarded on a competitive basis, to leverage other funds. Funds leveraged through CSSI are used to meet the training needs of high growth industries and occupations, critical to the regional economies; thus ensuring that Illinois' workforce system is demand driven.

The CSSI strategy calls for local workforce investment boards (LWIBs) to provide the initial leadership to create consortia in each EDR to influence the regional workforce system. Consortia utilize broad networks of public and private organizations and training providers to develop solutions to skill shortages. Local industry representatives participate in planning and validate the selection of jobs as shortage occupations and areas where help from the public sector is welcome.

The basic strategy is to: (a) identify skill shortage occupations that pay a good wage and provide benefits in key sectors of the regional economy; (b) examine the "root causes" that led to shortages; (c) influence state and local education and training agencies to voluntarily redirect existing programs and services (as well as private resources) to address the root causes and create a reliable "supply chain" of qualified job seekers; and (d) examine on-the-job factors that contribute to shortages (e.g., high turnover or inadequate recruitment) and work with employers to address those issues.

After the regional options had been exhausted, consortia are eligible to apply for WIA 15 percent training funds to fill "gaps" in the regionally funded solutions. Training funds are awarded on a competitive basis to consortia that produce the best regionally funded plans and have the best-developed requests for supplemental funding.

EDRs have now completed the planning phase of the CSSI (i.e., identification of shortage occupations and root cause analyses). Subsequently, nearly 100 CSSI-related projects were undertaken by Illinois' EDRs. These projects were designed to reduce critical occupational shortages identified through regional planning efforts. As part of the next phase of the CSSI, DCEO is now evaluating the projects funded to date. Drawing on experience gained through the first two rounds of project funding, DCEO will issue several Requests for Applications (RFAs) over the coming two-year period. Projects funded in response to these RFAs will be targeted to critical occupational shortages in selected industries, including health care, manufacturing, and transportation, distribution and logistics (TDL). The requirements for these RFAs will be based on best practices learned from earlier CSSI projects.

National Strategic Direction: The consolidation of workforce programs and CSSI (cited above) directly responds to the strategic direction provided by the U.S. Department of Labor (DOL) relating to the goals of service integration, providing maximum flexibility to meet the demands of the state and local economies, and making sure that Illinois' workforce system is demand-driven. Many other strategies being adopted by Illinois also respond to the national strategic direction. These strategies are describe in more detail throughout this plan and are summarized below.

- **Improve Delivery of Workforce Information:** It is the mission of the workforce information system to establish and maintain a comprehensive, coordinated and effective system for the production, analysis, and dissemination of workforce and career information that is accessible and responsive to all Illinoisans. Illinois' workforce information system is geographically structured to support the primary goals of the Governor's vision for workforce development and the WIA strategic plan for state and local areas - individual economic self-sufficiency and competitive businesses. To meet these goals, high quality,

reliable workforce and career information are made available and used by individuals, businesses, and employment and training providers (including K-16) to assist them in making informed economic decisions.

Illinois' workforce information strategy addresses a number of identified information needs. The goal is to improve the workforce and career information system such that customers receive timely, accurate, and relevant information about local, state, and national labor markets. Strategies to achieve this goal include:

- ▶ Further improvement in the systematic provision of expanded geographic detail (e.g., sub-MSA, sub-county, etc.) for various data series (wage data, short-term employment projections, long-term employment projections, monthly payroll job estimates for all Illinois counties (small domain estimates) and skills based projections for economic and workforce planning areas);
- ▶ Development of additional information regarding key Illinois industries facing worker shortages. This includes the development of data on new and emerging occupations, improved methods of estimating and in-depth analysis of occupational supply issues, and other information on demand driven needs of major Illinois business sectors;
- Information delivery strategies include Internet delivery, printed products, and other means that provide convenience and ease of use for customers of the Illinois One-Stop center system, Illinois workNet, and the Illinois Virtual High School. This includes development and implementation of Illinois workNet as a primary component of a long-range strategy to provide self-access to core services; job opportunities; and career, education and work support services for job seekers, and help in recruiting workers, finding training resources, and accessing other types of information for businesses. Additionally, Illinois will rebrand and market the workforce system as "Illinois workNetTM". The workforce system includes the physical centers (Illinois Employment and Training Centers/One-Stop Career Centers and satellite sites) and Illinois workNet. This is aimed at eliminating disparity in the perceived level of services, fostered by a system that is identified area-by-area and building-to-building by various organizational/agency names and logos:
 - ▶ Strategies on marketing, training and awareness to facilitate Illinoisans' effective utilization of data and information necessary for career decision-making;
 - ▶ Implementation of new and emerging data sources such as Local Employment Dynamics, LED On The Map, Skill-Based Projections, and job vacancy information; and,
 - ▶ Utilization of One-Stop workforce partners as a source of workforce information (i.e., customer satisfaction and focus groups to facilitate continuous improvement of workforce information).

To support the Governor's strategic vision for workforce and economic development, labor market and career information has refined existing data delivery systems and developed new approaches that effectuate industry sector analysis and promote career pathways

development. The approaches listed below support ongoing planning and analysis at the local, regional, and state level, and also support new initiatives.

- The Local Employment Dynamics (LED) program partnership with the Census Bureau has recently focused on providing workforce investment programs with more current and local information about their labor markets, together with the high growth and high demand industries. LED On-the-Map enables local workforce investment boards (LWIBs) to use the Internet to generate information on the relationships between where people live and where they work. The information is presented on maps, statistical summary information (reports displayed with maps), printed reports, and data files downloadable into Excel spreadsheets. Selection criteria for the areas and information presented on maps, reports, and files are demand-driven. Displays of additional layers of data such as major highways, ZIP codes, and/or LWIA boundaries are also available.
- The Local Employment Dynamics (LED) Quarterly Workforce Indicators (QWIs) provide 29 new measures of employment activity. These measures (such as new hires, separations, job gains, job losses, labor turnover, and earnings) are produced by age and gender categories of workers within industry sectors for counties, local workforce investment areas (LWIAs), Metropolitan Statistical Areas (MSAs).
- Numerous national and local customer surveys have identified the dearth of skills information as a critical gap in the labor market information infrastructure. In fact, customer satisfaction assessments offered by Illinois employers and training providers are consistent with this finding. Consequently, Illinois is the project leader in an effort sponsored by the DOL Employment and Training Administration to develop an Internet-based application to produce Skills-Based Employment Projections that are consistent with the occupational projections and extend coverage to counties, LWIAs, MSAs, and economic development regional geographies.
- ▶ Current industry employment and industry employment projections produce monthly job counts and projections of industry expansion and contraction for counties, LWIBs, and Economic Development Regions (EDRs). Industry-occupational staffing patterns and occupational projections identify occupations critical to each selected industry sector and projections of occupational employment changes and job openings.
- ▶ The absence of timely information on job vacancies is a key data gap in the workforce information system. Job seekers, training providers, job development specialists and other major stakeholders can overcome this information deficit by utilizing job vacancy and help wanted information to locate pockets of labor demand in local areas.
- ▶ Small Domain Estimation (SDE) provides local decision makers with timely county level employment estimates. While ensuring reliability and integrity of the data, this tool enables local planners to examine trends in the local industry mix to clarify the types,

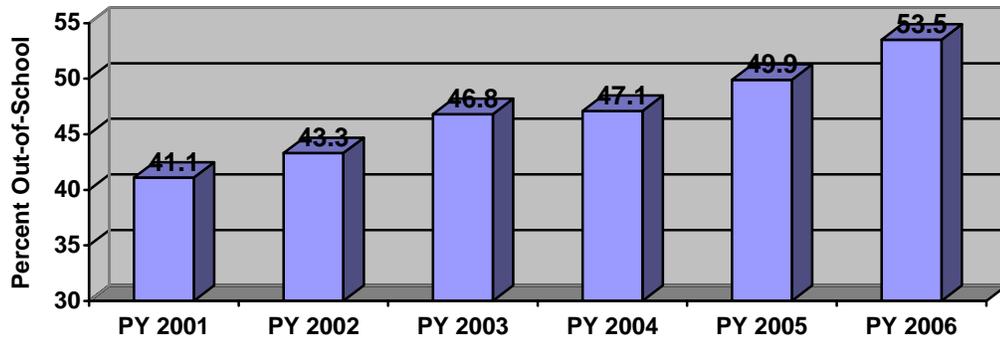
number, and training needs of workers in demand by industries and local employers. In addition, the county-based SDEs facilitate the development of local projections of industry growth and occupational demand.

- **Increase Cost Effectiveness and Increase Use of CBOs:** The state recently implemented Illinois workNet™ (formerly known as the Virtual One-Stop Project) to expand access to universal (core) services; improve customer access to intensive, training and other workforce services; and to assist businesses. The project extends the reach and expands the services of physical One-Stop centers at a fraction of their cost by leveraging current existing technology investments in state education and workforce development agencies. It is currently operational in 13 of the state's 26 LWIAs, with plans to implement in the remaining 13 LWIAs in the coming months.
- Illinois workNet has been designed with the following goals in mind: (a) expanding the availability and delivery of workforce services via the Web using a service-integrated approach (i.e., integrated across mandatory and optional partners) from an end-user perspective; (b) reducing costs by supplementing existing physical One-Stop centers with an alternative means for access to core services and by expanding the network of agencies and partners offering access to Illinois workNet™ with the goal of including community and faith-based organizations, technology centers, schools, libraries, community colleges, and others; (c) incorporating extensive reporting in order to refine service delivery, functionality, and content relevant to partners, employers and residents; and (d) tailoring the system to specifically match regional employment opportunities and agency services with job seekers in the same region.

Illinois workNet will have an ongoing and significant role in reducing costs associated with the physical workforce system by offering equivalent, resource room services via the Internet.

- **Increase Fiscal and Performance Accountability:** WIA programs throughout Illinois will be closely monitored for both fiscal and programmatic compliance and programmatic performance. This will be accomplished through the recently reorganized DCEO Bureau of Workforce Development, Regional Workforce Management Division (RWMD). The RWMD has responsibility for both monitoring and on-site provision of technical assistance to LWIBs local WIA administrative agencies, and service providers. This Division has been greatly strengthened through additional staffing and professional development efforts. Efforts to augment the professional capabilities of RWMD staff will continue throughout the plan period. Currently DCEO is modifying its accounting system to provide additional accountability and control functionality.
- **Focus on Out-of-School Youth:** The state will continue to encourage a trend already evident at the local level. There has been a significant shift in the proportion of out-of-school youth served through the WIA youth program over time.

**Chart 6: WIA Youth Program
Percent Out-of-School Youth Served**



The percentage of out-of-school youth served increased from 41.1 percent during program year (PY) 2001 to 50.0 percent during PY 2005. The trend is continuing during PY 2006 with out-of-school youth representing 53.5 percent of current youth registrants.

- Priority for Veterans:** Subsequent to passage of the Jobs for Veterans Act (Public Law 107–288), the State issued policy to all WIA Title I-B grantees and subgrantees specifying the new requirements to provide priority for veterans in terms of access to services within the state’s One-Stop service delivery system. The new law established a priority of service requirement applicable to all DOL programs offering employment and training related services. Priority of service means that a covered veteran who is eligible for a program is to be given priority over non-veterans for the receipt of program services, notwithstanding any other priority provisions of the law. Local areas are not required to change their allocations among services to reserve funds for veterans, but are required to ensure that eligible veterans are given priority over non-veterans for all available services. Veterans’ priority of services cannot be waived.

Additional strategies that address the national strategic direction and the Governor’s priorities are described (following) in response to additional DOL questions in this section of the plan.

V. OVERARCHING STATE STRATEGIES

- C. Based on the State’s economic and labor market analysis, what strategies has the State implemented or plans to implement to target industries and occupations within the State that are high growth, high demand and vital to the State’s economy? (§§112(a), 112(b)(4)(A).) The State may want to consider:
1. Industries projected to add a substantial number of new jobs to economy; or
 2. Industries that have a significant impact on the overall economy; or
 3. Industries that impact the growth of other industries; or
 4. Industries that are being transformed by technology and innovation that require new skill sets for workers; or

5. Industries that are new and emerging and are expected to grow.

D. What strategies are in place to promote and develop ongoing and sustained strategic partnerships that include business and industry, economic development, the workforce system, and education partners (K-12, community colleges, and others) for the purpose of continuously identifying workforce challenges and developing solutions to targeted industries' workforce challenges? (§§112(b)(8).)

Detailed economic and labor market analyses (as described in Section IV of this plan) and the state's Critical Skill Shortages Initiative (CSSI) are the primary strategies to identify and target industries and occupations that are high growth, high demand and vital to the state's economy. CSSI provides local workforce investment boards (LWIBs) incentives to develop workforce programs on an Economic Development Region (EDR) basis and target limited training resources to shortage occupations pivotal to the economic growth of the EDR. Thus far, CSSI plans target occupations in several major industries: healthcare, manufacturing, transportation, distribution, warehousing, and logistics. During the first round of CSSI funding, the following healthcare occupations were most often targeted.

- Registered Nurses
- Licensed Practical Nurses
- Speech Language Pathologists
- Occupational Therapists & Assistants
- Physical Therapist & Assistants
- Radiologic Technicians
- Medical and Clinical Laboratory Technicians and Technologists
- Medical Information Technologists, Technicians, and Coders

Reviews are now underway for the second round of CSSI funding. While healthcare occupations continue to be targeted, funds are also being requested for shortage occupations in manufacturing by several regions. Job losses in manufacturing have slowed and it remains an important part of Illinois' economy, representing nearly 680,000 jobs (i.e., 11%). The aging of manufacturing workers also heralds the need for replacement workers who must be found to keep this sector of the state's economy strong. A wide range of occupations have been suggested by the regions such as (but not limited to):

- Maintenance & Repair Workers
- Welders
- Machinists
- Computer-Controlled Machine Operators
- First Line Supervisors
- Tool and Die Makers
- Computer Programmers & Analysts
- Project Engineers
- Civil Engineering Technicians
- Electrical & Electronic Technicians
- Electro-Mechanical Technicians
- Industrial Engineering Technicians
- Mechanical Engineering Technicians
- Chemical Technicians
- All Other Drafters, Engineering, & Mapping Technicians

During the second round of funding, regional consortia also requested funding for occupations related to transportation, logistics, distribution, and warehousing, including:

- Truck Drivers
- Industrial Truck and Tractor operators (including forklift operators)
- Bus and Truck Mechanics and Diesel Engine Specialists
- Computer Support Specialists
- Machinists
- Locomotive Engineers
- Dispatchers, Except Police, Fire and Ambulance
- Welders
- Electrical and Electronic Engineering Technicians

The exact occupations to be targeted through the second round of CSSI grants are still being negotiated at this time. However all occupations will have to meet the tests of being “good jobs” (i.e., good wages, benefits, and in a career path) and must be shortage occupations, critical to the regional economy.

Central to the CSSI strategy is the goal of promoting ongoing strategic partnerships that include business and industry, economic development, the public workforce system, and education partners (K-12, community colleges, and others) for the purpose of developing solutions to targeted industries’ workforce challenges. To be eligible to receive CSSI funds, regional consortia must demonstrate that significant local resources have already been committed to create on ongoing reliable “supply chain” of qualified workers to address each identified critical shortage occupation. Further, consortia must present a realistic “sustainability plan” calling for additional locally administered funds (i.e., either locally administered state, federal, or local funds) to replace CSSI seed funds, as those funds are reduced over time.

V. OVERARCHING STATE STRATEGIES

- E. What state strategies are in place to ensure that sufficient system resources are being spent to support training of individuals in high growth/high demand industries? (§§112(b)(17)(A)(i), and 112(b)(4)(A).)
- F. What workforce strategies does the State have to support the creation, sustainability, and growth of small businesses and support for the workforce needs of small businesses as part of the State’s economic strategy? (§§112(b)(4)(A) and 112(b)(17)(A)(i).)
- G. How are the funds reserved for Statewide activities used to incent the entities that make up the State’s workforce system at the State and local levels to achieve the Governor’s vision and address the national strategic direction identified in part I of this guidance? (§§112(a).)

Training Resources: A major strategy to ensure that sufficient system resources are being spent to support training of individuals in high growth/high demand industries is CSSI. CSSI is a strategy to leverage state, federal, and local (including private sector) resources to support training in critical skill shortage occupations.

CSSI projects have a life span of three stages. In year one, DCEO provides full funding. In year two, the regional economic development region must provide equal matching funds. In year three and beyond the projects will be sustained by regional funding.

Illinois set aside \$18 million to plan and implement CSSI. To date, CSSI has invested over \$10 million to provide for the identification of high demand jobs along with the root causes of the demand and innovative projects to address the shortages. There are nearly 100 projects to address critical skill shortage occupations in manufacturing, health care and transportation, distribution & logistics. Since projects began in January 2005, over 4,700 individuals have participated. The remaining funds will be invested for second year funding of projects as they are implemented.

Illinois' leadership in investing in demand occupations was recognized by the National Governor's Association, which invited Illinois to join a select group of five other states considered to be on the forefront of implementing demand driven sector-based workforce development strategies.

A second strategy is to encourage local workforce investment boards (LWIBs) to maximize the use of WIA adult and dislocated worker funds for training. Upon taking office, Governor Rod Blagojevich's administration commissioned a baseline evaluation to make an initial assessment of the functioning of the WIA program. One key finding of the study related to the issue of targeting WIA funds to training. It was found that although the total number of customers registered in Title I-B returned to and even exceeded the levels seen under the predecessor program, the Job Training Partnership Act (JTPA), the rate at which WIA customers enter training is much lower. Lower levels of entry into training were concentrated in seven of Illinois 26 LWIAs. The remaining areas showed rates of entry into training that met or exceeded the levels previously observed.

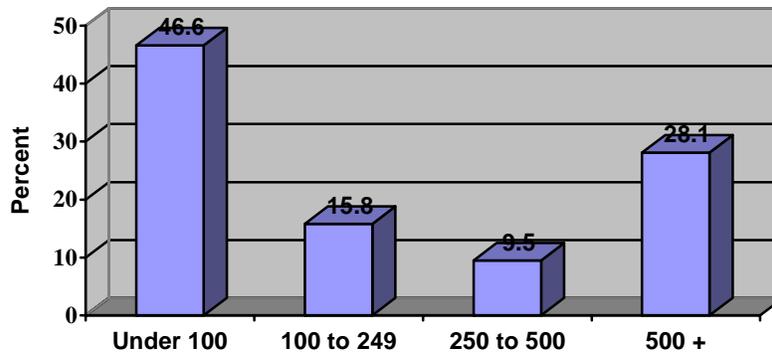
In response to this finding, the state is strongly encouraging all LWIBs to reexamine their use of funds in an effort to free up resources to be redirected to training. The state also issued a comprehensive policy letter on training, which encourages LWIBs and local WIA administrative entities to make greater use of allowable training options such as on-the-job training and customized training. These two training options will supplement WIA funds through private sector matching requirements associated with those training vehicles. The state's policy letter also included an option for LWIBs to contract training for special populations.

Third, the state is using a large portion of both 15 percent and 25 percent WIA state reserve funds to pay for training. Significant commitments of state funds are being used for model training programs, incumbent worker training, and training of workers dislocated from their jobs due to mass layoffs and plant closings.

Small Business Support: Small businesses benefit from the business oriented services available through the state's One-Stop centers and the training activities underwritten with (WIA) and Trade Act Assistance (TAA) funds. Training completers very often obtain employment in Illinois small businesses, as small business is a strong driver of job creation across the state. The

interests of small business are also well represented on local workforce investment boards (LWIBs). As shown in Chart 7, private sector representatives on Illinois LWIBs represent a high percentage of all private sector members. Firms with less than 100 employees account for 46.6 percent of all private sector members and firms with less than 250 workers account for another 15.8 percent.

Chart 7: Percent of Private Sector LWIB Members By Firm Size



Consolidation of Illinois workforce programs into the Department of Commerce and Economic Opportunity (DCEO), the state’s economic development agency, also facilitates collaboration and coordination of WIA partner programs with a wide array of other economic development programs targeted to small business. With other state and federal resources, DCEO funds, promotes, administers, or otherwise participates in small business programs designed to provide: information and technical assistance; access to capital; and, policy and regulatory advocacy. Following is a list of such services.

- **Small business information and technical assistance services:**
 - ▶ Illinois Entrepreneurship Network (IEN)
 - ▶ Entrepreneurship Centers
 - ▶ IEN Business Information Center
 - ▶ Small Business Regulatory Flexibility Program
 - ▶ Small Business Development Centers (SBDCs)
 - ▶ Procurement Technical Assistance Centers (PTACs)
 - ▶ SBDC International Trade Centers (ITC) & NAFTA Opportunity Centers (NOC)
 - ▶ Illinois Technology Enterprise Centers
 - ▶ Manufacturing Extension Partnership of Illinois (MEPI)
 - ▶ Illinois Small Business Environmental Assistance Program
 - ▶ Business and Industry Data Center Program (BIDC)
 - ▶ Small Business Set-Aside Program
 - ▶ Illinois Small Business Energy Program
 - ▶ Surety Bond Guaranty Program

- **Small business grants and loans:**
 - ▶ Illinois Capital Access Program:
 - ▶ Participation Loan Program
 - ▶ Minority, Women, and Disability Participation Loan Program
 - ▶ Enterprise Zone Financing Program
 - ▶ Development Corporation Participation Loan Program
 - ▶ The Technology Venture Investment Program (TVIP)
 - ▶ Community Services Block Grant Loan Program (CSBG)
 - ▶ Employer Training Investment Program (ETIP)
 - ▶ Technology Challenge Grant Program
 - ▶ Illinois Technology Enterprise Development and Investment Program
 - ▶ Recycling Industry Modernization (RIM) Program
 - ▶ Recycling Market Development Program

Brief descriptions of each of these small business programs and services are included in Attachment B.

Incentives: The grant and loan programs cited above all function as incentives to achieve the Governor's vision of a strong and growing small business sector in Illinois. In addition, the Governor is continuing to commit a substantial portion of the funds reserved for statewide activities to create incentives for the state's workforce system to achieve the Governor's vision and address the national strategic direction. WIA 15 percent funds are being used in several ways to achieve this end.

- Funds are used to reward local workforce investment areas (LWIAs) that exceed federal performance standards; thus, encouraging continuous improvement and accountability.
- Funds earmarked for the Critical Skill Shortages Initiative (CSSI) create strong incentives to link workforce and economic development by encouraging regional planning and targeting high demand shortage occupations.
- Funds are being used to underwrite systems and model program development to expand access to core, intensive, and training services through the Internet and improve services to at-risk populations (e.g., out-of-school youth and persons with disabilities).
- And, funds are being used to strengthen the local system through subsidies of broadband access to the Internet, support of LWIB staff, and other technical assistance and training targeted to partner programs.

V. OVERARCHING STATE STRATEGIES

- H. Describe the State's strategies to promote collaboration between the workforce system, education, human services, juvenile justice, and other systems to better serve youth that are most in need and have significant barriers to employment, and to successfully connect them to education and training opportunities that lead to successful employment. (§§112(b)(18)(A).)
 - I. Describe the State's strategies to identify State laws, regulations, policies that impede successful achievement of workforce development goals and strategies to change or modify them. (§§112(b)(2).)
 - J. Describe how the State will take advantage of the flexibility provisions in WIA for waivers and the option to obtain approval as a workflex State pursuant to (§189)(i) and 192.
-

Support Youth Councils: Illinois intends to support local Youth Councils throughout the period of this plan. In particular, Illinois will emphasize the ongoing role of Youth Councils in a continuing and comprehensive youth planning process. If the requirement for Youth Councils is eliminated due to reauthorization legislation, the state will continue to support such councils where they are voluntarily continued. The reader is referred to Section I. E. of this plan for additional discussion on this point.

Encourage Partnerships: The state will encourage LWIBs to develop partnerships between Illinois businesses, education, local community and faith-based organizations, and the workforce development system to serve youth throughout Illinois. Such partnerships will create meaningful employment and training opportunities for all Illinois youth. Partnerships will be established in every community to create:

- Paid and unpaid work experience programs;
- Summer employment opportunities for in-school youth;
- Programs that link academic educational programs with work-based learning;
- Opportunities for volunteer and leadership development experiences;
- Job shadowing and mentoring programs; and,
- Unsubsidized employment opportunities for youth that provide for career advancement.

Target At-Risk Youth: Final decisions regarding the targeting of limited categorical funds for youth will, and should, be made at the local level. Such decisions are the purview of the local Youth Council, the LWIB, and state and local agencies responsible for the administration of local youth programs. However, there appears to be an opinion, shared by many across the state that limited WIA Title I youth funds would be best targeted to at-risk youth.

State and local categorical programs will be encouraged to target various at-risk youth populations. Populations considered to be at-risk include (but are not limited to): (a) out-of-school youth who lack basic skills, (b) pregnant and parenting teens, (c) youth in TANF

households, (d) youth who are non-custodial fathers of children in TANF households, (e) youth in foster care (especially older youth), (f) youth with disabilities; (g) youth involved with the juvenile justice system (especially those on parole), and (h) youth with limited English speaking ability.

The IWIB will consider policies that create incentives for LWIBs to: (a) identify youth at-risk as early as possible, (b) outreach and recruit at-risk youth, and (c) target services to at-risk youth populations. In addition, the state will provide technical assistance and training to professional staff to improve services to at-risk youth and will develop improved program models for youth services. As described in Section I.E of this plan, three major youth-related model program development efforts are underway: (a) K-12 Career Development Programs; (b) e-Learning Projects; and (c) Foster Care Demonstration Project. LWIBs throughout the state will be appraised of the progress of these projects with the goal of encouraging them to incorporate successful elements from these initiatives into their own local programs.

Youth will also benefit from several other research and development activities described elsewhere in this plan. Those activities include: Illinois workNet, the Critical Skill Shortages Initiative (CSSI), the Healthcare initiative, and Disability Navigator Projects. While these initiatives are not targeted exclusively to youth, they will benefit youth as well as adults, dislocated workers, displaced homemakers, and other at-risk populations.

Regulatory Review: The state is hesitant to promulgate policies and regulations that limit the flexibility afforded to local areas under federal statute. When a new policy or regulation is being considered, the state makes every effort to thoroughly communicate its intentions in advance, while the proposed rule or policy is being drafted. The state solicits input from stakeholders through a variety of means to ensure that the final policy or rule is as least restrictive as possible, while still achieving the objective of the issuance. In other words, through extensive consultation and communication, the state attempts to avoid problematic rules altogether.

Several mechanisms have been established to foster open and effective sharing of information among state agencies and between state agencies and the Illinois Workforce Investment Board (IWIB). The IWIB is a primary mechanism for sharing information. The IWIB provides the Governor with a top-level policy board to review and recommend key policies, procedures, and guidelines established to facilitate the implementation of the WIA and related workforce programs. The Board is also an access point for various local, regional and statewide organizations, and constituent groups to address their concerns.

The LWIB Leadership Association creates another vehicle for communication. The Governor and state economic and workforce development agencies may discuss issues, policies, and new initiatives with private sector representatives from all 26 local workforce investment boards (LWIBs) on a quarterly basis.

Meeting with the Illinois Workforce Partnership (IWP) is another important means of communication between the state and the local system. IWP members represent both LWIBs and agencies responsible for the administration of WIA programs in the local areas. The mission of the IWP is to: (a) promote the sharing of information among LWIBs, chief elected officials, One-

Stop partners, and other interested parties; (b) formulate policy positions that impact local workforce investment areas (LWIAs) and communicate those positions at both the state and federal levels; (c) actively promote employment and training, economic development, and educational systems; (d) enhance local systems by aggressively pursuing coordination, resource sharing and the reduction of duplicated services; (e) provide input into the formulation of state guidelines and procedures, that directly affect LWIAs; (f) address local employment and training, economic development, welfare reform, and educational issues; and, (g) work with federal, state, and local entities to ensure continuous quality staff development.

Since the inception of the WIA program, the state agency responsible for WIA administration has met with the IWP on a monthly basis. These meetings are used to assess local technical assistance needs, review and comment on proposed policies and procedures, and generally discuss any aspects of the program.

Waivers: The state is requesting three waivers as part of this plan submission. See Attachment G for a full discussion of these waiver requests.

- **Use of ITAs for Youth:** The U.S Department of Labor (DOL) granted Illinois a waiver of the prohibition in the Workforce Investment Act (WIA) implementing rule excluding the use of Individual Training Accounts (ITAs) for out-of-school youth participants. This waiver now permits LWIBs to use the state's list of eligible training providers to secure training for these youth. The waiver is designed to enhance customer choice, allow these youth to benefit from services provided by Illinois' certified training providers, and expand services without requiring One-Stop operators to register participants in the adult program. The waiver was initially granted for the period beginning July 1, 2003, and ending June 30, 2004. At the request of the state, DOL extended the waiver through June 30, 2005. The state is requesting that this waiver be extended throughout the period of this plan.

In addition to the requested extension of this waiver, the state is requesting an expansion of the waiver to include all youth participants ages 16 and above, regardless of school enrollment status. This requested expansion is based on comments on the current waiver, and the state's experience with implementing the ITA waiver for out-of-school youth. Whether or not DOL is able to grant the expansion of this waiver, the state still seeks extension of the current waiver.

- **Incumbent Worker Training:** The state is requesting a waiver of WIA section 129 on the "Use of Funds for Youth Activities" and WIA section 134 on "Use of Funds for Employment and Training Activities", as well as WIA regulations at 20 CFR 663.145 regarding the use of WIA Title I-B adult and dislocated worker formula funds. Under the requested waiver, the state proposes to allow LWIBs in the state to use up to 10 percent of the funds allocated to them under WIA Sections 127, 128, 132, and 133 of WIA in the same manner and fashion as statewide activity funds are used under WIA Section 134(a)(3)(iv)(I), which allows statewide activity funds to be used for the "implementation of innovative incumbent worker training programs, which may include the establishment and implementation of an employer loan program to assist in skills upgrading".

The impact of the IW projects has been palpable, and significant. Eighteen local workforce investment areas submitted modifications to their local plans indicating the board and CEO's intentions to take advantage of the waiver granted by DOL to run incumbent worker training programs at the local level.

As of December 2006, six local workforce investment areas submitted a total of forty four project plans that outline their incumbent worker training projects. The projects planned to provide training to a total of one thousand five hundred and eighty-five incumbent workers with the training costs for local areas projected to be approximately \$840,000.

Employers provide matching funds based on a sliding scale according to the company size. Projected employer matches for the entire group of forty four projects total approximately \$742,000 for a total of \$1.6 million being spent on these projects. Most employers are providing their match by paying the employees their salaries and benefits while they are attending training.

The sectors targeted under the current projects include: Business/Finance/Insurance; Construction; Healthcare; Information Technology; Manufacturing; Professional, Scientific and Technical Services; and Transportation/Warehousing/Logistics. Manufacturing is by far and away the largest of the targeted sectors making up twenty-seven of the forty-four projects with 57.14% of the total projected training costs for all of the local incumbent worker projects.

Local workforce investment areas are required to provide quarterly progress reports to the Department. As of December 2006, thirty-two projects were either complete or underway. Seven hundred forty one incumbent workers completed training with one hundred twenty-nine of these moving into targeted upward path jobs. Most projects are being completed in the time planned; with nine projects taking longer than initially planned due to employers postponing training due to workload issues. An additional ten projects are slated to begin in 2007. These projects plan to enroll approximately 184 incumbent workers.

In one project, John Deere had two factories in an EDR, with seasonal shift reductions and layoffs during opposite times of the year. Deere proposed cross training workers from each factory so that when production cycles change, employees would avoid layoffs by switching between factories. This simple yet effective strategy provides steady employment to over 200 workers.

Approval of this waiver extension will help ensure that Illinois' workforce system continues to be demand-driven and LWIBs are given maximum flexibility in tailoring service delivery and making strategic investments in talent development activities to meet the needs of state and local economies and labor markets. Allowing LWIBs the authority to use a limited portion of their allocated funds for incumbent worker training programs will allow them to develop a full continuum of training services that address the needs of the existing workforce, unemployed, underemployed, and new entrants to the labor force.

- **Requirement for a Comprehensive One-Stop Career Center in Each LWIA**
 The state is requesting a waiver of the WIA requirement for a comprehensive One-Stop center in each LWIA. This waiver would provide the maximum flexibility to the state and to local areas to structure the career center network in the most efficient manner possible. In addition, it supports the overall state objective of encouraging greater reliance on technology rather than physical facilities as a means of accessing career transition services. Finally, the increased flexibility obtained through this waiver will allow the state to implement policies that are intended to increase WIA Title I expenditures for training.
- **Adoption of WIA Common Measures**
 The state is requesting a federal waiver permitting the early adoption of the WIA common measures. This waiver would encourage the provision of training to adults and dislocated workers by removing the current WIA credential rates, which strongly discourage on-the-job or customized training delivery. In addition, it would enhance services to out-of-school youth, who are more clearly targeted by the new common measures for youth.
- **Exemption from Individual Training Accounts and Customer Choice Requirements**
 The state is requesting a waiver of the requirement to use Individual Training Accounts as the primary means of purchasing occupational training services for adults and dislocated workers. It is also requesting a waiver of the related provisions regarding customer choice from the state eligible training provider list. This waiver would encourage the use of WIA funds to increase training capacity rather than merely purchasing training slots in existing classes.
- **Exemption from the Procurement of Youth Services**
 The state is requesting a waiver of the requirement for LWIAs to competitively procure youth services. This waiver request is an extension of our existing waiver permitting LWIAs to use the Individual Training Account system for procuring training for out-of-school youth. In addition to the use of ITAs for training, most LWIAs can readily use existing case management staff to provide most of the ten youth service elements directly, rather than through service providers. The existing requirements create another layer of staff that is often not needed.

VI. MAJOR STATE POLICIES

Describe major State policies and requirements that have been established to direct and support the development of a Statewide workforce investment system not described elsewhere in this Plan as outlined below. (§112(b)(2).)

- A. What State policies and systems are in place or planned to support common data collection and reporting processes, information management, integrated service delivery, and performance management? (§§111(d)(2) and 112(b)(8)(B).)
- B. What State policies are in place that promote efficient use of administrative resources such as requiring more co-location and fewer affiliate sites in local One-Stop systems to eliminate duplicative facility and operational costs or requiring a single

administrative structure at the local level to support local boards and to be the fiscal agent for WIA funds to avoid duplicative administrative costs that could otherwise be used for service delivery and training? The State may include administrative cost controls, plans, reductions, and targets for reductions if it has established them. (§§111(d)(2) and 112(b)(8)(A).)

- C. What State policies are in place to promote universal access and consistency of service Statewide? (§112(b)(2).)
- D. What policies support a demand-driven approach, as described in Part I. “Demand-driven Workforce Investment System”, to workforce development – such as training on the economy and labor market data for local Board and One-Stop Career Center staff? (§§ 112(b)(4) and 112(b)(17)(A)(iv).)
- E. What policies are in place to ensure that the resources available through the Federal and/or State apprenticeship programs and the Job Corps are fully integrated with the State’s One-Stop delivery system? (§112)(b)(17)(A)(iv)).

Common Data Systems: The State of Illinois has systems in place for the coordination and sharing of data among partner programs as outlined in the Act. The Department of Commerce and Economic Opportunity (DCEO), the Illinois Department of Employment Security (IDES) and the Illinois Department of Human Services (DHS) have long standing data sharing agreements in place. These agreements facilitate access between partner programs to data on common customers while minimizing duplicative systems costs. Shared data facilitates the coordination of services to customers, allows for common reporting, and facilitates the calculation of performance outcomes. Service coordination is enhanced through the use of shared data to determine program eligibility, report on job placements, and track a customer’s progression through the workforce development system.

These data sharing arrangements have been used to enhance services and accountability in several ways. Information from the DHS is used to assist in verifying eligibility of TANF and Food Stamp recipients for WIA Title I-B program participation. Information from IDES is utilized in determining eligibility of dislocated workers for Title I-B services, and Trade (TAA) . DCEO matches Unemployment Insurance (UI) wage records from IDES to calculate performance outcomes for its WIA Title I-B common customers. IDES uses information from DCEO to report on the status of UI profilees, and to verify continued eligibility of trade-impacted workers for extended benefits. Local level partners also have access to the Illinois Skills Match system to assist in job placement.

DCEO has a robust data system in place to facilitate service to customers. Through the Illinois Workforce Development System (IWDS), data is stored on each customer from program enrollment through follow-up after job placement. IWDS utilizes an Internet-based browser with a centralized database that supports all Title I-B and Trade Act business functions. As a result of the co-enrollment pilot, several enhancements and modifications have been made to system functions to improve trade service reporting and tracking, and additional changes are in process. This system is capable of producing reports on common customers such as job seekers, TANF

recipients, and UI claimants. When requested, reports are produced for common customers that have received services.

Illinois will supplement existing data sharing arrangements between IDES and DCEO to include partner program service information. This will allow us to meet the requirement for cross-partner program participation periods and to work toward consolidated performance reporting as required by the new WISPR (Workforce Investment Streamlined Performance Reporting).

Illinois is also in the process of implementing another Web-based system, known as Illinois workNet, to offer convenient, on-demand access to core services and other workforce development services and support. Illinois workNet will also have the capability of collecting customer information that can then be shared with the applicable partner. This capability will lessen the burden on partners of re-collecting common customer information. Integration of Illinois workNet is currently in progress at 13 of the State's 26 LWIAs, and will be rolled-out statewide over the coming months.

Through the use of data sharing agreements and customer services systems, workforce development partners in Illinois are well-positioned to track and report on services provided through all partners' efforts. Access to data is not limited to state level activities. Data is also shared in real time at the local level. Partners can access data on eligibility and receipt of benefits while the customer is present and receiving services.

Efficient Use of Resources: At the state level, efficiencies have been achieved through co-location of the WIA and TAA programs with other state and federal economic and workforce development programs administered by the state's economic development agency, DCEO (see Section III). In November 2005, the State issued WIA policy addressing a pilot project on co-enrollment of individuals in both the TAA and WIA programs. The pilot project was sponsored by DOL-ETA and was designed to study the performance outcomes of individuals co-enrolled in both programs. The project ended in December 2006, but allows for the exclusion of co-enrolled customers from performance measures through PY 2008 by both the State and LWIAs.

At the local level, One-Stop services provided by mandatory and optional partner agencies are delivered in a coordinated fashion in accordance with a locally negotiated Memoranda of Understanding (MOU). MOUs are developed in accordance with the requirements of WIA Section 121(c). DCEO provides LWIBs and partner agencies technical assistance, as requested, to facilitate MOU negotiations that meet the standards described in the One-Stop Comprehensive Fiscal Management Technical Assistance Guide (TAG).

Universal Access and Consistency of Services: Illinois issued policy regarding the requirements for a One-Stop center to be considered a comprehensive center, per the requirements of WIA Section 134(c)(2). The state requirements are designed to ensure a level of consistency across centers. The requirements are summarized in Attachment C, Services Matrix for Comprehensive Centers in Illinois. The state has certified that at least one center in each of the 26 local workforce investment areas meets these standards. The state is also pursuing increased consistency and cost efficient access to universal services through automation. Following are important examples of these efforts.

- **Illinois workNet:** This project uses the Internet to expand access to universal (core) services and improve access to intensive and training services through technology and will help to expand the delivery of workforce services throughout the state. By supplementing the existing physical One-Stop centers and connecting online to an expanded network of agencies and partners (including community and faith-based organizations, technology centers, schools, libraries, and community colleges), the project extends the reach and expands the services of physical One-Stop centers at a fraction of their cost. Implementation of Illinois workNet also leverages current technology investments in state education and various workforce development agencies (see Section III for additional details).
- **BIS Redesign Project:** IDES is in the process of testing and implementing its new Business Information System (BIS). The new BIS will provide greater access for individuals in filing unemployment claims and will interface with the Illinois Skills Match (ISM), an online system that provides skills-based job matching services for employers and jobseekers. The new BIS system will provide online UI filing for claimants, offering them a new means of access in addition to the phone, fax, and in-person filing services now available (see Section II for additional details).

Support of a Demand-Driven Approach: A primary strategy to ensure that the state's workforce system is demand-driven is the Critical Skill Shortages Initiative (CSSI). CSSI requires local LWIBs to provide the initial leadership to create consortia in each Economic Development Region (EDR) to influence the regional workforce system. Consortia utilize networks of public and private organizations and training providers to develop solutions for skill shortages including: business and industry associations, labor unions, professional associations, universities and community colleges, community-based organizations, economic development organizations, One-Stop centers, One-Stop partner agencies, and business organizations. CSSI then uses reserve funds awarded to regional consortia as seed money to leverage private sector and other state and federal funds. Funds are used to meet the training needs of high growth industries and occupations, critical to the regional economies; thus ensuring that Illinois' workforce system is demand driven. A primary goal of the CSSI is to align regional workforce programs to provide an ongoing and reliable supply of qualified job seekers for critical occupations. CSSI projects are designed to ensure that there is a continuum of education and training options available to workers to support the development of a skilled workforce (see Section I for additional details).

The Incumbent Worker Training program was developed in November 2005 through a WIA policy letter. It provides guidance on implementing an approved waiver granting authority to divert up to ten (10) percent of adult, dislocated worker, and youth allocations to support incumbent worker training programs. These programs assist EDRs and LWIAs in developing a full continuum of training services that address the needs of an existing workforce, the unemployed, underemployed, and new entrants to the labor force, as well as meeting the leverage requirements of the Critical Skill Shortages Initiative.

High quality economic and labor market information products, systems, and related support and training are also key to making the state's workforce system responsive to the needs of business and industry. Following are several examples of these services provided by IDES.

- **Career Resource Network:** As mandated under the Carl D. Perkins Career and Technical Education Act, IDES' Career Resource Network (CRN) continues to expand its tradition and commitment of serving the career information needs of all Illinois stakeholders. The premier product of the CRN is the Career Information System (CIS), which compiles Illinois specific labor market and career information on occupations, financial aid and scholarships, apprenticeship opportunities, post-secondary training, and entrepreneurship. CIS is used by students, parents, counselors, adults, job seekers, businesses, and One-Stop Center staff and is available free of charge, 24-7, via the Internet. To achieve these goals, IDES works through the partner agency members of its CRN Advisory Committee (i.e., Board of Higher Education, Community College Board, DCEO, Department of Human Services, State Board of Education, and Illinois Workforce Investment Board) to achieve satisfaction with CRN products and services and contribute to the success of programs in education, workforce development, job training, rehabilitation, economic development, and TANF.
- **I*Compass:** IDES has implemented an online e-learning workforce and career information training tool. IDES' I*Compass is accessible to all partner agencies and stakeholders. This self-directed knowledge management and training tool provides the necessary assistance to access information from all five of IDES' One Source workforce and career information Web sites: Workforce Info Center (WIC), Career Information System (CIS), Career Click, Countdown, and LMI Source. The course offers several in-depth training modules with assessments covering topics related to workforce, career, and labor market information.
- **Local Employment Dynamics (LED):** The LED Quarterly Workforce Indicators (QWIs) provide 29 new measures of employment activity. These measures (such as new hires, separations, job gains, job losses, labor turnover, and earnings) are produced by age and gender categories of workers within industry sectors for counties, local workforce investment areas (LWIAs), Metropolitan Statistical Areas (MSAs), and user-defined regional geographies. The LED program partnership has recently focused on providing workforce investment programs with more current and local information about their labor markets, together with the high growth and high demand industries. The LED mapping applications can be directly used throughout the One-Stop system to generate information on the relationships between where people live and where they work (see Section V for additional details).

Job Corps and Apprenticeship Programs: Apprenticeship services administered by IDES are accessible through all Illinois comprehensive centers. Where the Job Corps operates programs within a local workforce investment area of the state, it is subject to the same access requirements as any other required partner program. That is, the Job Corps must provide access to its core services at each comprehensive center in the area. Core services are defined as those services listed in WIA Section 134(d)(2) that the partner provides to customers of its programs. The Job Corps may provide other services on an optional basis. Other services are defined as non-core services, which the partner provides to customers of its programs. The manner of access must be described in the MOU.

Populations Facing Multiple Barriers to Employment: As an alternative to Individual Training Accounts (ITAs), contracts for training are authorized when the LWIB determines that there are special populations that face multiple barriers to employment and that there is a training services program of demonstrated effectiveness offered by an eligible provider. The WIA federal rule at 20 CFR 663.430(a)(3) explains that the training provider receiving such a contract must be a community-based organization (CBO) or other private organization.

The LWIB must develop criteria to be used in determining demonstrated effectiveness, particularly as it applies to the special participant population to be served. The criteria may include:

- Financial stability of the organization;
- Demonstrated performance in the delivery of services to hard to serve participant populations through such means as program completion rate; attainment of the skills, certificates or degrees the program is designed to provide; placement after training in unsubsidized employment; and retention in employment; and
- How the specific program relates to the workforce investment needs identified in the local plan.

These criteria are illustrative and LWIBs must develop specific criteria applicable to their local areas. The determination that a provider's program is one of "demonstrated effectiveness" is in addition to meeting the requirements for qualifying as an eligible training provider. Training providers operating under this ITA exception still must qualify as eligible providers, as required at 20 CFR 663.505.

Special participant populations that face multiple barriers to employment are populations of low-income individuals that are included in one or more of the following categories: individuals with substantial language or cultural barriers; offenders; homeless individuals; and other hard-to-serve populations as defined by the Governor. The Governor has defined individuals with disabilities as defined in WIA Section 101(17) a hard-to-serve population.

VII. ACTIONS TO ENSURE SERVICE INTEGRATION

Describe the actions the State has taken to ensure an integrated One-Stop service delivery system Statewide. (§112)(b)(14) and 121.)

- A. What State policies and procedures are in place to ensure the quality of service delivery through One-Stop Centers such as development of minimum guidelines for operating comprehensive One-Stop Centers, competencies for One-Stop Career Center staff or development of a certification process for One-Stop Centers? (§112)(b)(14).)
- B. What policies or guidance has the State issued to support maximum integration of service delivery through the One-Stop delivery system for both business customers and individual customers? (§112)(b)(14).)

- C. What actions has the State taken to promote identifying One-Stop infrastructure costs and developing models or strategies for local use that support integration? (§112(b)(14).)
- D. How does the State use the funds reserved for Statewide activities pursuant to §129(b)(2)(B) and 134(a)(2)(B)(v) to assist in the establishment and operation of One-Stop delivery systems? (§112(b)(14).)
- E. How does the State ensure the full array of services and staff in the One-Stop delivery system support human capital solutions for businesses and individual customers broadly? (§112(b)(14).)

Quality of Service Delivery: The creation of Illinois’ network of One-Stop centers predated the passage of the Workforce Investment Act (WIA). Centers were initially established under the federal Job Training Partnership Act (JTPA), using national reserve seed funds provided by the U.S. Department of Labor (DOL). Prior to the start of WIA, Illinois developed a vision statement and related certification criteria for a center to be considered to be at the “advanced operating stage”. A state and local interagency team developed the vision statement and certification criteria. Illinois’ vision of a center at the advanced operating stage is consistent with the scope and purpose of comprehensive centers, as embodied in the requirements of WIA and related DOL guidance. The majority of the state’s centers meet the existing state criteria to be considered a comprehensive One-Stop center under WIA.

The state recognizes, however, that the certification criteria currently in use are becoming dated due, in part, to advances in technology and the evolution of the perceived role (i.e., vision) of workforce development programs at both the state and national levels. Therefore, during the period of this plan, the state will revise and update the One-Stop center certification criteria to support the new vision of Illinois’ workforce system. We are requesting a waiver to eliminate the requirement to have a comprehensive One-Stop in each LWIA. If this waiver is granted, it will impact our plans to update the certification process. If this waiver is not approved, the certification process likely will be updated for comprehensive centers to: incorporate best practices; promote high quality services; respond to the evolving needs of job seekers, employers and other customers; and ensure the continuous improvement, development and growth of centers. The task ahead for Illinois is to continue to expand the scope of local partnerships in local centers and continuously improve the services.

In addition to the promulgation of certification criteria, the state promotes the quality of One-Stop services through the provision of technical assistance (TA). The state earmarks WIA 15 percent funds to provide capacity building and technical assistance services to local areas to improve the functioning of local Boards, LWIB staff, One-Stop operators, One-Stop partners, and eligible providers. Funds are awarded to local workforce investment areas (LWIAs) and a portion of the TA reserve is used for training activities delivered statewide.

New policy issued in December 2006 continues to provide guidance on funds available to the LWIAs through the Technical Assistance grants. New State policy has directed much of the “training” of LWIA staff through the BoWD, rather than through local channels as has been the

case in the past. This allows all of the TA funds to be utilized on technical assistance functions, while still receiving the needed training to ensure continued efficient use of staff.

Local workforce investment boards (LWIBs) and Title I-B entities may apply for TA funds. Local applications must meet the following criteria:

- The project must address a pressing local or regional workforce development need;
- The intended results must be replicable;
- The proposed project must be judged a cost effective use of TA funds; and,
- The intended results must be sustainable once TA funds are expended.

Priority is given to local requests to support continuous improvement activities in the following four areas: performance improvement, local Board development, technology enhancements, and applications judged as likely to have an economic impact. Applications addressing a TA need that will improve and integrate services across an entire Economic Development Region (EDR) are encouraged. Projects that include leveraging of local resources are also encouraged.

The annual Governor's conference is another vehicle for the provision of training. Plenary sessions and workshops typically cover a wide range of topics such as:

- Techniques to serve various at-risk populations;
- New program requirements;
- Performance management;
- Counseling methods;
- Collaborative leadership;
- Employer services;
- Building local partnerships;
- Leveraging resources;
- Economic and labor market information; and
- Successful techniques to meet the workforce needs of target populations such as youth, dislocated workers, incumbent workers, older workers, and the economically disadvantaged.

Workshops also address the details of workforce program administration such as a review of WIA and Trade Act statutory and regulatory provisions. Workshops frequently cover general administrative issues such as team building, techniques to hold successful meetings, and ways to motivate staff. In addition, the annual conference provides a vehicle to showcase state and local model programs and special initiatives to the rest of the system. Lastly, the conference has become the venue for awarding superior performance of local Boards, program administrators, service providers, and most important, program participants. The award ceremony is a continuing source of inspiration and a motivating force for the entire system.

Integration of Service Delivery: The State is currently pursuing three initiatives focused on expanding services and integrating service delivery to both individuals and business customers. Projects include the Critical Skill Shortages Initiative (CSSI), consolidation of workforce programs with economic development programs, and the One-Stop Redesign project.

- **Critical Skill Shortage Initiative:** Through CSSI, Illinois is integrating the delivery of an array of state and local workforce services to employers through the One-Stop system. Over a three-year period, the state is making a \$15 million commitment to employer services through CSSI. Awards were made to consortia of LWIBs in all ten state-designated Economic Development Regions (EDRs) to underwrite planning activities designed to identify key sectors that drive the economy of the EDR and key industries within those sectors. Through this planning process each region identified critical shortage occupations within the region's key industries. Business was brought into the process through the mandated makeup of the consortia, which include regional employers, business and industry associations, and economic development organizations.

Once the consortia identified occupations for which there was a critical shortage they then had to identify "root causes" of shortages, such as lack of career awareness, lack of training capacity, or high turnover. Once the root causes were well understood, consortia developed solutions to pool and voluntarily redirect both public and private resources to address the causes. LWIAs are now in the process of training the first round of workers in occupations associated with demand industries such as healthcare, transportation, logistics, and advanced manufacturing. Through CSSI, One-Stop services of all partners are focused on meeting the employment needs of key industries within their regions.

- **Workforce Consolidation with Economic Development:** In 2003 Governor Blagojevich signed executive order 2003-11, which consolidated several of Illinois' workforce training programs in the Department of Commerce and Economic Opportunity (DCEO). The Governor took this action to "...help strengthen Illinois' system of workforce and economic development to build a skilled and globally competitive workforce throughout the State." DCEO'S mandate is to closely align workforce programs to meet the needs of Illinois' employers for skilled workers, while ensuring that the populations (including "at-risk" populations) served by various workforce programs gain access to jobs that lead to economic self-sufficiency.

As part of this consolidation, the Bureau adopted a new organizational design which entailed the creation of a fully consolidated Regional Workforce Management Division (RWMD), a Program Development Division, and a Special Projects Division. This option was chosen because it would result in the greatest efficiency in the use of current staff, as well as staff that are likely to become available in the future. It further provided the clearest focus for accomplishing the critical maintenance functions, and it most effectively addressed the areas where staff shortages were problematic, especially in the area of fiscal monitoring. Finally, it provided significant horizontal enrichment in the field portion of the Bureau. All staff has been assigned to their respective divisions and cross training is complete. All but one of the management positions have been filled, as well as twenty additional Regional Representatives.

The creation of the Regional Workforce Management Division has resulted in the consolidation of all field functions into one cohesive unit, thereby improving the Bureau's ability to respond to issues of concern to local Boards, grantees, and providers. These functions include: program monitoring; general fiscal monitoring; rapid response; on-site

technical assistance; review of local plans; local performance management; assistance with audit resolution; improving the effectiveness of the LWIBs (including managing the LWIB staffing grants); involving employers more effectively in the workforce system; overseeing implementation of regional planning requirements (e.g., CSSI); and, management of special projects. Regional personnel are also available to assist local workforce areas to identify areas in need of improvement through the state's annual monitoring process, as well as serving as the "early warning" mechanism should an LWIA be in danger of failing its performance standards. When necessary, regional personnel provide or facilitate the delivery of technical assistance to LWIAs. Regional staff are also working with local Workforce Investment Areas to increase their involvement in the grant monitoring process. A Grant Administration Manual has been developed and training will continue to be provided throughout 2007.

- **One-Stop Redesign:** The underlying purpose of physical One-Stop centers in WIA is to ensure convenient access to the full range of workforce services present in each LWIA. In the past, Illinois has been overly focused on the need to co-locate partners in One-Stop centers, and not sufficiently focused on what services the centers provide to their customers, or how effective centers are at reaching those who need assistance. In the first few years of WIA, Illinois created a solid network of physical One-Stop centers. As the state approaches the beginning of the next planning cycle, Illinois will expand service access and integration through the use of advanced computer and telecommunications technology.

Under the Governor's new vision, Illinois will be more flexible and creative in how it defines and implements its workforce development system. The state designed and is implementing a Web portal, Illinois workNet, to promote virtual access to workforce development services. Pilot testing began in 2005, and led to the statewide implementation now underway. Illinois workNet supports Illinois' strategic vision of building an integrated and universally accessible workforce development system. This more flexible vision for Illinois workforce development system is characterized as follows:

- ▶ The system emphasizes access to career transition services via the Internet. Virtual access enables many more job seekers to benefit from services than can be reached when access is only provided through physical centers. DCEO is working with state and local partners to deploy Illinois workNet, a Web-based portal capability, that provides access to career information and career transition services. This Web-based strategy will provide access to a wide array of information sources and services and allow local customization of Web content to address unique local needs.
- ▶ The system emphasizes information and referral over staff relocation strategies. In the past, Illinois was overly focused on facility co-location of workforce programs. However, locating a single partner staff person in a center merely to comply with a co-location mandate is often not the most effective way of providing access to partner services. In fact, it can sometimes distract the partners from the more useful work of cementing workable referral relationships. To change this focus, the state is fostering the development of technical means to share and track referral data among all partner agencies, and is deploying the mechanism to allow information to be shared and recorded.

- ▶ Physical centers will continue to provide services to populations that require direct assistance. Although virtual services will expand access for many, not all job seekers have access to the Internet and many other persons need “hands on” assistance. Physical centers provide a location where job seekers who do not have access to the Internet can access Web-based resources for career transition. In addition, for those with more serious problems, or for those who want to access staff delivered core and intensive services (e.g., job clubs, career counseling, or job search workshops), physical centers will continue to provide a convenient location where these services are provided. Finally, for those who need access to training services, the career centers provide access to the case management and career transition services that are important pre-requisites for successful training.

- ▶ Physical centers will be located where they are able to reach persons who might not otherwise have access to career transition services. The most effective mechanism for determining these locations is through the local Boards. Individual partner programs will be free to work out with the other partners the locations that make the most sense for their communities. The definition of a “comprehensive” career center will also be flexible, in order to allow for a variety of strategies. Under this model, financing of career centers will become the shared responsibility of the partners who choose to provide a center at a particular location. LWIBs will develop clear criteria for making these location decisions, and will be accountable for measuring access and utilization of the local career center network. Utilizing this model, each of the partners, including the Title I-B administrator, will be free to pursue center arrangements that meet these access criteria, and which otherwise satisfy their business requirements.

It is expected that this greater flexibility will lead to a wider variety of One-Stop centers designed to meet the specialized workforce development needs of each community. For example, in addition to the comprehensive center in each LWIA, specialized centers may be implemented that focus on outreach to a particular population group, such as families. One-Stop centers may also have an industry sector focus, and may function as part of a larger strategy to meet critical skill shortages in the health care industry, for example. Centers could vary in size from a large comprehensive center housing multiple co-located programs, to a small “store-front” center with one or two staff persons from a single partner, and a few workstations for client use to access virtually delivered services.

Identifying One-Stop Infrastructure Costs: The development and implementation of a fully operational system for the delivery of workforce development services has been supported by the state through a number of processes and initiatives. Chief among these has been the Memorandum of Understanding (MOU) process. In April of 2000, the State workforce investment board (IWIB) issued policy guidance to local areas on cost sharing and MOU negotiations. This guidance contained recommendations as to the structure and content of MOUs. IWIB recommendations encouraged the maximum amount of flexibility in One-Stop system design, while still requiring local partners to address a comprehensive range of service delivery and operational issues in developing the MOU. The IWIB endorsed recommendations to guide the MOU negotiation process including the following guidance.

- The minimum core services required to be *provided* and the other programs and services required to be *accessible* through a comprehensive center are defined and offered as the starting point for local negotiations regarding the services to be made available in each workforce investment area. These services are displayed in the Services Matrix for Comprehensive Centers in Illinois (see Attachment C). Since state-level partners agreed upon the service matrix, it represents a source of information upon which local partners can rely during their negotiations. Provision of others services, beyond those listed in the matrix, may be negotiated by the partners, depending on local needs.
- Each required partner must take the steps necessary, and commit the resources needed, to ensure that the core services shown on the Services Matrix are provided in at least one comprehensive center in each workforce area. In addition, each required partner must ensure that the other services shown on the Services Matrix are made accessible through the comprehensive center.
- Each partner is encouraged to add services and programs, beyond those minimally required for a comprehensive center, consistent with the unique needs of employers, job seekers, and other customers within the local area.
- A comprehensive center is required to have a resource room on the premises, easily accessible, and universally available to employers, job seekers, and others.
- Because they are not present in every area of the state, national programs, such as Job Corps and Migrant and Seasonal Farm workers programs, will be integrated into services and service delivery systems locally, where these programs exist.
- State and local partners should adopt five principles and practices in negotiating their MOUs. Specifically, each partner will:
 - ▶ Commit to a high quality system developed through a local negotiation process;
 - ▶ Recognize that each local system will address local customer needs;
 - ▶ Access information and resources needed to negotiate in good faith and determine a fair share of system costs;
 - ▶ Find creative ways to pool resources so all partners have an incentive to promote the centers; and
 - ▶ Acknowledge, in writing, the partners' obligation to contribute a fair share of local system costs, subject to statutory and regulatory limitations.

To ensure quality in the delivery of services MOUs are reviewed at the state level. The review process includes: evaluation of how services are provided through the local system; how service and operational costs are paid; methods for the referral of customers between One-Stop operators and partners; and the duration of the agreement and procedures for amending the agreement. A review of each MOU is completed and when deficiencies are found, the state provides technical assistance to the local partners to bring the agreement into compliance.

Use of State Reserve Funds: To strengthen the One-Stop system, in January of 2002, reserve funds were made available to address the most critical needs necessary for the Illinois One-Stop system to advance to the next level – a true world class One-Stop system. The initial request for applications (RFA) resulted in the awards of over \$2.6 million in grants to fund local area activities such as:

- Regional strategic planning (including community audits);
- Development of operational plans for One-Stop centers;
- One-stop center service integration;
- Service integration with local school systems; and,
- Physical infrastructure improvements of the One-Stop centers.

The state also reviewed all resource room materials and updated the materials on a statewide basis at a cost of \$250,000. In addition, high-speed Internet access was made available in all One-Stop centers.

Due to the overwhelming response to the initial RFA, the state furthered its commitment to LWIBs and One-Stop integration by issuing a second RFA. In response to the second RFA, the state awarded an additional \$5.5 million to LWIAs to make improvements in the following areas: regional strategic planning (6.8%); operational planning (5.1%); service integration (6.3%); service integration with school systems (15.5%); and physical improvements to One-Stop centers (66.3%). These funds helped comprehensive centers undertake projects to: enhance phone systems to accommodate all partners; add workstations in resource rooms; develop and provide training for all partner staff on services provided in the One-Stop center; develop plans for integrating One-Stop services; provide intensive training for One-Stop staff related to employer services; and hire One-Stop coordinators.

The state is continuing to invest in the One-Stop system; but the focus has changed. WIA state reserve funds are now being used to support: the costs of the Illinois Workforce Investment Board (IWIB); staff of local workforce investment boards (LWIBs); broadband Internet access for local workforce investment areas; statewide and locally customized technical assistance and training.

In addition, a significant investment of WIA reserve funds is being made to enhance Illinois' ability to provide meaningful economic and labor market information to system decision makers. The Illinois Department of Employment Security (IDES) is using WIA reserve funds to redesign the Substate Employment Projections System (SEPS), develop current monthly job counts and short-term industry projections for the three LWIAs in Cook County Illinois, and generally increase support from local Labor Market Economists and other IDES staff to state and local WIA entities.

Services to All Populations: As described below, state and local partners continue to make significant efforts to ensure the full array of services and staff in the One-Stop delivery system are available to all job seekers and local businesses.

Facility Design: At the local level, One-Stop centers are laid-out to facilitate easy access to all customers through appropriate signage, shared waiting rooms, and greeters to assist clients to quickly navigate center services. To facilitate services to customers with disabilities, on-site accessibility surveys were conducted in all One-Stop centers in order to ensure compliance with accessibility standards stipulated by WIA Section 188, the Illinois Disability Code and the Americans with Disabilities Act. One-Stop centers who did not meet the minimum standards submitted a corrective action plan, including dates for completion of corrections necessary to become compliant. Desk reviews to ensure continued accessibility compliance are conducted on an annual basis. On-site reviews are conducted every three years.

- **Workshops:** New customers are introduced to center services through orientation workshops, hosted by all partners, so clients are made aware of the complete range of services and related eligibility requirements. Job search workshops, jointly presented by the center partners, are also typical.
- **Resource Rooms:** Each center has a resource room where a wide range of labor market information and job search related products are available. These products are in hard copy and computerized formats. The resource rooms are open to all populations and staff is available to assist customers who need help to access the computer systems or other materials. Illinois centers also meet accessibility requirements for access to persons with disabilities.

Policy was issued in December 2006 to provide guidance on a new collection and tracking system for all resource rooms supported by WIA funding. A baseline evaluation conducted in July 2003 indicated a key finding that the number of participants registered in WIA has steadily decline, while the number of individuals receiving core services (ie. Universal services) in One-Stop Centers appears to be very large. This study also identified areas in which WIA program management and accountability should be strengthened. One of these areas was the need to improve data collection on non-registered core services. This policy letter addresses this data collection as well as requirements found in USDOL TEGL 17-05 on the maintenance of individual records for self-service participants.

- **Business Service Teams:** About 75 percent of Illinois One-Stop centers have established business service teams (BSTs) to ensure that local businesses have easy access to all services of the One-Stop system. Nearly all of the local areas that do not currently have a BST expect to establish one within the next year. Teams typically include representatives from the WIA program, the Illinois Department of Employment Security (IDES), and the local community colleges. Other partners are also frequently included, such as representatives from Adult Education, the Department of Human Services (DHS), DHS' Division of Rehabilitation Services (DHS-DRS), and operators of Title V, Older Americans programs. BST services typically include: coordinated employer outreach, basic labor exchange services, customized applicant recruitment, employment and training services (e.g., on-the-job and customized training), job fairs, labor market information, and workshops on issues such as ADA compliance, Unemployment Insurance, OSHA requirements, and tax credits.

- Disability Program Navigators:** Another major effort to increase One-Stop service levels to persons with disabilities is the Illinois' Disability Program Navigator project. This is a USDOL/SSA initiative administered by DCEO. Disability Navigators were hired at nine One-Stop centers across the state in November 2003 to increase the capacity of centers to effectively serve customers with disabilities, and promote Social Security work incentives such as the Ticket to Work initiative. The number of Navigators was subsequently increased to fourteen in 2004 and fifteen in 2005. Navigators develop linkages outside and within centers to provide an increased level of collaboration and resource sharing and to improve opportunities for job seekers with disabilities to gain, return to, or retain employment. For example, Navigators developed relationships with One-Stop partners, local Benefits Planning and Outreach (BPAO) coordinators, and local Centers for Independent Living. These relationships were established through participation in regular Disability Concerns Committee meetings and community outreach activities. Relationships were also established with: local housing authorities, public transportation providers, faith-based organizations, mental health agencies, private non-profit organizations, local government agencies, DHS/DRS and Community College Special Populations Coordinators. In 2005, the Disability Program Navigator initiative was incorporated into the Bureau of Workforce Development Policy Unit. This move has enabled the DPNs to work more closely with state EO staff, as well as the local EO Officers to facilitate accessibility requirements in One-Stop centers.

A key component of the fourth and anticipated final year of USDOL/SSA funding of the Disability Program Navigator grant is the "regionalizing" of DPN responsibilities. The intent is to further align the initiative with the Governor's Economic Development Regions and thereby expand the DPN presence throughout the state. It will also provide the opportunity to target job seekers with disabilities for the Critical Skill Shortage Initiative, as well as jobs identified as high growth. This would be accomplished through the redeployment and realignment of key DPNs so that they will be able to facilitate DPN services on a statewide basis. DCEO will continue the DPN initiative in its regional format, once USDOL/SSA funding ends in June 2007.

- Youth Services Specialist:** At the state level, DCEO created the position of Youth Services Specialist within the Bureau of Workforce Development (BWD) to coordinate services provided to WIA eligible youth across state agencies that operate youth programs. The Youth Services Specialist has the responsibility serve youth by actively consulting with partner agencies and engaging appropriate state agencies in pilot programs the BWD initiates on behalf of the youth population.
- Disability Services Specialist:** DCEO also created the position of Disability Services Specialist who is assigned to the Policy Unit in the Bureau of Workforce Development, and oversees all DCEO grants and initiatives relating to programs and services for people with disabilities, including the incorporation and implementation of disability-related policies, procedures and standards into Equal Opportunity policies and procedures. The Disability Services Specialist participates in the U.S. Department of Labor (DOL) Region V State Disability Working Group, which focuses on improving employment outcomes for individuals with disabilities through our One-Stop centers and works with DOL and state

representatives to share information regarding disability initiatives and strategies and grant opportunities to enhance services at the local level.

- **Re-Entry Services Program (RESP):** This program serves individuals on parole or being released from penal institutions. Operating in partnership with the Illinois Department of Corrections, RESP provides: ongoing staff training on best practices in the employment of the formerly incarcerated; identifying local office technical assistance needs and providing technical assistance; developing policy initiatives and conducting research, which supports the employment and retention of the formerly incarcerated; and, establishing performance goals and monitoring success in achieving these goals.

VIII. ADMINISTRATION AND OVERSIGHT OF LOCAL WORKFORCE INVESTMENT SYSTEM

A. Local Area Designations

1. Identify the State's designated local workforce investment areas and the date of the most recent area designation, including whether the State is currently re-designating local areas pursuant to the end of the subsequent designation period for areas designated in the previous State Plan. (§§112(b)(5).)
2. Include a description of the process used to designate such areas. Describe how the State considered the extent to which such local areas are consistent with labor market areas: geographic areas served by local and intermediate education agencies, post-secondary education institutions and area vocational schools; and all other criteria identified in section 116(a)(1) in establishing area boundaries, to assure coordinated planning. Describe the State Board's role, including all recommendations made on local designation requests pursuant to section 116(a)(4). (§§112(b)(5) and 116(a)(1).)
3. Describe the appeals process used by the State to hear appeals of local area designations referred to in §112 (b)(5) and 116(a)(5).

In accordance with the provisions of section 116 of the Act, former Governor George H. Ryan designated twenty-six (26) local workforce investment areas for the state of Illinois. The twenty-six areas are identical to the service delivery areas previously designated under the federal Job Training Partnership Act (JTPA). A map of the areas is included as Attachment D.

On January 8, 1999 an application package was mailed to Illinois' chief elected officials (CEOs) with instructions for making their requests to the Governor for area designation under the Workforce Investment Act (WIA). Responses were received from all CEOs by March 1, 1999. CEOs from all areas of the state requested designation of local areas consistent with the boundaries of service delivery areas previously designated under JTPA.

An analysis was completed pursuant to the requirements of section 116 relating to: the consistency of the requested areas with labor market areas; geographic areas served by local and intermediate educational agencies, post-secondary educational institutions, and area vocational schools; and all other criteria identified in section 116(a)(1) in establishing area boundaries to assure coordinated planning. All areas were found to meet these criteria.

The Illinois Workforce Investment Board (IWIB), provided oversight of the area designation process. The IWIB published a map consistent with the requests received from CEOs. The IWIB undertook a series of efforts to solicit public comments regarding the requested local workforce investment areas (LWIAs). Efforts included solicitation of public comment through placement of an advertisement in the state paper and notifications placed on the internet web sites of Illinois' workforce development agencies. Comments were accepted through electronic mail, regular mail, telephone, and through a public hearing.

Comments were collected from May 7, 1999 through June 4, 1999. A public hearing was held at the Offices of the Illinois Community College Board (ICCB) on June 9, 1999. The IWIB received 44 letters, 3 e-mail notes, and written testimony submitted at the public hearing. Twenty individuals registered as guests at the public hearing. Twelve individuals provided oral testimony with six providing written testimony in support of their oral testimony.

The IWIB considered all testimony at the June 22, 1999 meeting and recommended designation of the existing JTPA service delivery areas as LWIAs. The IWIB forwarded this recommendation to the Governor. Subsequently, former Governor George H. Ryan designated twenty-six (26) local workforce investment areas for the state of Illinois. The designations were made on July 21, 1999.

No appeals to the State's designation process were received. At the time of the original designations appeals to area designations were to be made directly to the Deputy Governor for Education and Workforce Development. With the change of state administrations the process has changed under Governor Rod R. Blagojevich. If a designation process is undertaken during the period of this plan, appeals may be submitted to the Director of the Department of Commerce and Economic Opportunity.

VIII. ADMINISTRATION AND OVERSIGHT OF LOCAL WORKFORCE INVESTMENT SYSTEM

- B. Local Workforce Investment Boards -- Identify the criteria the State has established to be used by the chief elected officials in the local areas for the appointment of local board members based on the requirements of section 117. (§§112(b)(6), 117(b).)
 - C. How will your State build the capacity of local Boards to develop and manage high performing local workforce investment system? (§§111(d)(2) and 112(b)(14).)
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Appointment Criteria: : DCEO worked in a collaborative partnership with the Local Workforce Investment Areas to streamline and align the appointment/reappointment criteria to eliminate a burdensome disjointed process of obtaining signatures and submitting term appointments for

approval at the state level. In addition to further streamline the process a designation of October 1 was set in as the recertification date for LWIBs. This date was chosen to align recertification with the performance results of the LWIAs. The collaboration resulted in the issuance of WIA Policy Letter No. 06-PL-27 attachment E. Aligning the functions of board appointments dates with the board recertification date provides a streamlined process at the local level and better management at the state level for the approval process.

As part of this next planning cycle, DCEO will be redesigning the CEO agreement process to ensure meaningful coordination at the local level with regard to workforce systems that meet both the employer and employee customers' needs

Although the process for establishing agreements will change, the foundation for the criteria for use by CEOs will remain unchanged. This foundation includes:

- **Not Business as Usual:** The Workforce Investment Act (WIA) intends sweeping changes in workforce development. Illinois must take advantage of the flexibility in the Act to build the best workforce development system possible for Illinoisans.
- **Inclusive LWIBs:** The strength of Illinois' workforce system and its LWIBs lies in broad representation to bring extensive expertise, commitment, and resources to bear to serve Illinois' workforce. Local LWIBs will be inclusive rather than exclusive.
- **Mission for LWIBs:** LWIBs will focus on coordinated strategic planning and setting local WIA policy. This will free the boards from involvement in day-to-day programmatic operations and generate greater involvement of top policymaking individuals to address workforce needs.
- **Technical Assistance and Leadership:** The State is committed to supporting change and will provide extensive technical assistance and guidance to build the new workforce development delivery system.

Local Board Capacity Building: As described below, the state is committed to building the capacity of local Boards through direct financial support, as well as technical assistance and training.

- **LWIB Staffing Grants:** The Department of Commerce and Economic Opportunity (DCEO) annually awards LWIB staffing grants to all 26 LWIAs. The state's annual commitment to LWIB staffing and operating support is \$2.2 Million. This commitment of WIA 15 percent reserve funds helps to ensure that LWIBs have the staff resources to fulfill their responsibilities.
- **Technical Assistance (TA) Grants:** In addition, 15 percent reserve grants are routinely awarded to LWIAs to increase local Board capacity. Training topics typically cover basic orientation for LWIB staff and new Board members (i.e., WIA overview and Board roles and responsibilities). Training topics also may cover topics related to programmatic techniques, such as effective job retention strategies and participant follow-up services.

- **LWIB Leadership Association:** The statewide LWIB Leadership Association creates another vehicle to build local Board capacity. The LWIB Leadership Association is comprised of one representative from each LWIB. All members are from the private sector, appointed by their respective LWIB Chairperson. Meetings are held regularly. The state provides staff support and covers meeting location expenses. A representative from the Association also sits on the IWIB as a voting member.

The LWIB Leadership Association holds annual meetings in conjunction with the Governor's Workforce Development conference, where they discuss election of officers, review the year's activities, and establish priorities for the Association. The Association is a valuable forum for communication directly with LWIBs across the state to learn their concerns and technical assistance needs and to communicate the Governor's direction to local Boards.

- **Support from Local Labor Market Economists (LMEs):** LMEs of the Illinois Department of Employment Security (IDES) assist LWIBs and other regional economic and workforce development partners by providing training and localized technical assistance to better compile and analyze regional labor market conditions. LMEs and other IDES training staff also provide training on the uses of workforce information products and online delivery vehicles (especially Illinois Workforce Info Center) to all partner staff in the Illinois workforce development system.
- **Economic and Labor Market Information Training:** IDES staff work with DCEO staff, Economic Development Regions (EDRs), and local LWIB Directors to improve the utilization of data and analysis of workforce information, especially employment projections and the Local Employment Dynamics (LED) online system, in the pursuit of successful Critical Skill Shortages Initiative (CSSI) strategies. Training will focus on using available online resources to improve economic analysis of local areas (e.g., industry profiles fashioned with LED demographic breakouts of EDR workforces by examining trends in hiring, retention, and wages; and LED analysis on youth employment concentrations in growing industries) and increasing utilization of reliable data sources to standardize resulting CSSI planning.

VIII. ADMINISTRATION AND OVERSIGHT OF LOCAL WORKFORCE INVESTMENT SYSTEM

D. Local Planning Process -- Describe the State mandated requirements for local workforce areas' strategic planning. What assistance does the State provide to local areas to facilitate this process, (112(b)(2) and 20 CFR 661.350(a)(13).) including:

1. What oversight of the local planning process is provided, including receipt and review of plans and negotiation of performance agreements?
2. How does the local plan approval process ensure that local plans are consistent with State performance goals and State strategic direction?

E. Regional Planning (§§112(b)(2), 116(c).)

1. Describe any intra-State or inter-State regions and their corresponding performance measures.
 2. Include a discussion of the purpose of these designations and the activities (such as regional planning, information sharing and/or coordination activities) that will occur to help improve performance. For example, regional planning efforts could result in the sharing of labor market information or in the coordination of transportation and support services across the boundaries of local areas.
 3. For inter-State regions (if applicable), describe the roles of the respective Governors and State and local Boards.
-

Local Planning Process: Each local workforce investment board (LWIB), in partnership with local chief elected officials (CEOs), is required to develop a local five-year plan. The local plan must be consistent with the state plan. Illinois issued planning guidelines to CEOs and LWIBs regarding the original submittal of local plans. State planning guidance about the content of local plans conforms to the content requirements listed in WIA Section 118(b). The submittal of local plans must also conform to the process requirements specified at WIA Section 118(c). These requirements include making the plan available for public comment prior to submitting it to the state, accepting comments on the plan, and submitting any comments that disagree with the plan.

The state also issued policy regarding subsequent modifications to local plans. State policy applies the WIA Section 118(c) process requirements to plan modifications. A local plan may be modified for a variety of reasons including significant changes in local economic conditions, changes in the financing available to support WIA Title I-B and partner-provided WIA services, changes to the local board structure, a need to revise strategies to meet performance goals, changes in the methodology for service delivery, or goals of the local board. The state may also require local boards to modify their plans based on changes within the operation of the local area or for compliance with a local corrective action plan based on failure to meet required program performance.

For the planning cycle beginning July 1, 2005, local areas were given the option of either updating their original five-year plan via a modification, or submittal of a complete new plan document. For areas choosing to modify, the modified plan became their de facto new five-year plan upon approval by the state.

The Governor delegated authority to the Illinois Department of Commerce and Economic Opportunity (DCEO) to review and approve local plans. Plans and plan modifications must be submitted with original signatures of all required parties (including the CEO) to DCEO. The plan may be submitted as an entire plan document or as an addendum to the original plan. DCEO maintains records of all local plans and any changes, modifications, and attachments to those plans.

DCEO approves or disapproves local plans and plan modifications in accordance with the process described in WIA Section 118(d). This process requires that a plan submitted to the state

be considered approved at the end of the 90-day period beginning on the date the state receives the plan, unless a written determination to the contrary is provided. The written determination must identify either deficiencies in activities carried out under WIA or that the plan does not comply with WIA. The scope of the review also examines the consistency of local plans with any strategic guidance provided to local areas via inclusion of such guidance in the state plan.

As part of the approval process of local plans, the state also negotiates specific performance standards with CEOs and local Boards for each federal performance measure. In turn, the Secretary of Labor negotiates state level standards for each measure with DCEO. DCEO negotiates with the Secretary on behalf of the Governor. The state uses a “bottom up” process where locally negotiated measures are “rolled up” to the state level for inclusion in the WIA Title I / Wagner-Peyser State Plan.

Regional Planning Requirements: At this time the state has not promulgated mandatory regional planning requirements or related performance measures. The absence of such state measures and procedures is due in part to the perception that the WIA Title I-B performance management environment is already too complex, with seventeen national measures. However once the new federal common measures are implemented, the potential for establishing regional planning requirements, with associated performance measures and incentives, will be revisited.

Please note that the state is pursuing regional planning on a voluntary basis, through the Critical Skill Shortages Initiative (CSSI). Over a three-year period, the state is making a \$15 million commitment through CSSI to encourage LWIBs to undertake coordinated economic and workforce development planning on a regional basis. The regions are the Economic Development Regions (EDRs) designated by the Governor for planning the state’s Opportunity Returns program.

WIA 15 percent planning grants were awarded to consortia of LWIBs in all ten EDRs to identify key sectors that drive the economy of the EDR and key industries within those sectors. Through this planning process each region identified critical shortage occupations within the region’s key industries. Business was brought into the process through the mandated makeup of the consortia, which include regional employers, business and industry associations, and economic development organizations. The basic strategy is for consortia to:

- Identify skill shortage occupations that pay a good wage and provide benefits in key sectors of the regional economy;
- Examine the "root causes" that led to shortages;
- Influence state and local education and training agencies to voluntarily redirect existing programs and services (as well as private resources) to address the root causes and create a reliable "supply chain" of qualified job seekers; and,
- Examine on-the-job factors that contribute to shortages (e.g., high turnover or inadequate recruitment) and work with employers to address those issues.

After the regional options had been exhausted, consortia are eligible to apply for Workforce Investment Act (WIA) 15 percent training funds to fill “gaps” in the regionally funded solutions. Training funds are awarded on a competitive basis to consortia that produce the best regionally

funded plans and have the best-developed requests for supplemental funding.

DOL has explicitly challenged states to build a demand-driven system within a regional economic development context. Building on the CSSI / Opportunity Returns regional framework, Illinois will use incentives and other strategies to encourage ongoing regional planning.

VIII. ADMINISTRATION AND OVERSIGHT OF LOCAL WORKFORCE INVESTMENT SYSTEM

F. Allocation Formulas (112(b)(12).)

1. If applicable, describe the methods and factors (including weights assigned to each factor) your State will use to distribute funds to local areas for the 30% discretionary formula adult employment and training funds and youth funds pursuant to §§ 128(b)(3)(B) and 133(b)(3)(B).
2. Describe how the allocation methods and factors help ensure that funds are distributed equitably throughout the State and that there will be no significant shifts in funding levels to a local area on a year-to-year basis.
3. Describe the State's allocation formula for dislocated worker funds under §133(b)(2)(B).
4. Describe how the individuals and entities on the State board were involved in the development of the methods and factors, and how the State consulted with chief elected officials in local areas throughout the State in determining such distribution.

Illinois does not intend to distribute youth program funds to local areas based on the youth discretionary allocation formula contained in Section 128(b)(3)(B). Utilizing the additional factors contained in Section 128(b)(3)(B) would, in our estimation, undermine decisions by the Governor and the IWIB regarding the local area boundaries within which WIA should operate locally. In many instances local areas would likely be left without the amount of funding necessary to allow them to operate viable youth programs.

Also, introduction of two additional variables into the allocation formula, and in particular variables which are based on "excess" numbers of the measures used in the statutory formula, are likely to accentuate the year-to-year variability in the formula. To do so would be, in our opinion, to contravene the requirement of Section 112(b)(12)(B) that the state plan assure that no local areas will suffer significant shifts in funding from year-to-year. Utilizing these variables would only serve to accentuate the volatility of local funding levels.

Illinois also does not intend to distribute funds to local areas for adults based on the adult discretionary allocation formula contained in Section 133(b)(3)(B). As with the discretionary youth allocation described above, utilizing the additional factors contained in Section 133(b)(3)(B) would likely undermine the decisions by the Governor and the IWIB regarding the

local workforce investment area boundaries. In many instances local areas would likely be left without the amount of funding necessary to allow them to operate viable adult programs.

Illinois intends to allocate WIA dislocated worker funds on the basis of the formula described below, pursuant to section 133(b)(2)(B). Each of the following factors will be used to distribute 25% of the funds to be allocated:

- **Insured unemployment data:** Illinois Department of Employment Security (IDES) unemployment insurance (UI) claimant data for the most recently completed calendar year will be used. Each local workforce investment area's share of the state total of such claimants is determined and the area is allocated that share of the funds apportioned by this factor.
- **Unemployment concentrations:** Unemployment figures for the most recently completed program year will be used. Only counties (or sub-county workforce investment areas) with unemployment rates above the statewide average (i.e., counties or sub-county workforce investment areas with "concentrations of unemployment") will be included in the formula. Each workforce investment area's share of the state total of such unemployment is determined and the area is allocated that share of the funds apportioned by this factor.
- **Declining industries data:** For each workforce investment area, employment by three-digit North American Industry Classification System (NAICS) code is determined for the first calendar quarter (January-March) of the two most recent years for which data is available from IDES' ES-202 UI-covered employment report. The number of jobs lost within industries showing an employment loss from one year to the next is totaled for each area. Each workforce investment area's share of the state total of such employment loss is determined and the area is allocated that share of the funds apportioned by this factor.
- **Long-term unemployment data:** IDES data for the number of UI claimants who were unemployed for 15 or more weeks during the most recently completed calendar year will be used. Each workforce investment area's share of the state total of such long-term claimants is determined and the area is allocated that share of the funds apportioned by this factor.

The plant closing and mass layoff data and farmer-rancher economic hardship factors will be given zero weighting under the WIA dislocated worker allocation formula, due to a lack of public use data sources with sufficient geographic detail to adequately serve the requirements of an allocation formula.

VIII. ADMINISTRATION AND OVERSIGHT OF LOCAL WORKFORCE INVESTMENT SYSTEM

G. Provider Selection Policies (§§112(b)(17)(A)(iii), 122, 134(d)(2)(F).)

1. Identify the policies and procedures, to be applied by local areas, for determining eligibility of local level training providers, how performance information will be used to determine continuing eligibility and the agency responsible for carrying out these activities.
 2. Describe how the State solicited recommendations from local boards and training providers and interested members of the public, including representatives of business and labor organizations, in the development of these policies and procedures.
 3. Describe how the State will update and expand the State's eligible training provider list to ensure it has the most current list of providers to meet the training needs of customers?
 4. Describe the procedures the Governor has established for providers of training services to appeal a denial of eligibility by the local board or the designated State agency, a termination of eligibility or other action by the board or agency, or a denial of eligibility by a One-Stop operator. Such procedures must include the opportunity for a hearing and time limits to ensure prompt resolution.
-

Policies and Procedures: One of the features of the Workforce Investment Act of 1998 (WIA) is the establishment of training provider certification requirements. WIA Title I-B places training programs and providers in two distinct categories for the purposes of setting forth requirements for initial and subsequent program certification. The WIA regulations allow an initial exemption from meeting performance criteria for postsecondary educational institutions that are eligible under the Higher Education Act and whose programs result in the attainment of a degree or certificate; and for apprenticeship programs governed by the National Apprenticeship Act. Initially, programs that fall into this category are required only to submit applications to the local workforce investment boards (LWIBs) and meet the local board requirements to be certified. Subsequently, programs that fall into this category must meet performance standards and any other requirements in order to be re-certified annually.

According to WIA Title I-B, the second category of training program covers all those that do not fall into the first category described in the preceding paragraph. Examples of programs that fall into the second category include, but are not limited to, non-credit community college programs and private and proprietary-school programs. Illinois' policy on initial certification requirements is the same for both categories of programs.

- **Requirements for Initial Eligibility:** The state requires local boards to collect qualitative and quantitative information from providers on each program submitted for certification. In order to support this process, Illinois established an Internet-based provider certification application at <http://iwds.state.il.us/>. The state encourages local boards to have providers submit their required information using this online application, but Boards may also accept paper application forms, and enter the required information for approved programs only.

- **Geographic Requirements for Provider Certification:** WIA requires training providers seeking certification to apply in the local workforce investment area where their training program is offered. The state's initial policy required that providers apply only to the local Board in which the training program is located. This was done in order to end the practice of providers having to apply in multiple local areas, which needlessly overburdened the certification system.

Since this policy was implemented, it became apparent that the restriction of providers applying to a single local Board might have the affect of denying access to programs, which are desired and would be approved by another local Board. Therefore, the geographic requirements for application have been modified. Providers must still initially apply to the Board in which the program is located, but may apply to another Board, if the primary Board rejects their program, or fails to act on their application within 30 days.

- **Minimum approval criteria for initial eligibility:** The following mandatory criteria represent the state's minimum application requirements for initial eligibility.
 1. LWIBs must require applicants to document at least one of the following state criteria in their applications for provider certification. A provider must meet one or more (not all) of these four criteria as a condition of initial eligibility.
 - a. The provider is currently approved or has received accreditation under an existing process such as that offered by the North Central Association, the Illinois Community College Board, or the Illinois State Board of Education.
 - b. The program for which certification is being sought has been recognized by the industry as meeting the standards necessary for approval or accreditation. Examples of such recognition include, but are not limited to, Pro Start for food services and ASE for auto mechanics.
 - c. The provider is receiving or has received funds for a program for which certification is being sought under a grant, contract or voucher from an agency within the Illinois workforce development system within three (3) years of the date of application.
 - d. If a provider cannot meet any of the above criteria, it must demonstrate to the LWIB(s) that the program for which it is seeking certification responds to employer demand through a feasibility study of the area, labor market information, letters of support from employers, or such other means as the local board(s) deem appropriate.
 2. LWIBs must require each applicant to provide the following additional information as part of the application content:
 - a. The number of years the provider has been in operation;
 - b. The date of program inception;

- c. The program cost and a breakdown of what is included in the cost figure; and,
 - d. Each of the other required information items applicable to the provider or program.
- **Performance Reporting Requirements:** Section 122 provides for seven measures of performance for the evaluation of training programs. These measures fall into two groups: “all student” measures, and WIA measures. The all student measures apply to the outcomes for all students within the program, while the WIA measures apply only to those students served under WIA Title I-B. Data for the all student measures will be based on information submitted by the provider for each program, if furnished. Data for the WIA measures will be based on information derived from the WIA case management system, and will therefore not require any additional submission of data by the provider. Providers have three options for the presentation of “all student” performance data for their programs:
 1. Providers may submit a data file containing individual records of students participating in each program. Providers electing this option must submit the following items to the LWIB for each program:
 - a. Social security numbers (SSNs) of each program participant from the last year;
 - b. The start date of each program participant from the last year;
 - c. The exit date of each program participant from the last year; and
 - d. For each exiter from the last year, the provider must indicate whether the exiter was a program completer.

If the number of exiters for a given reporting period is less than 30, information on the most recent 30 exiters must be reported regardless of their exit date. The purpose of the 30-exiter minimum is to promote greater levels of stability and accuracy in estimates of program performance. In addition, related Classification of Instructional Programs (CIP) codes may be combined to create a broader programmatic range using more recent graduates.

The state will match the student records with Unemployment Insurance (UI) wage records to determine the employment and earnings of students. This information will be used for measures with respect to employment and earnings.

2. Providers that choose not to submit student record information may submit summary performance information.
3. Providers may also choose not to submit either student record data or summary information. Such providers are encouraged to submit performance information for all students, but will not be removed from the statewide list if they do not. This option was created because many training providers, such as proprietary schools, do not collect SSNs on their students, or are unable to release these records, due to confidentiality restrictions. These programs are not able to provide comparable performance information for all students, but are still required to provide information on those customers served with WIA funds.

- **Rapid Application Process:** Boards may place programs on the state list conditionally. All information must be collected during the year of initial eligibility. Programs granted conditional eligibility must be in good standing with any state or federal regulatory bodies.

The intent of the rapid application process is to permit local Boards to identify desired programs and place them on the approved list very quickly, in order to be able to respond to training needs and opportunities as they are identified. Boards have been encouraged to review their procedures for approval of programs for initial eligibility and make whatever modifications to these procedures that are needed in order for the local workforce investment area (LWIA) to be able to take advantage of the rapid application process. These changes may include empowering a local Board committee or staff to approve such programs conditionally.

Programs approved through the rapid application process must meet the same performance requirements for subsequent eligibility as any other program.

- **Acceptance of Applications from Other States:** LWIBs may choose to accept an application for initial eligibility certification that is developed in accordance with the guidelines of a local workforce investment area in another state, or may require such providers to complete its application. Local Boards are required to obtain as many as possible of the required information items for these out-of-state providers. If these providers have summary performance information, this should also be collected. Out-of-state providers should not provide individual student records, since these students will mostly not be found with Illinois UI wages, which will lead to erroneous performance results for these programs.
- **Section 122 Administering Agency:** The Illinois Department of Commerce and Economic Opportunity (DCEO) is the agency designated by the Governor to administer the state responsibilities under Section 122 of WIA.

Solicitation of Recommendations: During the preparation of the first WIA state plan, a committee of the Illinois Workforce Investment Board (IWIB) was charged with the responsibility of developing policy recommendations on the state's provider certification policies. Several months were devoted to the planning of four public forums on initial eligibility. Participants were asked for feedback on five questions, as follows:

- What are some key indicators of program quality?
- What performance data is available now to support initial eligibility?
- What requirements should be imposed on new organizations and programs?
- What should the statewide list look like?
- Looking ahead, how should the minimum performance levels be established for subsequent eligibility?

The forum logistics were widely publicized by state agencies to their respective constituencies and information about posted on the Internet. Forums were held in August and September 1999. Over 600 individuals attended the forums and participated in the small group discussions. In addition, opportunities were provided for the submission of written comments for those unable to

be present. Among forum participants were representatives of the private sector, organized labor, community colleges, adult education providers, community based organizations, private and proprietary schools, local elected officials, and Job Training Partnership Act program administrators. The feedback from the four forums confirmed several principles the IWIB had established to guide its work:

- Be as inclusive of the various providers in the state as possible while still maintaining quality programming to provide consumers with real choices;
- Build upon existing accreditation, program approval and performance accountability processes to the extent reasonable to enhance coordination across the components of the workforce system and reduce undue burdens on providers; and,
- Create an initial eligibility process that would “set the stage” for subsequent eligibility.

Once policy on initial eligibility was drafted, it was again widely circulated and published on the Internet for a second phase of public review and recommendations before final adoption by the IWIB and approval by the Governor.

Since the initial implementation of these policies, the state has continued to maintain a dialog with LWIBs, community colleges, and other training providers on evolution of the provider certification policy. This consultation will continue in the future, as the state seeks to further streamline its policies in anticipation of reauthorization of WIA, and to better align its training provider selection process with its overall strategy to respond more effectively to critical skill demand needs.

List Maintenance: DCEO, as the state’s designated agency for provider certification, is responsible for maintaining the statewide list of eligible training providers and programs. The list of eligible training providers resides in the Illinois Workforce Development System (IWDS) at <http://iwds.state.il.us/>.

- **Requirements for Subsequent Eligibility:** Illinois implemented an annual program anniversary date review process, where yearly re-certification is linked to the individual program. In other words, the statewide list consists of approved training programs, as well as providers, and subsequent eligibility must be established for each of these programs. The individual annual review procedure allows local Boards to spread out their certification workload, thus avoiding the potential bottleneck of review and approval actions once per year. This approach is also consistent with Illinois’ open initial eligibility process, whereby providers are encouraged to apply to local boards whenever they wish to seek certification for a new program.

The state of Illinois set minimum performance standards for LWIBs to use in certifying training programs. Providers must meet the state-imposed minimum performance standards in order to remain on the statewide list of eligible providers. Although LWIBs may raise their performance standards for subsequent eligibility determinations, WIA explicitly prohibits local Boards from setting local standards below state minimums.

In developing these minimum levels, the IWIB balanced two competing objectives: maximizing customer choice by ensuring that an adequate number of programs are on the statewide list of eligible providers; and ensuring that approved programs meet some minimum standard of quality that safeguards the investment of public funds.

Due to the lack of comparable performance information for the “all student” performance measures, the state policy is that programs will be removed from the list only if they do not meet the minimum standards for the WIA measures.

- **Re-certification of Eligible Providers:** In order to ensure that the statewide list of eligible training providers contains approved programs, the state has imposed a requirement that each program must be re-certified on an annual basis following the first year of initial eligibility. LWIAs present programs for re-certification on a routine basis throughout the year, under the state’s policy for subsequent eligibility as described above. Programs for which the necessary re-certification request has not been submitted to the state are periodically removed from the list. LWIAs are notified of programs for which they have failed to request re-certification, and ample time is given for them to submit these requests, so that programs are not inadvertently removed from the statewide list.

Appeals Process: Any LWIB that denies initial eligibility certification to a training provider and/or any of the programs for which it has sought certification must notify the affected provider in writing of its decision. The notice must be sent to the provider via registered mail. DCEO must also receive a copy of the notice. The notice must include the following information:

- The training program(s) that are being denied certification;
- The reason(s) for the denial; and,
- Information about the opportunities the provider has to appeal the decision.

The training provider has fourteen (14) days from the date of receipt of the notice of denial of the certification of any or all of the training program(s) for which it sought certification, in which to file an appeal to the LWIB. The request for an appeal must include the following information:

- A statement that the provider is appealing the denial of its program(s) certification;
- The reason(s) the certification should be granted;
- Contact information for additional information; and,
- The signature of the chief executive of the provider.

The appeal must be submitted formally, in writing, and must be sent by registered mail no later than the 14th day from the date of receipt of the notice of certification denial.

The LWIB will review the request for appeal within seventeen (17) days of its receipt. If an administrative error was made or if additional information submitted by the training provider changes the basis upon which the original decision to deny certification was issued, the decision may be reversed and the program(s) granted certification for inclusion on the statewide list. If the local workforce investment board reverses itself, it will notify the training entity of its action in

writing. The LWIB will also forward a request for inclusion of the program(s) on the statewide list to DCEO.

If the local workforce investment board does not reverse its decision to deny program eligibility for certification and inclusion on the statewide list, it shall notify the provider within seventeen (17) days from the receipt of the request that the program(s) were not determined eligible for certification. The notice shall be sent in writing by registered mail. The notice will include information about the opportunities for the provider to appeal its denial of certification with DCEO. A copy of the letter will be forwarded to DCEO.

A provider shall have seventeen (17) days from the receipt of the final decision by the LWIB to appeal the denial to the state. DCEO will have thirty (30) days to complete its investigation into the matter by gathering additional information from the affected LWIB(s) (such as the complete local appeals file), and the provider, and then issuing a final determination. During this time period, DCEO will convene a meeting with the affected parties, if requested to do so by one of the local parties. This final determination will be forwarded to the training provider and the local workforce investment board(s) in writing. If DCEO overturns the decision of the LWIB, the program(s) will be included on the statewide list within seven (7) days. DCEO will not make a final decision to overturn the decision of a local workforce investment board without convening a meeting with all of the affected parties.

VIII. ADMINISTRATION AND OVERSIGHT OF LOCAL WORKFORCE INVESTMENT SYSTEM

G. Provider Selection Policies (§§112(b)(17)(A)(iii), 122, 134(d)(2)(F).)

6. Identify the criteria to be used by local boards in awarding grants for youth activities, including criteria that the Governor and local boards will use to identify effective and ineffective youth activities and providers of such activities. (§112(b)(18)(B).)

Criteria for awarding grants are tailored to the nature of the project. Criteria will also vary somewhat from one local area to another. However, evaluation criteria typically include factors such as: (a) the overall responsiveness of the proposal to project requirements; (b) the demonstrated ability of the respondent organization to successfully complete similar projects; (c) the relevant knowledge and experience of the project team; (d) the quality of the work plan; (e) the level of coordination with employers and/or partner agencies (as needed given the specific project purpose); and (f) proposed costs.

Local input into the development of this plan provides additional insights into some of the specific areas examined relating to a number of the criteria cited above. The following discussion is therefore illustrative of more detailed factors typically influencing the awarding of youth grants by LWIBs.

- An analysis of the quality of the proposed work plan ultimately leads to a judgment by the LWIB regarding the likelihood that the respondent's proposed work plan will produce positive outcomes for youth and contribute to the local area's achievement of negotiated performance goals. Analysis of the proposed work plan may include issues such as:
 - ▶ The overall clarity of the work statement;
 - ▶ The quality of the recruitment strategy and the respondent's access to eligible youth;
 - ▶ The nature and appropriateness of the proposed activities;
 - ▶ How comprehensive the plan is (i.e., WIA program components included);
 - ▶ Whether the proposed education and/or training has work-based components;
 - ▶ Whether the instruction is provided in small groups and/or allows for individual attention;
 - ▶ Whether the program provides for adequate follow up and case management;
 - ▶ Whether the plan demonstrates adequate knowledge of the local labor market; and,
 - ▶ Whether any technology, central to the proposed training, is up-to-date.
- An analysis of the demonstrated ability of the respondent organization to successfully complete similar projects may include a review of issues such as:
 - ▶ The respondent's past success providing services to the eligible population;
 - ▶ The respondent's past success providing services to at-risk youth populations;
 - ▶ The ability of the respondent to meet performance goals in prior grants and contracts;
 - ▶ The level of customer satisfaction with past programs; and,
 - ▶ The ability of the respondent to meet administrative and fiscal grant responsibilities.
- An analysis of the level of program coordination examines whether the respondent has established partnerships with local employers to support various program components (e.g., job shadowing and mentoring). This analysis also typically looks at the degree of coordination with partner agencies, designed to ensure that needed supportive services are available.
- The analysis of proposed project costs looks at the overall reasonableness of the proposed budget and may include consideration for other funds and/or in-kind resources leveraged by the respondent.

VIII. ADMINISTRATION AND OVERSIGHT OF LOCAL WORKFORCE INVESTMENT SYSTEM

H. One-Stop Policies (§112(D)(14).)

1. Describe how the services provided by each of the required and optional One-Stop partners will be coordinated and made available through the One-Stop system. Include how the State will consolidate Wagner-Peyser Act funds to avoid duplication of core services. (§112(b)(8)(A).)

2. Describe how the State helps local areas identify areas needing improvement and how technical assistance will be provided.
 3. Identify any additional State mandated One-Stop partners (such as TANF or Food Stamp Employment and Training) and how their programs and services are integrated into the One-Stop Career Centers.
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Coordination of One-Stop Services: One-Stop partners' services are coordinated locally through the Memorandum of Understanding (MOU) process. The Illinois Workforce Investment Board issued policy guidance on cost sharing and MOU negotiations. This guidance contained recommendations as to the structure and content of MOUs. The IWIB encourages maximum flexibility in One-Stop system design, while still requiring local partners to address a comprehensive range of service delivery and operational issues (e.g., avoidance of duplication). See Section VII of this plan for a discussion of the IWIB MOU related recommendations.

MOUs are reviewed at the state level. The review process includes: evaluation of how services are provided through the local system; how service and operational costs are paid; methods for the referral of customers between One-Stop operators and partners; and the duration of the agreement and procedures for amending the agreement. Each MOU is reviewed and when deficiencies are found, the state provides technical assistance to the local partners to bring the agreement into compliance.

All One-Stop partners must participate in the MOU process. This applies to the coordination of Wagner-Peyser services with other One-Stop services as well as services provided through the TANF and Food Stamp Employment and Training programs (i.e., the state mandated optional partners). However, more specific to Wagner-Peyser services, a number of strategies have emerged in One-Stop centers across the state to avoid duplication of core services. These strategies include:

- Designing One-Stop centers to facilitate easy access to all customers through appropriate signage, shared waiting rooms, and greeters to assist clients to quickly navigate center services.
- Introducing new customers to center services through orientation workshops hosted by all partners, so clients are made aware of the complete range of services and related eligibility requirements. Jointly delivered job search workshops are also typical.
- Supporting a resource room where a wide range of labor market information and job search related products are available. The resource rooms are open to all populations and staff is available to assist customers who need help to access the computer systems or other materials. The MOU describes arrangements for providing staff support in the resource room.
- Establishing business service teams (BSTs) to ensure that local businesses have easy access to all services of the One-Stop system. Teams typically include representatives from the WIA program, the Illinois Department of Employment Security (IDES), and the local community colleges. Other partners are also frequently included such as representatives from Adult

Education, the Department of Human Services (DHS), DHS' Division of Rehabilitation Services (DHS-DRS), and operators of Title V, Older Americans programs. BST services typically include: coordinated employer outreach, basic labor exchange services, customized applicant recruitment, employment and training services (e.g., on-the-job and customized training), job fairs, labor market information, and workshops on issues such as ADA compliance, Unemployment Insurance, OSHA requirements, and tax credits.

Technical Assistance Needs: A wide range of technical assistance and training needs will be addressed during the course of this plan. Such activities will be designed to support continuous improvement of Title I-B programs, as well as improvement of all partner and educational programs. To set priorities for the delivery of technical assistance and training, a needs assessment is periodically undertaken by DCEO. The needs assessment informs the state of technical assistance and training offerings that need to be developed and/or expanded.

The Division of Technical Assistance within DCEO's Bureau of Workforce Development (BWD) is responsible for implementation of statewide technical assistance projects, such as the annual state workforce conference and statewide training. This Office also has responsibility for providing staff support to the IWIB, the Illinois Workforce Partnership (IWP), and the LWIB Leadership Association. These three organizations assist the state to identify local and system-wide technical assistance needs.

Program Evaluations: The state also learns about programmatic and administrative areas needing improvement through formal program evaluations. During the first five years of WIA, state reserve funds underwrote three major evaluations of the workforce development system in Illinois. These projects included the *World Class One-Stop Delivery System* study, the *Baseline Evaluation of the Operation of the PY 2002 Workforce Investment Act (WIA) Programs*, and an *Evaluation of the Chicago Area Workforce Development System*. All three studies looked at the delivery of workforce services through the current One-Stop system and made specific recommendations for improvement.

The state response to these evaluations has been to put forth in a paper entitled *A New Vision for Workforce Development Services Illinois*. To address concerns such as integration of service delivery, stronger leadership role for local boards, and a well-defined mission for One-Stop centers, Illinois has made the following strategic commitments:

- Focus WIA training investments on responding to the critical needs of the labor market, including flexible strategies for training in skill shortage areas;
- Strengthen LWIBs by providing clear direction and support, so that these Boards can become a means for improving the linkage between workforce and economic development;
- Implement a One-Stop center network that is responsive to the needs of Illinois workers, makes effective use of current technology, and expands access for those most in need of such access; and,
- Improve management and accountability for workforce programs operated by DCEO.

Evaluation findings contributed to decisions by state partner agencies to take a variety of specific actions and initiatives to improve the overall functioning of the state's workforce system. These actions and projects are currently in various stages of planning, development, or implementation. Such state actions and projects included the following examples.

- **Issue Training Policy Guidance:** DCEO will communicate directly with the LWIBs in areas with low rates of training to encourage increased emphasis on training. We have also issued policy guidance to LWIBs and WIA administrative entities to encourage greater investment of WIA funds in training activities, including on-the-job (OJT) training, Incumbent Worker training and customized training. Also, we will review incentive award policies for potential modifications that will reward areas with high training rates.

- **Increase Reliance on Technology to Promote Program Access:**
 - ▶ **BIS Redesign:** Redesign the Department of Employment Security's (IDES) Benefit Information System (BIS) to create the capacity to take initial unemployment insurance claims over the Internet in now in place.

 - ▶ **ISM Improvements:** Make improvements to IDES' Illinois Skills Match system (i.e., ISM - the state's labor exchange system) to make that system more user-friendly for employers and job seekers have been completed, and will be deployed as soon as the necessary hardware is acquired.

 - ▶ **One-Stop Redesign:** Increase reliance on: telecommunications technology; improved information and referral; and increased staff development (e.g., navigator training) to achieve improved access to One-Stop services. Also, review and revise state policies regarding criteria to be considered a "comprehensive center" in support of this new direction.

 - ▶ **Illinois workNet™:** This system uses the Internet to expand access to universal (core) services and improve access to intensive and training services. Illinois workNet™ integrates core services available through Wagner-Peyser with related services provided by other partner agencies. Illinois workNet™ provides online tools for employers to match qualified applicants to their job openings and provides job seekers online services to help those individuals to: (1) refine their career goals, (2) access needed education, training, and support services, and (3) organize an effective job search. By connecting online to an expanded network of agencies and partners (including community and faith-based organizations, technology centers, schools, libraries, and community colleges), the project extends the reach and expands the services of physical One-Stop centers.

- **Improve Program and Fiscal Accountability:**
 - ▶ **Internal DCEO Reorganization:** DCEO implemented an internal reorganization of the Bureau of Workforce Development (BWD) to strengthen programmatic monitoring, fiscal monitoring, and technical assistance capabilities. Increased staffing and professional development efforts are being dedicated to the Regional Workforce Management Division (RWMD) within the BWD. Most field functions are now

consolidated into this division. The functions of the RWMD include: program monitoring; general fiscal monitoring; rapid response; on-site technical assistance; review of local plans; local performance management; assistance with in audit resolution; improving the effectiveness of the LWIBs (including managing the LWIB staffing grants); involving employers more effectively in the workforce system; overseeing implementation of regional planning requirements (e.g., CSSI); and, management of special projects.

Strengthening RWMD improves the state's ability to respond to issues of concern to local Boards, grantees, and providers. Regional personnel are available to assist local workforce areas to identify areas in need of improvement through the state's annual monitoring process. Regional staff also serve as the "early warning" mechanism should an LWIA be in danger of failing its performance standards. When necessary, regional personnel provide or facilitate the delivery of technical assistance to LWIAs. This revised monitoring process is more fully explained in Section VIII-I of this plan.

- ▶ **Non-Registered Core Services:** accountability mechanisms were developed to collect minimal data about individuals receiving non-registered core services sufficient to: identify them (e.g., Social Security numbers); count the number receiving services; and determine the types of core services being accessed.
- ▶ **Cost Reporting:** Increase the level of detail in expenditure reports to identify costs by major line items of expenditure (e.g., wages, fringe, facilities, indirect, and other operational costs) and by the entity incurring the costs (e.g., grant recipient, LWIB, service provider). Also report costs of individual training accounts (ITAs), customized training, OJT, and support services.
- ▶ **Fiscal Monitoring:** Increase fiscal monitoring in areas with high costs for infrastructure to determine if high costs are due to policy choices (i.e., focus on "staff-intensive" services - core and intensive services) or if costs appear to be excessive. Support monitoring by conducting cost surveys (e.g., wages, facility, and indirect costs) and developing guidelines for what meets the test of being "reasonable and necessary", and make training available related to methods of cost analyses.
- ▶ **Rates of Program Exit:** Providing technical assistance to local areas, tailored to each LWIA's situation, to ensure appropriate rates of exit from WIA programs are achieved, without undue deterioration of statewide performance.
- **LWIB Capacity Building:** Clearly define the mission of LWIBs in realistic and achievable terms. Communicate that mission to all LWIB members. Build LWIB capacity through participation in the funding of independent Board staff, training, and ongoing communication from the state (e.g., the LWIB Leadership Association).

VIII. ADMINISTRATION AND OVERSIGHT OF LOCAL WORKFORCE INVESTMENT SYSTEM

- I. Oversight/Monitoring Process -- Describe the monitoring and oversight criteria and procedures the State utilizes to move the system toward the State's vision and achieve the goals identified above, such as the use of mystery shoppers, performance agreements. (§112(b)(14).)
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On-Site Formal Monitoring: On an annual basis the Department of Commerce and Economic Opportunity's (DCEO's) Bureau of Workforce Development (BWD) staff complete formal monitoring of each local workforce investment area (LWIA). The scope of this monitoring covers both fiscal and programmatic compliance issues as they relate to federal and state laws, regulations, and policies. With respect to the state's oversight and administration of One-Stop centers, monitoring teams review the following areas for compliance:

- Evidence that the chief elected official (CEO) or designee, as the local grant recipient for the adult and dislocated worker programs is a One-Stop partner. (20 CFR 663.100(b))
- Evidence that the following required partners are in the One-Stop center. (Sec. 662.200 and WIA 121(b)(1))
 - ▶ Programs authorized under Title I of WIA including: Adults, Dislocated Workers Youth, Job Corps, Native American Program, Migrant and Seasonal Farm workers Program
 - ▶ Programs authorized under the Wagner-Peyser Act
 - ▶ Adult education and literacy activities authorized under Title II of WIA
 - ▶ Vocational rehabilitation programs authorized under Parts A and B of the Title I Rehabilitation Act
 - ▶ Senior community service employment activities authorized under Title V of the Older Americans Act of 1965
 - ▶ Postsecondary vocational education activities under the Carl D. Perkins Vocational and Applied Technology Education Act
 - ▶ Trade Adjustment Assistance
 - ▶ Activities authorized under chapter 41 of Title 38, U.S.C. (local Veteran's employment representatives and disabled veterans outreach programs)
 - ▶ Employment and training activities carried out under the Community Services Block Grant
 - ▶ Employment and training activities carried out under the Department of Housing and Urban Development
 - ▶ Programs authorized under the state unemployment compensation laws
- Evidence that other entities (including state mandated partners) are serving as One-Stop partners (Sec. 622.210) including the following.
 - ▶ TANF programs authorized under part A of Title IV of the Social Security Act.
 - ▶ Employment and training programs authorized under Section 6(d)(4) of the Food Stamp Act of 1977
 - ▶ Work programs authorized under Section 6(o) of the Food Stamp Act of 1977
 - ▶ Programs authorized under the National and Community Service Act of 1990

- ▶ Other appropriate programs, including programs related to transportation and housing
- Evidence that core services for adults and dislocated workers are available in a least one comprehensive One-Stop center in the LWIA.
- Evidence that core services are provided directly by the One-Stop operator or through contracts with service providers that are LWIB approved (20 CFR 663.155). For core services provided through contracts, the identity of the provider, including provider agreements are reviewed.
- Evidence that intensive services are provided through the One-Stop delivery system, including specialized One-Stop centers. (20 CFR 663.210)
- Evidence that the One-Stop operator is responsible for making the determinations for adults and dislocated workers that there is a need for more intensive services, or, in the centers, where the One-Stop operator is a consortium that the One-Stop partners have made a determination, in writing, that each partner program is responsible for the eligibility determination for their respective clients. (20 CFR 663.220)
- Evidence that intensive services are available to adults and dislocated workers, as needed, either by the One-Stop operator directly or through contracts with service providers that are approved by the LWIB.
- Evidence that training is provided through individual training accounts (ITAs), that customers have access to lists of eligible providers and programs through the One-Stop system (20 CFR 663.100 and 663.145), and a determination as to which list the local One-Stop system is utilizing when issuing ITAs (i.e., state or local).
- Evidence that follow-up services are made available, as appropriate, for a minimum of twelve (12) months following the first day of employment, to registered adult and dislocated worker participants who are placed in unsubsidized employment (20 CFR 663.150(b)) and a review of such follow-up procedures. (20 CFR 663.150)

The State's evaluation of these areas includes a review of each One-Stop center's Memorandum of Understanding, One-Stop Operator Consortium Agreement, provider agreements for the provision of core and intensive services, and written procedures/contracts concerning follow-up services for adults and dislocated workers who enter employment.

With respect to fiscal monitoring, DCEO is responsible for conducting in-depth reviews of financial records of WIA grantees and subgrantees to assure that funds are spent in accordance with the Act and state laws and procedures. State and local fiscal control and accounting procedures must be sufficient to:

- Permit preparation of reports required by the statutes authorizing the grants;

- Permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of the applicable statutes;
- Ensure the accurate, current, and complete disclosure of the financial results of financially assisted activities are made in accordance with the financial reporting requirements of the grants;
- Ensure that records are maintained which adequately identify the source and application of funds provided for financially assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income;
- Ensure effective control and accountability is maintained for all grant and subgrant cash, real and personal property, and other assets;
- Compare actual expenditure or outlays with budgeted amounts for each grant or subgrant;
- Determine reasonableness, allowability, and allocability of costs;
- Ensure accounting records are supported by source documentation such as canceled checks, paid bills, payrolls, time and attendance records, contract and subgrant award documents; and,
- Ensure procedures have been established to minimize the time elapsing between the transfer of funds and the expenditure of those funds.

DCEO fiscal monitoring includes: (a) a determination that expenditures have been made against the costs categories and within the cost limitations specified in the Act and the regulations; (b) a determination of whether or not there is compliance with other provisions of the Act and the WIA regulations and other applicable laws and regulations; (c) a determination of the local area's compliance with DOL uniform administrative requirements, including the appropriate administrative requirements for subrecipients and the applicable cost principles; and, (d) the provision of technical assistance as necessary and appropriate. State fiscal compliance monitoring covers of topics such as:

Reporting Requirements:

- Closeout Confirmation
- GRS Cost Ledger Verification

Program Requirements:

- Disbursements Review
- Services for Adults & Dislocated Workers
- Supportive Services
- Contract Clauses
- Cost Allocation Plans
- Payroll Analysis
- Accrued Leave Funds
- Audit Resolution

- Bank Reconciliation / Proof of Cash / Petty Cash
- Procurement
- Equipment/Inventory Management
- Separation of Duties
- Insurance Analysis
- Generally Accepted Accounting Procedures
- Procurement Review for Service Providers
- OJT Contract Review
- Sub-Recipient Training Contracts
- Cash Analysis
- Exit Conference

As part of the BWD reorganization, the number of staff dedicated to formal monitoring and technical assistance activities has been increased. These staff members are known as Regional Representatives and are assigned to the Bureau's Regional Workforce Management Division (RWMD). When deficiencies are found through the formal monitoring process, RWMD staff facilitate corrective action and the provision of technical assistance, either through direct assistance to the LWIA or by working with the BWD Technical Assistance Office to procure outside experts.

VIII. ADMINISTRATION AND OVERSIGHT OF LOCAL WORKFORCE INVESTMENT SYSTEM

- J. Grievance Procedures. Attach a copy of the State's grievance procedures for participants and other affected parties (including service providers.) (§122(g) and 181(c).)
- K. Describe the following State policies or procedures that have been developed to facilitate effective local workforce investment systems (§§112(b)(17)(A) and 112(b)(2),):
1. State guidelines for the selection of One-Stop providers by local boards;
 2. Procedures to resolve impasse situations at the local level in developing memoranda of understanding (MOUs) to ensure full participation of all required partners in the One-Stop delivery system;
 3. Criteria by which the State will determine if local Boards can run programs in-house;
 4. Performance information that on-the-job training and customized training providers must provide;

5. Reallocation policies;
6. State policies for approving local requests for authority to transfer funds (not to exceed 20%) between the Adult and Dislocated Worker funding streams at the local level;
7. Policies related to displaced homemakers, nontraditional training for low-income individuals, older workers, low-income individuals, persons with disabilities and others with multiple barriers to employment and training;
8. If you did not delegate this responsibility to local boards, provide your State's definition regarding the sixth youth eligibility criterion at section 101(13)(C)(iv) ("an individual who requires additional assistance to complete an educational program, or to secure and hold employment"). (§§ 112(b)(18)(A) and 20 CFR 664.210.)

Grievance Procedures: State grievance procedures relating to identification of eligible providers of training pursuant to the Workforce Investment Act (WIA) section 122(g) are described in response to question VIII.G.4 of this plan. State procedures for grievances or complaints alleging violations of the WIA pursuant to WIA section 181(c) are included as Attachment F.

State Policies and Procedures:

- **Selection of One-Stop Operators:** State guidelines for the selection of One-Stop operators by local boards are based on the WIA legislation at sections 117(d)(2)(A) and 121(d), and on the regulations at §662.400, §662.410, §662.420 and §662.430. LWIBs have the responsibility to designate and certify One-Stop operators in each area, either through a competitive process or under an agreement with a consortium of entities that includes at least three of the required One-Stop partners. Each local plan identifies the operator and describes the process by which the operator was selected (i.e., competitive selection or agreement).

The local plan must contain an assurance that the local chief elected official (CEO) agrees with the choice of One-Stop operator. The state's preference, in keeping with best practices, is for the One-Stop to be operated by a consortium of entities that includes at least three or more of the required One-Stop partners. Except in the most extenuating of circumstances, it is the policy of the state that requests for the designation of the LWIB as the One-Stop operator (requiring the Governor's agreement with the designation) will not be granted.

- **Impasse Situations:** Procedures are described in §662.310(b) and (c) of the regulations, and include the following policies and procedures:
 - ▶ The LWIB and partners must enter into good-faith negotiations.
 - ▶ The LWIB and partners must document the negotiations and efforts that have taken place.

- ▶ The LWIB and partners may request assistance from the state agency responsible for administering the partner program, the Governor, the Illinois Workforce Investment Board (IWIB), or any other appropriate parties who may help to resolve the impasse.
- ▶ The Governor may also consult with the appropriate federal agencies to address impasse situations after exhausting other alternatives.
- ▶ A failure to negotiate a MOU between a LWIB and a required partner must be reported by the LWIB and the required partner to the Governor or the IWIB and the state agency responsible for administering the partner's program.
- ▶ A failure to negotiate a MOU between a LWIB and a required partner must then be reported by the Governor or the IWIB and the responsible state agency to the Secretary of Labor and to the head of any other federal agency with responsibility for oversight of the partner's program.

If an impasse has not been resolved through the steps listed above, any partner that fails to execute a MOU may not be permitted to serve on the LWIB. Any local area in which a LWIB has failed to execute a MOU with all of the required partners is not eligible for state incentive grants awarded on the basis of local coordination of activities under §665.200(d)(2) of the regulations.

- **Approval of LWIBs to Run Programs In-house:** State criteria for determining if a LWIB can provide training services are based on the Act at 117(f)(1)(B), and the regulations at §661.310(b) and §663.400. The LWIB must submit a written waiver request, which includes:
 - ▶ Evidence that local training providers are unable to meet local demand including a list of the training providers that submitted certification applications to the LWIB, and the programs for which they applied for certification;
 - ▶ Information demonstrating that the board meets the requirements for an eligible provider of training services;
 - ▶ Information demonstrating that the training program prepares participants for an occupation that is in demand in the local area;
 - ▶ Evidence that the proposed request was made available for comment to training providers and other interested parties for a period of not less than 30 days; and,
 - ▶ A copy of the comments received.

Except in the most extenuating of circumstances, it is the policy of the state that requests for waivers of this prohibition will not be granted.

State criteria for determining if LWIBs can provide core or intensive services are based on the Act at §117(f)(2) and on the regulations at §661.310, §663.155, and §663.210(b). §661.310(a) requires that the Governor must agree to the provision of these services by the

LWIB. The state's position is that, except in the most extenuating of circumstances, requests for agreements of this type will not be granted.

- **On-the-Job Training and Customized Training Performance Information:** During the preparation of the first WIA state plan, the IWIB established two working groups to address performance information that on-the-job training and customized training providers must provide to support the statewide workforce investment system. The on-the-job (OJT) training workgroup was led by representatives from the LWIAs who operated OJT programs. The customized training providers' workgroup was led by the Chicago Jobs Council and also included representatives from the Illinois Community College system. Following recommendations by both work groups and a lengthy discussion, the IWIB concluded that the performance information currently required with respect to all WIA Title I-B participants in training activities was all that was necessary to be provided for on-the-job training and customized training providers.
- **Reallocation Policy:** State reallocation policy is based on the requirements of the Act at sections 128(c) and 133(c) and the regulations at §667.160. The amount available for reallocation from a local area will be equal to the unobligated balance of the local area's allocation, exceeding 20 percent of the prior year allocation. The reallocation policy is applied separately for each of the three Title I-B funding streams (i.e., adult, dislocated workers and youth allocations). In accordance with §667.160(b) of the regulations, funds reserved for administrative costs are not included in either the calculation of the local allocation or the amount obligated.

Excess funds will be reallocated to eligible local areas on the basis of the area's relative shares of initially allocated funds for the program year being reallocated. Eligible local areas are defined as those areas that obligated at least 80 percent of their allocated funds (excluding administrative funds) from the prior program year.

State reallocation policy will ensure that adequate funds are available in the event that Illinois is required to make funds available for reallocation to other states under federal procedures. If Illinois is reallocated due to an underobligation of funds by local areas, the necessary funds will be obtained from those made available under the state reallocation process. If Illinois is reallocated due to any underobligation of funds from the state set-aside, the necessary funds will be obtained from state set-aside funds. If the reallocation is caused by underobligation from both sources, the necessary funds will be obtained proportionately from each.

- **Transfer Authority:** State transfer policies are based on the requirements of the Act at section 133(b)(4) and on the regulations at §667.140. Illinois will approve requests for the transfer of funds made by LWIBs, provided that transfers do not exceed 30 percent of the initially allocated amount for the grant from which they are being transferred. Please note that the 2003 -2006 appropriations enacted by Congress raised these transfer limits to 30 percent effective with Program Year (PY) 2003 funds compared to the 20 percent limit cited in the Act.

At this time, a local area may transfer funds between adult and dislocated worker funding streams, with a maximum transfer amount of 30 percent of the initial allocation. Transfers are allowed only between the adult and dislocated worker programs. A local area may not transfer funds to or from the youth program per §667.140 of the regulations. At the request of the State to USDOL, a waiver was approved to allow LWIAs to transfer of up to 10 percent of each of its adult, dislocated worker, and youth formula allocations to support the Incumbent Worker training program.

Transferring any portion of the dislocated worker base allocation may affect a local area's access to dislocated worker state 25 percent reserve funds. Prior to awarding any reserve funds to a local area, the Department of Commerce and Economic Opportunity (DCEO) will take into consideration any transfers made from the local dislocated worker program. Local areas that during the previous program year transferred funds from the dislocated worker program to the adult program will not be eligible to submit funding requests for current program year state 25 percent reserve funding. Furthermore, those who make such a transfer during the current program year will not be eligible to receive state 25 percent reserve funds or an increase in funding of a current program year grant. Any appeal to this policy must be submitted in writing to the Bureau of Workforce Development Manager and must include the extenuating circumstances that necessitate the exception request.

- **Populations with Special Needs:** Displaced homemakers make up part of the eligible population for services provided through the Title I-B dislocated worker grant to the state. Therefore, this population will be targeted for the full range of Title I-B services throughout Illinois.

In general, Illinois suggests that local boards take steps to implement the following procedures to address the need for training opportunities for populations with special needs, and in particular non-traditional training opportunities:

- ▶ Identify, address and eliminate barriers for these targeted individuals;
- ▶ Conduct outreach that is targeted to and designed for these individuals;
- ▶ Provide the means and assistance, where indicated, to all individuals to access information on the full range of careers and training including non-traditional careers so that they can make informed career choices and education/training decisions;
- ▶ Provide and expand availability of vital support services, including child care, transportation, preparatory training, support groups, and mentoring to meet the needs of these targeted individuals;
- ▶ Develop and disseminate materials for staff development to promote understanding and address needs of these targeted individuals; and
- ▶ Provide assistance to employers in addressing issues for targeted individuals including work and family balance, sexual harassment, and nondiscriminatory work environments.

In order to facilitate these strategies for individuals with disabilities, each One-Stop center in Illinois is conducting a SWOT (Strengths-Weaknesses-Opportunities-Threats) analysis in four critical areas: Access, Services, Marketing and Follow-up. The results of these analyses will be compiled and analyzed and a final report with statewide recommendations will be submitted to the DCEO Director.

- **Sixth Youth Eligibility Criterion:** Section 129(c)(5) provides that up to five percent of the participants assisted under the WIA youth program may be individuals who do not meet the income criteria to be considered an eligible youth, if such individuals are within one or more categories listed in the law. One of the categories listed is, “other eligible youth who face serious barriers to employment as identified by the local board.” WIA explicitly gives the task of defining “serious barriers” to the LWIB. This provision suggests legislative intent. LWIBs should play an active role in deciding the nature of risk factors youth face.

Defining the sixth eligibility criterion is a very similar responsibility. Section 101(13) defines an eligible youth as an individual who: (a) is low income, (b) is between 14 and 21 years of age, and (c) is in one or more at-risk categories. The sixth at-risk category defined in the law is, “an individual who requires additional assistance to complete an educational program, or to secure and hold employment.” The state believes that deciding who “requires additional assistance” is essentially the same as determining who has “serious barriers to employment”. If the Congress intended that LWIBs define what is meant by “serious barriers,” then it appears appropriate that LWIBs define what it means to require “additional assistance”. Therefore, this responsibility is delegated to LWIBs.

IX. SERVICE DELIVERY

Describe the approaches the State will use to provide direction and support to local Boards and the One-Stop Career Center delivery system on the strategic priorities to guide investments, structure business engagement, and inform service delivery approaches for all customers. (§§112(b)(17)(A) Activities could include:

- A. One-Stop Service Delivery Strategies: (§112(b)(2) and 111(d)(2).)
 1. How will the services provided by each of the required and optional One-Stop partners be coordinated and made available through the One-Stop system? (§112(b)(8)(A).)
 2. How are youth formula programs funded under §128(b)(2)(A) integrated in the One-Stop system?
 3. What minimum service delivery requirements does the State mandate in a comprehensive One-Stop Center or an affiliate site?
 4. What tools and products has the State developed to support service delivery in all One-Stop Centers Statewide?

5. What models/templates/approaches does the State recommend and/or mandate for service delivery in the One-Stop Centers? For example, do all One-Stop Centers have a uniform method of organizing their service delivery to business customers? Is there a common individual assessment process utilized in every One-Stop Center? Are all One-Stop Centers required to have a resource center that is open to anyone?
-

Coordinated One-Stop Services: One-Stop partners' services are coordinated locally through the Memorandum of Understanding (MOU) process. The Illinois Workforce Investment Board (IWIB) issued policy guidance on cost sharing and MOU negotiations. This guidance contained recommendations as to the structure and content of MOUs. The IWIB encourages maximum flexibility in One-Stop system design, while still requiring local partners to address a comprehensive range of service delivery and operational issues. All One-Stop partners must participate in the MOU process. This applies to the required partners as well as services provided through the TANF and Food Stamp Employment and Training programs (i.e., the state mandated optional partners). See Section VII of this plan for a detailed discussion of the IWIB MOU recommendations.

MOUs are reviewed at the state level. The review process includes: evaluation of how services are provided through the local system; how service and operational costs are paid; methods for the referral of customers between One-Stop operators and partners; and the duration of the agreement and procedures for amending the agreement. A MOU review of each agreement is completed and when deficiencies are found, the state provides technical assistance to the local partners to bring the agreement into compliance.

Integration of WIA Youth Services in One-Stops: The state has not rigorously examined the degree to which WIA youth services are integrated into One-Stop centers. Nor has the state, to date, formally encouraged such integration. However, anecdotal evidence, suggests that WIA youth services are, for the most part, delivered by service providers outside of the centers. This is due, in part, to provisions in WIA and the final implementing federal rule that appear to create barriers to providing universal services to ineligible youth through the centers. The fact that younger youth (i.e., 14 to 17 years of age) must be determined eligible and registered to receive universal services supported by WIA funds is an impediment to integration. Also, the overall structure of the WIA youth program (e.g., separate planning through the local Youth Council and procurement through contracts versus individual training accounts) tended to support development of youth programs separate from the One-Stop system.

It should not be inferred from the above discussion that there is a complete absence of utilization of One-Stop centers by Illinois' youth. Local arrangements are diverse and a variety of practices have emerged that move the system closer to the integration suggested by this question. For example:

- Older youth (i.e., 18 to 21) may access universal services in One-Stop centers without requiring registration;

- One-Stop services for ineligible youth may also be funded by programs that are authorized to provide services to such youth (e.g., Wagner-Peyser);
- Younger youth who are registered through another WIA youth service provider may access universal services in a One-Stop, provided that the WIA services in the One-Stop are partially funded by WIA youth funds (i.e., so the youth grant benefits from the activity);
- Partial integration has occurred in some local areas (i.e., especially in rural areas) where One-Stop operators provide space for youth service providers; and
- The state obtained a waiver to allow older youth to access training services through individual training accounts, which partially harmonizes the service delivery strategies across the three WIA Title I-B programs. The state is requesting this waiver be extended and expanded to include youth age 16 and over, regardless of their school enrollment status.

Given the strategic direction provided by the U.S. Department of Labor (DOL) encouraging that of WIA youth formula programs be integrated in the One-Stop system, the state will examine this issue more thoroughly over the period of this plan. The state welcomes specific suggestions from DOL regarding “best practices” to achieve this integration, both under current law and under a reauthorized statute.

Minimum Service Delivery Requirements: Illinois issued policy regarding the requirements for a One-Stop center to be considered a comprehensive center, per the requirements of WIA Section 134(c)(2). The state requirements are designed to ensure a level of consistency across centers. The requirements are summarized in Attachment C, Services Matrix for Comprehensive Centers in Illinois. The state has not issued requirements for affiliate sites.

Tools and Products to Support One-Stops: State WIA 15 percent technical assistance funds have been used to develop materials and sponsor training venues (e.g., workshops and conferences) to support local boards and the One-Stop delivery system. The Department is currently developing a Primer for local board members and potential members that details WIA rules, policy and procedures, as well as recruits individuals to sit on local boards. During the past year BWD offered statewide training on a variety of topics including: Overview of WIA Eligibility, Federal Trade Act Training, Incumbent Worker Training, Empowering Youth for Change and WIA Performance Measures.

The state’s WIA participant tracking system - the Illinois Workforce Development System (IWDS), also supports Illinois One-Stop centers. IWDS has a broad range of functionality including: case management, grant management, entity management, performance management, dislocation event tracking, training provider information, and reporting.

In addition, the Illinois Department of Employment Security (IDES) provides a wide range of economic and labor market information tools, products, and services to support Illinois’ One-Stop system. These products and services are delivered as core services to customers through One-Stop centers in the resource rooms, via IDES’ One Source Web-portal page www.ILWorkInfo.com. The One Source Web site provides a portal to six Web sites:

- I*Compass is a set of modular, in-depth e-learning courses to assist users in understanding available data at all five of the workforce and career information Web sites listed below. The Live, interactive Web site provides examples, self-checks and tests to allow users to customize their individual learning in order to effectively access and analyze data.
- The **Workforce Info Center** interactively delivers labor market and occupational information and resources, such as local area profiles, industry employment trends, largest employers, average wages, and population and employment data, available by geographic area including counties, metropolitan areas, and local workforce areas.
- **Career Resources** links to career exploration tools for all audiences, including:
 - ▶ **Career Information System (CIS)** enables displaced workers, adults, career changers, students and their parents to focus on occupational information such as wages, current employment, and future job outlook using assessment links, sort features, and videos. Related information on programs of study, state and national schools, financial aid, and other topics augment the career decision-making process. Fastest growing and declining occupations are shown in the FAQ section of the Occupations file. CIS also has sections on “Job Search,” “Employability Skills,” “Keep That Job”, and “Employer Locator.”
 - ▶ **Career Click** organizes career and occupational data for quick and easy access by students and young adults. State and regional employment, wage, and job outlook information are clustered by career interest area. Additional information and features include top employing industries, skill requirements, and occupational videos, available in English, Spanish, and captioned versions.
 - ▶ **Countdown**, with a 5th grade reading level that may be appropriate for some customers with limited English proficiency, builds career awareness for middle and junior high school students through general information about occupations and career interest areas. A career interest inventory assists students to focus on key topics important to begin their career exploration.
 - ▶ **LMI Source** provides comprehensive workforce information reports and databases for a variety of geographic alignments along with access to publications and economic analysis including Occupational Outlook In Brief, and Guides to Career Choices, both in English and Spanish.

Recommended Models, Templates, and Approaches: The state does not mandate standardized WIA procedures across centers. Local areas have the flexibility to design their own service delivery strategies. However, the state supports a variety of strategies to facilitate sharing of best practices among the centers, such as monthly Illinois Workforce Partners meetings and via Illinois workNet. Centers are quick to learn from each other and adopt service strategies that have been proven in other areas of the state. As a result, a number of common strategies have emerged over time, which are typically used in Illinois’ One-Stop centers. These strategies include:

- Designing One-Stop centers to facilitate easy access to all customers through appropriate signage, shared waiting rooms, and greeters to assist clients to quickly navigate center services.
- Introducing new customers to center services through orientation workshops hosted by all partners, so clients are made aware of the complete range of services and related eligibility requirements. Jointly delivered job search workshops are also typical.
- Supporting a resource room where a wide range of labor market information and job search related products are available. The resource rooms are open to all populations and staff is available to assist customers who need help to access the computer systems or other materials.
- Establishing business service teams (BSTs) to ensure that local businesses have easy access to all services of the One-Stop system. Teams typically include representatives from the WIA program, IDES, and the local community colleges. Other partners are also frequently included such as representatives from Adult Education, the Department of Human Services (DHS), DHS' Division of Rehabilitation Services (DHS-DRS), and operators of Title V, Older Americans programs. BST services typically include: coordinated employer outreach, basic labor exchange services, customized applicant recruitment, employment and training services (e.g., on-the-job and customized training), job fairs, labor market information, and workshops on issues such as ADA compliance, Unemployment Insurance, OSHA requirements, and tax credits.

IX. SERVICE DELIVERY

Describe the approaches the State will use to provide direction and support to local Boards and the One-Stop Career Center delivery system on the strategic priorities to guide investments, structure business engagement, and inform service delivery approaches for all customers. (§§112(b)(17)(A) Activities could include:

- B. Workforce Information – A fundamental component of a demand-driven workforce investment system is the integration and application of the best available State and local workforce information including, but not limited to, economic data, labor market information, census data, private sources of workforce information produced by trade associations and others, educational data, job vacancy surveys, transactional data from job boards, and information obtained directly from businesses. (§§111(d)(8), 112(b)(1), and 134(d)(2)(E).)
1. Describe how the State will integrate workforce information into its planning and decision-making at the State and local level, including State and local Boards, One-Stop operations, and case manager guidance.
 2. Describe the approach the State will use to disseminate accurate and timely workforce information to businesses, job seekers, and employment counselors, in

easy to use formats that are readily accessible within One-Stop Career Centers and at remote locations such as libraries, schools, worksites, and at home.

3. Describe how the State's Workforce Information Core Products and Services Plan is aligned with the WIA State Plan to ensure that the investments in core products and services support the State's overall strategic direction for workforce investment.
 4. Describe how State workforce information products and tools are coordinated with the national electronic workforce information tools including America's Career Information Network and Career Voyages.
-

Planning and Decision Making: Because statewide and local data are critical ingredients in public and private sector planning, economic development, education, and employment training programs, there is an increasing demand for accurate and timely workforce and career information. In 1999 the Governor, under Section 309 of the Workforce Investment Act (WIA), designated the Illinois Department of Employment Security (IDES) as the official administrator of Illinois' employment statistics program. In 2002, IDES was given responsibility for the delivery of career information programs formerly administered by the State Occupational Information Coordinating Committee (SOICC). IDES is now the primary and most cost-effective source of a wide variety of workforce and career information products and services. IDES is continuing efforts to expand capabilities to develop, collect, analyze, and disseminate workforce information.

Workforce and career information are currently used to describe employer populations; monitor and predict employment cycles; and, identify occupations where skill surpluses or shortages exist. Workforce information is also used to monitor and to predict economic cycles and identify industries releasing large numbers of workers. As a result, information on clients eligible for federal job training programs is provided to the Illinois Department of Commerce and Economic Opportunity (DCEO), local workforce investment boards (LWIBs), and local entities administering WIA programs.

Ongoing initiatives to incorporate workforce information into career decision-making at all levels have significantly expanded and broadened the demand for workforce information. Workforce information has become a basic planning resource for describing current, historical, and projected industry trends as well as current occupational trends (including employment and wage levels), projected occupational trends (both short and long-term), and labor force demographics (including age, sex, and race).

Workforce information continues to support planning undertaken by LWIBs to ensure that state workforce information strategy is in line with the Governor's vision and responsive to the needs of the state and local workforce investment system. For example, the needs analysis and assessment section of the local five-year plan requires that local areas develop a vision for the local workforce investment system which takes stock of the current needs of the system's potential customers. These customers include employers, job seekers, current workers, and youth. Part of this local assessment includes: an analysis of local employment demands (both

current and projected); where job openings are projected to be found during the five-year plan period; and what skills will be required. The source of these data is largely IDES.

IDES and DCEO continue to coordinate with the Illinois Workforce Investment Board (IWIB), LWIBs, and the Illinois Workforce Partnership (IWP) to provide high quality and reliable workforce and career information consistent with the planning and decision-making needs of the workforce investment system. All workforce development partners in Illinois, led by IDES and DCEO, continue to focus on new strategies and innovative tools to improve data analysis for local intelligence that will drive economic and workforce development.

Dissemination of Information: Illinois' One-Stop centers are one vehicle for delivery of workforce and career information services. Each LWIB is required to assess the opportunities and needs of the individuals and employers within their labor market and design a workforce delivery strategy that meets local needs and is consistent with the Governor's vision for workforce development statewide. A key component of the Governor's vision is universal access to accurate and timely workforce and career information to businesses, job seekers, and employment counselors. This information must be available in easy-to-use formats that are readily accessible within One-Stop centers and at remote locations such as libraries, schools, worksites, and at home.

Workforce information is disseminated both online and in printed format. Occupational and career information products and publications are made available in both English and Spanish to enable customers to make informed career and occupational decisions. These materials provide analysis of employment trends, educational, training and skill requirements, short and long term employment projections, wages, career advancement opportunities, and labor market conditions, with a focus on major employing industries in the state. Examples of printed products include Guides to Career Choices, Guías para Elegir Carreras, Occupational Outlook in Brief (OOIB), and Perspectiva de Trabajo en Breve para Illinois (PTBI).

Traditionally, workforce and career information and services in Illinois have been delivered as core services to customers through the state's One-Stop centers via the resource rooms. However, Illinois workNet (<http://www.illinoisworkNet.com>) has quickly become a primary resource for job seekers, as well as businesses, by making information available virtually (i.e., online) on an array of workforce development services offered statewide and regionally. The Illinois workNet portal is a unique, user-friendly tool that provides career, education, and supportive services information for all Illinois residents and businesses. For those seeking career information or employment, Illinois workNet provides information on job opportunities and career, education, and work support services; for businesses, the portal helps to recruit workers, find training resources, and access other types of assistance to remain competitive. To date, Illinois workNet has been implemented in 13 of the state's 26 LWIAs, with rollout to the remaining 13 LWIAs scheduled over the coming months.

The Portal seamlessly accesses IDES Workforce Info Center, Career Resources, and LMI Source Web sites. The Workforce Info Center contains current and historical workforce and occupational information for employers, job seekers, local workforce investment boards, and economic development professionals. Career Resources offers a variety of career exploration products for elementary, middle and high school students, and adults, including the Career

Information System (CIS), Career Click, and Countdown. LMI Source furnishes complete labor market reports, data, and publications, all of which can be viewed online

Through Illinois workNet, individuals benefit from accessing all of these IDES resources and other resources through one easy-to-use site. Illinois workNet not only provides easy access to statewide information, but disseminates geographically relevant resources through local content management.

In order to widely disseminate workforce information products to a variety of users, a number of additional strategies are being employed. One-Stop partners are apprised of the availability of these information resources through presentations, orientations, exhibits, and other marketing efforts targeted to all partner staff and stakeholders, especially job seekers and employers. Another strategy for dissemination of workforce information involves measuring customer satisfaction with existing information products and services. To this end, consultations and focus group sessions with state and local workforce investment boards (LWIBs), businesses, individuals and workforce development partners are conducted to determine customer demand for and satisfaction with existing workforce information. This effort takes many forms, including but not limited to:

- Coordination of the design and development of workforce and career information in order to support Illinois One-Stop centers, Perkins Vocational-Technical Education Programs, and other stakeholders in the workforce system; and,
- Leadership and support of the development of new products and services that is all-inclusive, customer-centric to broaden access to analysis of labor market trends, technical and professional skill requirements, and education and training options.

Illinois workNet is another means for dissemination of workforce and career information. Through virtual access, many more job seekers and businesses will benefit from services than can be reached when access is provided only through physical centers.

Workforce Information Core Products and Services Plan: DCEO's workforce information system is geographically structured to support the primary goals of the state's WIA and Trade and IDES' information system is structured to support the Wagner-Peyser Strategic Plan for state and local workforce development, individual economic self-sufficiency, and competitive businesses. To meet these goals, high quality, reliable workforce and career information is made available and used by individuals, businesses, and employment and training providers (including K-16) to assist them in making informed economic and career decisions. It is the mission of the workforce information system to establish and maintain a comprehensive, coordinated and effective system for the production, analysis and dissemination of workforce and career information that is accessible and responsive to all Illinoisans.

The Governor's workforce information strategy addresses a number of identified information needs. The goal is to improve the workforce and career information system such that customers receive timely, accurate and relevant information about local, regional, state, and national labor markets. Strategies to achieve this goal include:

- Further improvement in the systematic provision of expanded geographic detail (e.g., sub-MSA, sub-county, etc.) for various data series (wage data, short-term employment projections, long-term employment projections, monthly payroll job estimates for all Illinois counties (small domain estimates), and skills based projections for workforce and economic planning areas);
- Continued development of occupational skill data, including that provided by O*NET, Illinois Skills Match System (ISM), and the provision of skills data to customers for career exploration as well as job search;
- Improved methods for estimating occupational supply;
- Development of data regarding fringe benefits, to better reflect the true costs and benefits of employment in Illinois;
- Development of additional information regarding key Illinois industries facing worker shortages. This includes the development of data on new and emerging occupations, in-depth analysis of occupational supply issues, and other information on demand driven workforce needs of major Illinois business sectors;
- Information delivery strategies, including Internet delivery, printed products and other means that provide convenience and ease of use for customers of the Illinois One-Stop system;
- Linkages are maintained from Illinois workNet the One Source portal Web sites to other appropriate federal and state Web sites, such as IDES, ICCB, Bureau of Labor Statistics, Illinois Student Assistance Commission, iTransfer, and other Illinois workforce development partners. The Illinois workNet portal One Source Web sites more fully integrates comprehensive career and workforce information, and includes through built-in customer feedback options, to ensure that that available resources, services and products from the workforce and career information system are useful and demand driven. DCEO has developed a marketing plan for the portal, and recently began to develop a comprehensive plan for rebranding the workforce system as “Illinois workNet™” (including the physical centers and the Illinois workNet portal). Rebranding efforts are aimed at eliminating disparity in the perceived level of services, fostered by a system that is identified area-by-area and building-to-building by various organizational/agency names and logos. As a result, individuals and businesses often do not perceive connection or continuity among workforce services. The implementation of Illinois workNet as a strategy for connecting physical locations and virtual services under one cohesive, statewide brand will resolve this issue. Efforts will be undertaken to market the use of the Web site to users and to ensure that information is available universally;
- Development of mechanisms for customer feedback on efforts carried out under Section 118 of the Carl D. Perkins Vocational and Technical Education Act;

- Strategies to market, train, and increase awareness to facilitate Illinoisans' access to data and information necessary for career decision-making;
- Utilization of new and emerging data sources (Local Employment Dynamics and job vacancy and help wanted information); and,
- Utilization of One-Stop and workforce partners as a source of workforce information (i.e., feedback of hard data, as well as continuous improvement data regarding the provision of workforce information).

Illinois workforce information system refined existing data delivery systems and developed new approaches to effectuate industry sector analysis and promote career pathways in support of the Governor's strategic vision for workforce and economic development. These approaches support ongoing planning and analysis at the local, regional, and state level, and support new initiatives, including the Critical Skill Shortages Initiative. Following are some examples of these refinements and new approaches.

- Current industry employment and industry employment projections produce monthly job counts and projections of industry expansion and contraction for counties, local Workforce Areas (LWIAs), Metropolitan Statistical Areas (MSAs), and user-defined regional geographies, including Illinois' state-defined Economic Development Regions.
- Through Local Employment Dynamics (LED), available as a result of a federal/state partnership with the U.S. Bureau of Census, Illinois' workforce development system has recently made available 29 new measures of employment activity. These measures (such as new hires, separations, job gains, job losses, labor turnover, and earnings) are produced by age and gender categories of workers within industry sectors for counties, LWIAs, MSAs, and user-defined regional geographies. The LED program at the Census Bureau has recently focused on providing workforce investment programs with more current and local information about their labor markets, together with the high growth and high demand industries.

LED On-the-Map enables customers to use the Internet to generate information on the relationships between where people live and where they work. The information can be presented as maps, statistical summary information (reports displayed with maps), printed reports, and data files downloadable into Excel documents. Selection criteria for the areas and information presented on maps, reports, and files are flexible. Displays of additional layers of data such as major highways, zip codes, and/or LWIA boundaries are available.

- Industry-Occupational staffing patterns and occupational projections identify occupations critical to each selected industry sector and projections of occupational employment changes and job openings for counties, LWIAs, MSAs, and user-defined regional geographies.
- The absence of timely information on job vacancies is a key oversight in the offering of workforce information. Job seekers, training providers, job development specialists and

other major stakeholders can overcome this information deficit by utilizing job vacancy and help wanted information to locate pockets of labor demand in local areas.

- Numerous national and local customer surveys have also identified the dearth of skills information as a critical gap in the labor market information infrastructure. Customer satisfaction assessments offered by Illinois employers and training providers are consistent with this finding. Consequently, Illinois is the project leader in an effort sponsored by the DOL Employment and Training Administration to develop an Internet-based application to produce Skills-Based Employment Projections that are consistent with the occupational projections and extend coverage to counties, LWIAs, MSAs, and user-defined regional geographies.

Coordination with the National Electronic Information Tools: The State has taken the initiative to develop, implement and integrate the Illinois workNet portal to provide a centralized online resource for access to national, state and local information tools that can be of use to job seekers and businesses. Additionally, Illinois played a key role in the Career One-Stop Consortium and encouraged strong federal-state Web site linkages. America's Career Information Network (ACINet) has numerous Illinois specific links (http://maps.servicelocator.org/portal/sl_ap.asp?state=17) including links to the Illinois Career Resource Network, and many others. Additionally, in CIS and our Career Click programs we include links to AJB, ACINet, and Career Voyages.

IX. SERVICE DELIVERY

C. Adults and Dislocated Workers

1. Core Services. §112(b)(17)(a)(i)
 - a. Describe state strategies and policies to ensure adults and dislocated workers have universal access to the minimum required core services as described in §134(d)(2).
 - b. Describe how the state will ensure the three-tiered service delivery strategy for labor exchange services for job seekers and employers authorized by the Wagner-Peyser Act includes: (1) self-service, (2) facilitated self-help service, and (3) staff-assisted service, and is accessible and available to all customers at the local level.
 - c. Describe how the state will integrate resources provided under the Wagner-Peyser Act and WIA Title I for adults and dislocated workers as well as resources provided by required One-Stop partner programs, to deliver core services.
 2. Intensive Services. (§112(b)(17)(a)(i)) Describe State strategies and policies to ensure adults and dislocated workers who meet the criteria in §134(d)(3)(A) receive intensive services as defined.
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Core and Intensive Services: Illinois provides the following types of core and intensive services to adults and dislocated workers, delivered through physical One-Stop centers (i.e., at least on physical comprehensive center per local workforce investment area).

- Job Search Skills Training
- Job Search Assistance
- Job / Career Counseling
- Employability Skills Training
- Resource Room / Internet Access
- Resume Workshops
- Local Labor Market Orientation
- Interviewing Skills Training
- Job Fairs
- Assessment
- Job Clubs
- Placement Assistance
- Job Coaching
- Other Core Services

Delivery of services through physical centers will be supplemented through Illinois workNet, which is currently being deployed statewide. The One-Stop Redesign Task Force of the Illinois Workforce Investment Board (IWIB) recommended developing a Web-based portal to expand the delivery of workforce services throughout the state. The state has undertaken an ambitious effort to use advanced computer and telecommunications technology to expand access to universal (core) services and improve access to intensive and training services. This project will provide an effective and cost efficient strategy to create greater access to these services. Implementation of the portal will leverage current technology investments in state education and workforce development agencies. The task force recommendations were endorsed by the IWIB and state education and workforce development agencies. As mentioned previously, Illinois is requesting a waiver of the requirement to have a comprehensive One-Stop center in each LWIA.

Three-Tiered Strategy for Labor Exchange Services: The Wagner-Peyser Act of 1933 established a nationwide system of public employment offices, known as the Employment Service (ES) with the mission to assist job seekers in finding jobs and employers in finding qualified workers. ES provides a variety of employment related labor exchange services including but not limited to: (a) job search assistance, (b) job referral and placement assistance for job seekers, (c) re-employment services to unemployment insurance claimants, and (d) recruitment services to employers with job openings. Depending on the needs of the labor market, other services such as job seeker assessment of skill levels, abilities and aptitudes, career guidance when appropriate, job search workshops, and referral to training may be made available. ES services are co-located in Illinois' comprehensive One-Stop centers.

Registrations of job seekers for services are delivered in one of three modes: self-assisted, staff-assisted, and totally assisted service delivery approaches.

- **Self-assisted Registration Service:** The Illinois Skills Match (ISM) system is a computerized, self-service, job matching system that allows individuals to enter their own employment registration followed by an automatic search of employer job orders. ISM is available 24 hours a day, seven days a week, via the Internet. This self-service strategy allows customers to execute the labor exchange process without IDES staff involvement.

ISM maintains a growing pool of thousands of available, qualified job seekers, plus an extensive variety of jobs at every skill level in hundreds of industries and occupations in Illinois. The system automatically selects and matches qualified job seekers with suitable employers. The job seeker's skills and educational background are matched with the employer's requirements. Once a job seeker indicates interest in a job or an employer in a job seeker, immediate communications are sent out via email, telephone, or mail. The job seeker and employer decide how much or how little information to send to the prospective candidate and ISM sends the communication.

The IDES Phone Notification System (PNS) places calls to jobseekers registered with Illinois Skills Match to inform them about job matches, employer recruitments, local job fairs, and other events that may benefit them in their job search. In addition to a standardized message which notifies ISM registrants of successful job matches, each One-Stop has the ability to customize additional messages to promote local events of interest. The system, which can make up to 2000 calls per day, will be used to support the marketing of One-Stop events, partner events, and, where appropriate, significant business recruitment needs. In areas where there is a significant limited-English speaking population, the PNS message is also recorded in Spanish.

- **Staff-assisted Registration Service:** This service includes assistance by state employees who provide assistance in coaching individuals on the use of ISM or the America's Job Bank suite of systems. This registration service may involve staff assistance in any stage of the registration process such as: (a) identifying and/or entry of the individual's skills, education or personal information, (b) providing services to screen job seeker qualifications for referral to job opportunities, and (c) interviewing matched candidates, and/or providing information to the individual on behalf of the employer.
- **Totally Assisted Registration Services:** Totally staff-assisted registration services are available to job seekers who have barriers that limit their ability to register by computer. Such barriers may include: (a) not having access to a computer or the Internet, (b) not being familiar with how to use the ISM system, (c) lacking reading skills, or (d) physical limitations that preclude or limit the individual's ability to use a computer.

IDES also undertakes extended recruitment efforts on behalf of employers when requested. In such cases, total staff assistance with job seeker registrations may be necessary. For example, where a computer with access to the Internet is not available, job seekers complete a paper application and staff follow-up by entering the job seeker's registration into the ISM, on their behalf. This situation may occur when conducting job fairs, mass recruiting efforts, advertising to recruit candidates through newspapers, trade journals, television, and radio.

Job seekers who are Veterans receive priority referral to jobs and training as well as special employment services and assistance. In addition, the system provides specialized attention and service to individuals with disabilities, migrant and seasonal farm-workers, ex-offenders, minorities, older workers, and youth.

ES Employer Services: As with job seekers, employer services use both self-accessed and staff-assisted delivery strategies. Employer services include Web-based systems to access: (a) labor market information, (b) employment rules and regulations, and (c) tools to help employers to self manage their workforce needs.

Staff-assisted employer services include an array of labor exchange services. Labor exchange services offered to employers, in addition to referral of job seekers, include: (a) assistance in development of job order requirements, (b) matching job seeker experience with job requirements, skills and other attributes, (c) assisting employers with special recruitment needs, (d) arranging job fairs, (e) assisting employers analyze hard-to-fill job orders, (f) assisting with job restructuring, and (g) helping employers deal with layoffs.

Intensive staff-assisted services include responding to individual employer business needs. This may include assistance with major workforce shifts and/or reductions in the workforce. For example, ES participates in rapid response efforts to assist the downsizing employers to meet their legal responsibilities and to speed the transition of the workforce to new employment opportunities. In-addition, the ES can provide or facilitate employer access to human resource information and consultation visits. Subjects ranging from a focus on reducing absenteeism, development of apprentice programs, workforce training resources to meeting Equal Employment Opportunity regulations, to Unemployment Insurance information, TQM, and specialized labor market studies are available from local and/or state resources.

Integration of Resources: One-Stop partners' services are coordinated locally through the Memorandum of Understanding (MOU) process. The Illinois Workforce Investment Board issued policy guidance on cost sharing and MOU negotiations. This guidance contained recommendations as to the structure and content of MOUs. The IWIB encourages maximum flexibility in One-Stop system design, while still requiring local partners to address a comprehensive range of service delivery and operational issues (e.g., avoidance of duplication). See Section VII of this plan for a detailed discussion of the IWIB MOU related recommendations.

To assist local partners negotiate MOUs, the state provided a service matrix (see Attachment C), which describes the minimum core services to be made available in at least one comprehensive center in each workforce area by each partner. The matrix is designed to serve as a starting point for local negotiations concerning additional programs and services that will be made available through the local one-stop delivery systems.

All One-Stop partners must participate in the MOU process. This applies to the coordination of Wagner-Peyser services with other One-Stop services as well as services provided through the TANF and Food Stamp Employment and Training programs (i.e., the state mandated optional partners). However, more specific to Wagner-Peyser services, a number of strategies have emerged in One-Stop centers across the state to avoid duplication of core services. These strategies include:

- Designing One-Stop centers to facilitate easy access to all customers through appropriate signage, shared waiting rooms, and greeters to assist clients to quickly navigate center services.
- Introducing new customers to center services through orientation workshops hosted by all partners, so clients are made aware of the complete range of services and related eligibility requirements. Jointly delivered job search workshops are also typical.
- Supporting a resource room where a wide range of labor market information and job search related products are available. The resource rooms are open to all populations and staff is available to assist customers who need help to access the computer systems or other materials.
- Establishing business service teams (BSTs) to ensure that local businesses have easy access to all services of the One-Stop system. Teams typically include representatives from the WIA program, the Illinois Department of Employment Security (IDES), and the local community colleges. Other partners are also frequently included such as representatives from Adult Education, the Department of Human Services (DHS), DHS' Division of Rehabilitation Services (DHS-DRS), and operators of Title V, Older Americans programs. BST services typically include: coordinated employer outreach, basic labor exchange services, customized applicant recruitment, employment and training services (e.g., on-the-job and customized training), job fairs, labor market information, and workshops on issues such as ADA compliance, Unemployment Insurance, OSHA requirements, and tax credits.

IX. SERVICE DELIVERY

C. Adults and Dislocated Workers

3. Training Services. (§112(b)(17)(A)(i))

- a. Describe the Governor's vision for increasing training access and opportunities for individuals including the investment of WIA Title I funds and the leveraging of other funds and resources.
- b. Individual Training Accounts:
 - i. What policy direction has the State provided for ITAs?
 - ii. Describe innovative training strategies used by the State to fill skills gaps. Include in the discussion the State's effort to leverage additional resources to maximize the use of ITAs through partnerships with business, education (in particular, community and technical colleges), economic development agencies, and industry associations and how business and industry involvement is used to drive this strategy.

- iii. Discuss the State's plan for committing all or part of WIA Title I funds to training opportunities in high-growth, high-demand and economically vital occupations.
 - iv. Describe the State's policy for limiting ITAs (e.g., dollar amount or duration).
 - v. Describe the State's current or planned use of WIA Title I funds for the provision of training through apprenticeship.
 - vi. Identify state policies developed in response to changes to WIA regulations that permit the use of WIA Title I financial assistance to employ or train participants in religious activities when the assistance is provided indirectly such as through an ITA.
- c. Eligible Training Provider List. Describe the State's process for providing broad customer access to the statewide list of eligible training providers and their performance information including at every One-Stop Career Center.
(§112(b)(17)(A)(iii))
-

Increasing Training Access and Opportunities: A primary strategy to increase access to training and leverage other (non-WIA) federal and state funds is Illinois' Critical Skill Shortages Initiative (CSSI). CSSI is an important component of the Governor's Opportunity Returns program. The states ten Economic Development Regions (EDRs) established under the Opportunity Returns program are the geographic basis used for CSSI as well. The CSSI strategy calls for local workforce investment boards (LWIBs) to provide the initial leadership to create consortia in each EDR to influence the regional workforce system. Consortia utilize broad networks of public and private organizations and training providers to develop solutions to skill shortages including: business and industry associations, labor unions, professional associations, universities and community colleges, community-based organizations, economic development organizations, One-Stop centers, partner agencies, and business organizations. The basic strategy is to: identify skill shortage occupations that pay a good wage and provide benefits in key sectors of the regional economy; rigorously examine the "root causes" that led to shortages; influence state and local education and training agencies to voluntarily redirect existing programs and services (as well as private resources) to address the root causes and create a reliable "supply chain" of qualified job seekers; and examine on-the-job factors that contribute to shortages (e.g., high turnover or inadequate recruitment) and work with employers to address those issues.

CSSI uses Workforce Investment Act (WIA) Title I-B 15 percent funds as seed money, awarded on a competitive basis to regional consortia, to leverage private sector and other state and federal funds. Funds leveraged through CSSI are used to meet the training needs of high growth industries and occupations, critical to the economies in each of the state's EDRs; thus ensuring that Illinois' workforce system is demand driven. A primary goal of the CSSI is to align regional workforce programs to provide an ongoing and reliable supply of qualified job seekers for critical occupations. CSSI projects are designed to ensure that there is a continuum of education

and training options available to workers to support the development of a skilled workforce. See Section I-D for additional discussion of CSSI.

Individual Training Accounts: Illinois has not promulgated any statewide policies limiting Individual Training Accounts. LWIBs have been asked, in the local planning guidelines, to describe in their local plans any limitations that they place on the local use of ITAs. The guidelines specify that such limitations may not be implemented in a manner that undermines the WIA's requirement to maximize customer choice in the selection of eligible training providers, per §663.420(c) of the regulations.

The state is requesting a waiver of the requirement to use Individual Training Accounts as the primary means of purchasing occupational training services for adults and dislocated workers. It is also requesting a waiver of the related provisions regarding customer choice from the state eligible training provider list. This waiver would encourage the use of WIA funds to increase training capacity rather than merely purchasing training slots in existing classes.

Access to the Statewide Eligible Provider List: State policies relating to provider certification and inclusion on the statewide list of eligible training providers allows for inclusion of all categories of training providers such as, education and training agencies, apprenticeship programs, community-based organizations, and faith-based organizations. However, all service providers must meet the requirements describe in Section VIII-G of this plan to be included on the statewide list.

DCEO, as the state's designated agency for provider certification, is responsible for maintaining the statewide list of eligible training providers and programs. The list may be accessed at One-Stop Centers and is accessible via the Internet. The list of eligible training providers resides in the Illinois Workforce Development System (IWDS) at <http://iwds.state.il.us/>. Illinois workNet will provide another means of access to the list, as that project is implemented.

IX. SERVICE DELIVERY

C. Adults and Dislocated Workers

3. Training Services. (§112(b)(17)(A)(i))

- d. On-the-Job (OJT) and Customized Training (§§112(b)(17)(A)(i) and 134(b)).**
Based on the outline below, describe the State's major directions, policies and requirements related to OJT and customized training.
 - i. Describe the Governor's vision for increasing training opportunities to individuals through the specific delivery vehicles of OJT and customized training.**
 - ii. Describe how the State:**
 - Identifies OJT and customized training opportunities;

- Markets OJT and customized training as an incentive to untapped employer pools including new business to the State, employer groups;
 - Partners with high-growth, high-demand industries and economically vital industries to develop potential OJT and customized training strategies;
 - Taps business partners to help drive the demand-driven strategy through joint planning, competency and curriculum development; and determining appropriate lengths of training, and
 - Leverages other resources through education, economic development and industry associations to support OJT and customized training ventures.
-

A study of the WIA program commissioned by the Department of Commerce and Economic Opportunity (DCEO) found that costs incurred for on-the-job training (OJT) and customized training through the program year (PY) 2002) Workforce Investment Act (WIA) adult and dislocated worker programs were negligible. During PY'02, only about one half of one percent of WIA adult and dislocated worker funds were spent for OJT and customized training. These results suggested that the Illinois' WIA delivery system made little use of the alternatives to individual training accounts (ITAs).

The Governor's Critical Skill Shortages Initiative (CSSI) provided an impetus to reexamine when limited procurement of training services through OJT and customized training may be appropriate. Across Illinois' Economic Development Regions (EDRs), LWIBs are engaged in planning training activities that closely link workforce development and economic development. Some CSSI projects designed to address acute regional skill shortages may be more appropriately underwritten through the use of on-the-job training or customized training, due in part to the requirement for cost participation by benefiting employers under those options. It is felt that critical skill shortage projects are a good example of the limited exceptions to ITAs envisioned in WIA and implementing rule.

The state therefore issued comprehensive policy on training to encourage greater use of all training options available under the Act, including OJT and customized training. As described below, the letter provides state policy governing local use of OJT and customized training for WIA adult and dislocated worker formula funded projects, including projects to address critical skill shortages.

Frequency of Exceptions to the Use of ITAs: WIA requires that ITAs be used to the extent practicable. However, the law provides several exceptions when alternatives (e.g., OJT, customized training, and contracts for special populations) may be used instead of ITAs. In order to provide guidance to LWIBs regarding what is minimally required to comply with the requirement to limit exceptions to the use of ITAs, the state established the following policy. During a program year, a local workforce investment area (LWIA) will be considered to be in compliance with the statutory requirement to utilize ITAs to the extent practicable if the LWIA, at a minimum:

- Expends the majority (i.e., 51 percent) of combined costs incurred through ITAs and training contracts under the adult and dislocated worker programs through individual training accounts; or,
- Serves the majority (i.e., 51 percent) of adult and dislocated worker registrants receiving training services through ITAs.

The 51 percent minimum criterion is set as low as possible to allow local workforce investment boards (LWIBs) flexibility, while still meeting the statutory requirement. This policy is intended to allow LWIBs to pursue alternative training opportunities to expand training choices and better link workforce and economic development. However, the “spirit” of the law still suggests that ITAs are intended to be the primary method of funding training. LWIBs are urged to consider the intent of the law as well as the state’s policy when deciding on the number and frequency of exceptions made. This will be adjusted if DOL grants the pending waiver request related to eliminating the requirement to use Individual Training Accounts as the primary means of purchasing occupational training services for adults and dislocated workers.

On-the-Job Training (OJT): On-the-Job training (OJT) is defined as training by an employer that is provided to a paid registrant while engaged in productive work in a job that provides knowledge or skills essential to the full and adequate performance of the job. OJT is provided under a contract with an employer in the public, private non-profit, or private sector (WIA Section 101(31) and 20 CFR 663.700). OJT may be provided to eligible unemployed persons and in some cases (as described below), to eligible employed workers.

- **Reimbursement Amount:** Occupational training is provided for a WIA registrant in exchange for the reimbursement of up to 50 percent of the wage rate to compensate for the employer’s extraordinary costs of training and additional supervision related to the training (WIA Section. 101(31)(B) & 20 CFR 663.700(a)). During negotiation of an OJT contract, the training costs of the employer should be estimated by the LWIA and used as a basis for negotiating the percentage of the wage to be reimbursed during the training period (not to exceed 50 percent). However, employers are not required to document the extraordinary costs of training as OJT is implemented (20 CFR 663.710(c)).
- **Duration:** An OJT contract must be limited to the period of time required for a participant to become proficient in the occupation for which the training is being provided. In determining the appropriate length of the contract, consideration should be given to the skill requirements of the occupation, the academic and occupational skill level of the participant, prior work experience, and the participant’s individual employment plan (WIA Section 101(31)(C) & 20 CFR 663.700(c)).
- **Benefits and Working Conditions:** WIA registrants in OJT or individuals employed in programs and activities under Title I-B of WIA must be provided benefits and working conditions at the same level and to the same extent as other trainees or employees working a similar length of time and doing the same type of work (20 CFR 667.272(b)).

- **Pattern of Failure:** The local program may not contract with an employer who has previously exhibited a pattern of failing to provide OJT registrants with continued long-term employment with wages, benefits, and working conditions that are equal to those provided to regular employees who have worked a similar length of time and are doing the same type of work (WIA Section 195(4) & 20 CFR 663.700(b)).
- **Employment Status:** An individual who participates in OJT must be hired as a regular employee by the OJT employer when training begins.
- **OJT for Employed Workers:** An OJT contract may be used to train a WIA registrant who, prior to the start of OJT, is already working for the OJT employer (i.e., an “employed worker” who is earning less than a self-sufficient wage). In this situation, OJT provided to a previously employed worker must relate to either:
 - ▶ The introduction by the employer of new technologies;
 - ▶ The introduction to new production or service procedures;
 - ▶ Upgrading to new jobs that require additional skills /workplace literacy; or,
 - ▶ Other appropriate purposes identified by the local Board (20 CFR 663.705).

The state recommends that filling critical skill shortage occupations be identified by LWIBs as an appropriate purpose for the use of OJT for employed workers. Also, note that all other general provisions of the law and regulations governing OJT contracts also apply to training contracts for employed workers (i.e., 20 CFR 663.705(b)).

OJT may also be provided to a worker employed by another (non-OJT) firm if the worker chooses to leave his/her current employment to accept a job with the OJT employer to participate in OJT. Such an employed worker must have been earning less than a self-sufficient wage at his/her prior job.

- **OJT for Youth Under 18 Years of Age:** In most cases, OJT is not considered an appropriate work experience activity for youth registrants under 18 years of age. Local program operators may choose, however, to use this service strategy for eligible youth when it is appropriate, based on the needs identified by the objective assessment of the individual youth participant. (WIA sec. 129(c)(2)(D) & 20 CFR 664.460)

Customized Training: Customized training is designed to meet the special requirements of an employer (including a group of employers). The employer(s) must pay not less than 50 percent of the cost of the training (WIA Section 101(8) & 20 CFR 663.715). Employer costs may be in cash or in-kind, must be documented, and are subject to audit. Customized training may be provided to eligible unemployed persons and in some cases (as described below), to eligible employed workers.

- **Commitment to Hire:** The employer (or group of employers) must commit to hire WIA registrants who successfully complete the customized training program.
- **Customized Training for Employed Workers:** A customized training contract may also be written to train a WIA registrant who is already working for the employer (or group of

employers) for which the customized training is being provided, when the employee is not earning a self-sufficient wage. The employer (or group of employers) must commit to continue to employ such trainees who successfully complete the training. In this situation, customized training provided to a previously employed worker must relate to either:

- ▶ The introduction by the employer of new technologies;
- ▶ The introduction to new production or service procedures;
- ▶ Upgrading to new jobs that require additional skills /workplace literacy; or,
- ▶ Other appropriate purposes identified by the local Board (20 CFR 663.720(c)).

DCEO recommends that filling critical skill shortage occupations be identified by LWIBs as an appropriate purpose for the use of customized training for employed workers.

Customized training may also be provided to workers employed by another (non-training) firm if the worker is earning less than a self-sufficient wage. It is expected that, if the worker successfully completes the training, he/she will choose to leave his/her current employment to accept a job with the customized training employer.

Through the issuance of this policy guidance and state financial incentives, the state is encouraging greater use of OJT and customized training, especially in conjunction with CSSI projects. Regional CSSI planning provides an excellent opportunity to: identify OJT and customized training opportunities; market OJT and customized training as an incentive to employers experiencing critical skill shortages; target high-growth, high-demand industries and economically vital industries; work with business partners through joint planning; and leverage private sector training resources through matching requirements.

IX. SERVICE DELIVERY

C. Adults and Dislocated Workers

4. Service to Specific Populations. (§112(b)(17)(A)(iv))

- a. Describe the State's strategies to ensure that the full range of employment and training programs and services delivered through the State's One-Stop delivery system are accessible to and will meet the needs of dislocated workers, displaced homemakers, low-income individuals, migrants and seasonal farm workers, women, minorities, individuals training for non-traditional employment, veterans, public assistance recipients and individuals with multiple barriers to employment (including older individuals, people with limited English-speaking proficiency, and people with disabilities.)
- b. Describe the reemployment services you will provide to unemployment insurance claimants and the Worker Profiling services provided to claimants identified as most likely to exhaust their unemployment insurance benefits in accordance with section 3(c)(3) of the Wagner-Peyser Act.

- c. Describe how the State administers the unemployment insurance work test and how feedback requirements (under §7(a)(3)(F) of the Wagner-Peyser Act) for all UI claimants are met.
 - d. Describe the State’s strategy for integrating and aligning services to dislocated workers provided through the WIA rapid response, WIA dislocated worker, and Trade Adjustment Assistance (TAA) programs. Does the State have a policy supporting co-enrollment for WIA and TAA?
-

Special Populations: Dislocated workers and displaced homemakers make up the eligible population for services provided through the Title I-B dislocated worker grant to the state. Therefore, these two populations will be targeted for the full range of Title I-B services throughout Illinois.

Low-income adults and veterans are provided priority access to WIA Title I-B services. WIA Title I-B adult grant funds budgeted for intensive and training services must be provided on a priority basis to TANF or other low-income individuals who do not otherwise have access to these services through other funding sources. Similarly, local workforce investment areas (LWIAs) are required to ensure that eligible veterans are given priority over non-veterans for WIA intensive and training services. In addition, LVER/DVOPS staff located in One-Stop centers provide Veterans’ priority for Wagner-Peyser services.

Pursuant to the requirements of 29 CFR Part 37, *Implementation of the Nondiscrimination and Equal Opportunity Provisions of the Workforce Investment Act of 1998; Final Rule*, the state works with each LWIA to develop and approve a “methods of administration” (MOA) document. Among other requirements, the LWIA must include a plan to provide universal access to Title I-B financially assisted programs and activities, which will be included in the state-level MOA. Steps taken locally must include reasonable efforts to include members of both sexes, various racial and ethnic groups, individuals with disabilities, and individuals in differing age groups. The state will provide necessary technical assistance and training to local areas to facilitate development of local MOAs.

The state also contractually obligates Title I-B fiscal agents to comply with all federal equal opportunity and affirmative action legislation. The state’s planning procedures and participant tracking systems provide for measurement of the registration of individuals from various populations as well as their access to various Title I-B services. Using these systems and on-site reviews, the state will regularly monitor compliance with the relevant federal laws and MOA provisions. Corrective action will be taken and technical assistance provided, as needed.

UI Claimants and Worker Profiling: IDES reemployment services have been established to provide more intensive, personalized services to a targeted group of Unemployment Insurance (UI) claimants - those with identified skills for high-demand industries and occupations. The Illinois Department of Employment Security (IDES), Department of Commerce and Economic Opportunity (DCEO), and its One-Stop partners work closely to implement UI Re-employment Assistance (REA) programs and services in Illinois.

The specific goals of the UI REA are to:

- Identify high-demand occupations and the skills required by those occupations;
- Identify UI claimants who have skills (either immediate or transferable) that meet those needed by identified employers in high-demand industries and occupations;
- Reduce the time between initial UI claims and delivery of reemployment services;
- Speed up claimants return to work through in-person and individualized job assessment and services that avoid a "one size fits all" approach;
- Enhance orientation and assessment services to targeted claimants;
- Improve data-sharing between UI, reemployment services, and One-Stop partners; and,
- Promote cross-office training of best practices and information exchange to share innovative and successful reemployment practices.

Illinois offers a unique advantage in the structure of its UI and One-Stop offices. Whereas many states separate the functions and location of the UI and One-Stop centers, Illinois co-houses these two services. Research has shown that better links between UI, Employment Services, and WIA systems and staff are imperative to successful reemployment systems (see, for instance Karen Needels, Walter Corson, & Michelle Van Noy, "Evaluation of the Significant Improvement Demonstration Grants for the Provision of Reemployment Services for UI Claimants: Final Report." Mathematica Policy Research, inc., July 2003). This co-location ensures smooth coordination of services and a continuous feedback of information and exchange between all programs. This highly coordinated system also eliminates the need for the client to visit several offices for services. Illinois also cross-trains its UI and employment services staff in all locales to be able to provide both services to claimants. This coordination also ensures that the claimant information is up-to-date, and that all service providers have the same information and understanding when it comes to the claimant's needs and background.

Under the UI REA program, the state intends to further enhance and strengthen this coordinated personal service approach by ensuring that One-Stop staff has the capacity to provide UI information to customers in all offices. This will be accomplished by cross-marketing the One-Stop and UI job support materials and by promoting more cross training of UI and One-Stop staff, including keeping each abreast of any changes and program improvements in both UI and One-Stop centers.

Illinois has also chosen an innovative approach to identifying UI claimants for reemployment services. This method will use an existing tool, the Illinois Skills Match (ISM) program, along with labor market information and a skills gap analysis, to pinpoint those UI claimants who have skills that match those needed in high-demand occupations and industries. Those individuals identified as at risk of exhausting benefits will be given priority in the process. By directing reemployment services to this group, the system will both fill employer demands for skilled workers and move UI claimants quickly into new jobs. By alerting claimants to the availability of jobs (which they might not be aware exist), or by identifying skills that are transferable to these high-demand areas, the state serves both worker and employer, thus promoting economic growth. This method will encourage UI claimants to consider their transferable skills rather than feeling locked into one specific occupation.

UI Work Test and Feedback Requirements: As the new Benefit Information System (BIS) from IDES is implemented, it will strengthen the administration of the work test under for unemployment insurance. Currently, claimants must either call or come into an IDES office to verify that they had engaged in work search activity. When the new BIS system is fully in place however, IDES will be able to monitor work search activities of UI claimants through their use of Illinois Skills Match (ISM). If a claimant shows ISM activity, they will satisfy the work search requirement. If, however, no activity is noted, the claimant must verify other work search activities to continue their eligibility for UI benefits.

Coordination of WIA and TAA: In Executive Order 2003-11, Governor Blagojevich transferred state responsibility for administration of the federal Trade Adjustment Assistance program from IDES to DCEO. This was done as part of a broader consolidation of workforce programs into the state's economic development agency, with the goal of more closely linking Illinois' workforce and economic development systems. While all TAA administrative responsibilities are now assigned to DCEO, by interagency agreement certain functions continue to be carried out by IDES. Specifically, IDES remains responsible for:

- Trade Readjustment Allowances (TRA) benefits;
- Alternative TAA programs benefits for older workers (ATAA); and,
- Health Coverage Tax Credit (HCTC) reporting requirements.

Responsibility for the administration of job training benefits, job search allowances, and relocation allowances is housed in DCEO. To achieve this division of responsibilities required an extraordinary degree of communication, cooperation, and coordination among the U.S Department of Labor (DOL), IDES, DCEO, and the state's 26 local workforce investment areas (LWIAs). A request was filed with the DOL to alter federal policy to permit Illinois LWIAs to administer the TAA program locally. DOL granted this request.

The state and local areas undertook considerable efforts over the past twenty-four months to facilitate the transfer of the TAA program to DCEO and to arrange for local administration by LWIAs. For example, staff from all three entities (i.e., DCEO, IDES, and LWIAs) received in-depth training on the requirements of the Trade Act, federal regulations, policies, and procedures. In March 2006, DCEO organized a three-day TAA conference that introduced new TAA policy guidelines developed by DCEO and IDES. Over 300 individuals attended the training, which included input and assistance from the United States Department of Labor Region V TAA representatives. Additional training sessions and training materials were provided, in which open discussions afforded all parties the opportunity to discuss, design, and implement changes to affect the transfer. Training and technical assistance activities will continue and refinements to procedures will be made going forward as LWIAs and DCEO gain more experience administering the TAA program. In the next program year, DCEO is revising and streamlining TAA forms to facilitate customer intake, as well as developing policies for those areas of TAA that are closely aligned with IDES and state unemployment insurance law.

TAA activities are also integrated into the state's rapid response procedures. For example, TAA and TRA representatives participate on the state-local Rapid Response teams when on-site visits are made in response to layoffs and closings. These teams ensure that the full array of WIA, UI, and TAA services are made available in response to Worker Adjustment and Retraining

Notification Act (WARN) notices, and Trade Act Petition notifications. At the initial rapid response on-site meeting, employer and employee representatives are provided with TAA petitions, as appropriate, and are given assistance in completing required forms. In addition, employees of DCEO and employees of the local LWIA offices may file TAA petitions on behalf of dislocated workers. In order to properly perform these functions, staff in local LWIA offices have been trained and are familiar with all requirements attendant to filing complete and accurate TAA petitions.

In cases where certification occurs after the layoff, IDES obtains a list of affected workers from the company and sends notification letters to each individual in the covered worker group. The notification letter directs all of the certified workers to the appropriate office for services.

All WIA and TAA participants are tracked on the WIA participant tracking system known as the Illinois Workforce Development System (IWDS). Because benefits and services for TAA-certified workers will be handled by two state agencies, coordination between DCEO and IDES is essential. IWDS is a principal mechanism for achieving this coordination. Through IWDS, IDES staff access training information about TAA participants. The LWIA staff access UI and TRA information about TAA participants through the Host System.

TAA-certified workers are to be served in the same manner as other dislocated workers served under WIA. Case managers and counselors at the LWIA use the experience gained through the WIA dislocated worker program as general guidance in serving TAA-certified workers. TAA-certified workers are interviewed to ascertain their current situation, work experience, career goals, and so forth. They are given the same assessment and testing that is provided to all dislocated workers served by the LWIA.

When TAA eligible workers are ready to enter approved training, case managers use the regular WIA voucher system to make the financial transaction. Training funds will be allocated from DCEO to the local LWIAs, as needed, to pay for training. In virtually every way, the process of putting a TAA-eligible worker into training is the same as the process of putting a WIA dislocated worker into training. State policy encourages but does not require co-enrollment. The state also encourages all LWIAs to offer TAA participants the full array of services as any other dislocated worker.

IX. SERVICE DELIVERY

C. Adults and Dislocated Workers

4. Service to Specific Populations. (§112(b)(17)(A)(iv))

- e. How is the State's workforce investment system working collaboratively with business and industry and the education community to develop strategies to overcome barriers to skill achievement and employment experienced by the populations listed in paragraph (a.) above and to ensure they are being identified as a critical pipeline of workers?

- f. Describe how the State will ensure that the full array of One-Stop services are available to individuals with disabilities and that the services are fully accessible?
- g. Describe the role LVER/DVOP staff have in the One-Stop Delivery System. How will the State ensure adherence to the legislative requirements for veterans' staff? How will services under this Plan take into consideration the agreement reached between the Secretary and the State regarding veterans' employment programs? (§§112(b)(7), 112 (b)(17)(B); 322, 38 U.S.C. Chapter 41; and 20 CFR §1001.120).)
- h. Department of Labor regulations at 29 CFR 37, require all recipients of Federal financial assistance from DOL to provide meaningful access to limited English proficient (LEP) persons. Federal financial assistance includes grants, training, equipment usage, donations of surplus property, and other assistance. Sub-recipients are also covered when Federal DOL funds are passed through from one recipient to a sub-recipient. Describe how the State will ensure access to services through the State's One-Stop delivery system by persons with limited English proficiency and how the State will meet the requirements of ETA Training and Employment Guidance Letter (TEGL) 26-02, (May 29, 2003) which provides guidance on methods of complying with the Federal rule.

Collaboration with Business and Industry: All required and optional One-Stop partners within each of the state's ten Economic Development Regions are expected to participate in the state's Critical Skill Shortages Initiative (CSSI). The goal of this initiative is to align regional workforce programs to provide a reliable supply of qualified job seekers for critical skill shortage occupations that pay a good wage and provide benefits. As stated in Illinois' request for proposal (RFP) that launched CSSI, the mandate is to meet the needs of Illinois' employers for skilled workers, while ensuring that the populations (including "at-risk" populations) served by various partner programs gain access to jobs that lead to economic self-sufficiency. The challenge, therefore, is to link economic development initiatives and workforce programs in such a way as to achieve both of these important goals.

At the local level the partner programs are expected to work with business and industry to identify shortage occupations and use the full array of workforce programs and services to create a "critical pipeline" of qualified workers to fill the shortages. Partners are expected to draw on all the One-Stop programs including programs serving: dislocated workers, displaced homemakers, low-income individuals, migrants and seasonal farm workers, women, minorities, individuals training for non-traditional employment, veterans, public assistance recipients and individuals with multiple barriers to employment. See Section I of this plan for additional discussion of CSSI.

One-Stop Services for Persons with Disabilities: The state has taken the following steps to ensure that Illinois One-Stop services are available to and accessible to individuals with disabilities.

- **Auxiliary Aids and Services:** Each One-Stop center provides auxiliary aids and services such as: qualified interpreters; assistive listening headsets; closed and open captioning on videos; telecommunications devices for deaf persons; computers that allow voice input and output; readers; taped texts; brailled materials; video-text imaging displays; and transcription services. Local workforce investment areas (LWIAs) must include a TDD/TTY number or an equally effective means of communicating with individuals with hearing impairments on its local recruitment and marketing materials whenever a phone number is included. All public information includes the tag, “auxiliary aids and services are available upon request to individuals with disabilities,” on local recruitment and marketing materials.
- **Equal Opportunity (EO) Officer:** The state Workforce Investment Act (WIA) Equal Opportunity (EO) Officer, along with EO compliance monitoring and technical assistance staff were moved from the DCEO Legal Office to the Bureau of Workforce Development in August 2005. The EO Officer’s duties include, but are not limited to:
 - ▶ Managing state investigations and negotiations where participants in the WIA program file discrimination complaints; directing the development of a complaint system for receiving and investigating charges of discrimination filed by agency clientele under Title VI and VII of the Civil Rights Act and ADA; coordinating the preparation of documentation in discriminatory investigation cases and writing the Notice of Final Review based on observations made in an investigation; taking appropriate action to correct discriminatory practices identified by the department; and reporting the progress of actions taken directly to the Bureau of Workforce Development Deputy Director;
 - ▶ Reviewing LWIA grant recipients’ written policies to ensure that the policies are nondiscriminatory; administering EO training programs to educate and inform LWIA EO Officers, managers and staff of their roles and responsibilities regarding the WIA equal opportunity policies and procedures;
 - ▶ Providing technical assistance to management and LWIA EO Officers on analysis and interpretation of federal civil rights and rehabilitation legislation, regulations, policies and programs affecting the service delivery operations within the Illinois WIA program;
 - ▶ Formulating, establishing, overseeing, and modifying, as necessary, an alternative dispute resolution process for the WIA program for the LWIA EO Officers; and,
 - ▶ Overseeing the ongoing review and evaluation of WIA operations in accordance with 29 CFR Part 34; ensuring the collection and maintenance of records consistent with the requirements of regulation to determine compliance with the nondiscrimination/equal opportunity provisions relating to WIA programs and services.
- **Contractual Obligations:** Through state contractual agreements, each WIA grant recipient and training provider assures, by annual submission and sub-recipients agreements, that they

provide programmatic and architectural accessibility for individuals with disabilities. When DCEO enters into contractual agreements with WIA recipients, compliance with program specific laws and regulations are specified as the standard boilerplate language within the Program Terms and Conditions. This same language further specifies that sub-recipients will be required to comply as well.

- **Monitoring:** Each One-Stop center is monitored for physical and programmatic accessibility (including telecommunications and computer accessibility) to individuals with disabilities. Desk reviews to ensure continued accessibility are conducted on an annual basis. On-site reviews are conducted every three years. The State of Illinois reserves the right to cancel any award or to remove any training provider from the statewide list that does not provide programmatic and architectural accessibility as assured, as well as the right to conduct pre-award, on-site inspections of grant applicants to determine their accessibility to individuals with disabilities.
- **Disability Program Navigator:** Illinois' Disability Program Navigator project is a USDOL/SSA initiative administered by DCEO. Disability Navigators were hired at nine One-Stop centers across the state in November 2003 to increase the capacity of centers to effectively serve customers with disabilities, and promote Social Security work incentives such as the Ticket to Work initiative. The number of Navigators was subsequently increased to fourteen in 2004 and fifteen in 2005. Navigators develop linkages outside and within centers to provide an increased level of collaboration and resource sharing, and to improve opportunities for job seekers with disabilities to gain, return to, or retain employment. For example, Navigators developed relationships with One-Stop partners, local Benefits Planning and Outreach (BPAO) coordinators, and local Centers for Independent Living. These relationships were established through participation in regular Disability Concerns Committee meetings and community outreach activities. Relationships were also established with local housing authorities, public transportation providers, faith-based organizations, mental health agencies, private non-profit organizations, local government agencies, DHS/DRS, and Community College Special Populations Coordinators. In 2005, the Disability Program Navigator initiative was incorporated into the Bureau of Workforce Development Policy Unit. This move has enabled the DPNs to work more closely with state EO staff, as well as the local EO Officers to facilitate accessibility requirements in One-Stop centers.

A key component of the fourth and anticipated final year of USDOL/SSA funding of the Disability Program Navigator grant is the "regionalizing" of DPN responsibilities, in order to further align the initiative with the Governor's Economic Development Regions, and thereby expand the DPN presence throughout the state. It will also provide the opportunity to target job seekers with disabilities for the Critical Skill Shortage Initiative, as well as jobs identified as high growth. This would be accomplished through the redeployment and realignment of key DPNs so that they will be able to facilitate DPN services on a statewide basis. DCEO will continue the DPN initiative in its regional format, once USDOL/SSA funding ends in June 2007.

- **Disability Services Specialist:** DCEO hired a Disability Services Specialist who is assigned to the Policy Unit in the Bureau of Workforce Development, and oversees all DCEO grants and initiatives relating to programs and services for people with disabilities, including the incorporation and implementation of disability-related policies, procedures and standards into Equal Opportunity policies and procedures. The Disability Services Specialist participates in the U.S. Department of Labor (DOL) Region V State Disability Working Group, which focuses on improving employment outcomes for individuals with disabilities through our One-Stop centers and works with DOL and state representatives to share information regarding disability initiatives and strategies and grant opportunities to enhance services at the local level.

LVER and DVOP Staff: To deliver services to veterans prescribed by Title 38 United States Code, Chapter 41 and 42, IDES stations local Veterans Employment Representatives (LVERs) and Disabled Veterans Outreach Program Representatives (DVOPs) in One-Stop centers to provide services and outreach activities. The LVERs also monitor other center activities to ensure that veterans receive the priority service required under the Veterans Employment Act of 2002.

When a veteran enters an IDES local office or a One-Stop center, he or she receives an initial assessment. Based on this assessment, it is determined if the veteran can best be served through the self-assisted service approach or if more intensive services are needed. If the veteran has skills that are in demand in the job market and has no barriers to employment, he or she is referred to self-assisted services. However, if the veteran has barriers to employment or lacks marketable skills, staff-assisted services are provided. Local Veterans Employment Representatives and Disabled Veterans Outreach Program Specialists are assigned to assist such veterans. Veterans' service staff also supervises the provision of services to veterans provided by other ES employees.

Veterans' service staff helps veterans develop interviewing and resume writing skills. They help veterans conduct their job search and access job listings through electronic databases, including the Illinois Skills Match (ISM) system and the America's Job Bank. They monitor federal job vacancies listed at the local office and process complaints from veterans about the observance of veterans' preference by federal employers. They promote participation of veterans in federally funded employment and training programs and cooperate with the Department of Veterans Affairs to identify and aid veterans who need work-specific prosthetic devices, sensory aids, or other special equipment to improve their employability. In addition, Veterans service staff conduct active outreach programs with employers, community and veterans organizations, unions and local counseling and social services agencies to ensure that veterans know about and receive the services for which they are eligible.

Access to Limited English Proficient (LEP) Persons: The state provides technical assistance and training to local areas to address the manner and extent to which information in languages other than English is provided and the manner in which the state ensures that LEP persons have access to its programs and other activities on a basis equal to that of those who are proficient in English (see 29 CFR 37.35).

WIA grant recipients and sub-recipients are responsible to ensure equal opportunity and equal access within their specific facility. When One-Stop clients present themselves for services, and need assistance in a language other than English, LWIA staff use established procedures to provide translation services for those clients. LWIA's are required to include provisions in their Methods of Administration (MOA) to handle LEP individuals. Illinois One-Stop centers use a language interpreter service under contract with the state. The Illinois Department of Central Management Services (CMS), Telecommunication Unit, contracts with a vendor for language interpreter services provided via telephone. The vendor provides language interpreter services to agencies of the state of Illinois, including Illinois' One-Stop centers.

In addition to the CMS interpretation service, bilingual IDES staff support centers located in areas with large Hispanic populations. Currently, approximately 26 One-Stop centers house bilingual IDES staff that assist Hispanic customers of limited English speaking ability. Customers may also bring their own interpreters to supplement the services provided by IDES and the CMS language interpreter telephone service.

IX. SERVICE DELIVERY

C. Adults and Dislocated Workers

5. Priority of Service

- a. What procedures and criteria are in place under 20 CFR 663.600 for the Governor and appropriate local boards to direct One-Stop operators to give priority of service to public assistance recipients and other low-income individuals for intensive and training services if funds allocated to a local area for adult employment and training activities are determined to be limited? (§§112(b)(17)(A)(iv) and 134(d)(4)(E).)
- b. What policies and strategies does the State have in place to ensure that, pursuant to the Jobs for Veterans Act (P.L.107-288)(38 USC 4215), that priority of service is provided to veterans (and certain spouses) who otherwise meet the eligibility requirements for all employment and training programs funded by the U.S. Department of Labor, in accordance with the provisions of TEGL 5-03 (9/16/03)?

The Illinois Workforce Investment Board (IWIB) developed the state's adult service priority policy. While developing the state's policy, the IWIB solicited the input of a state and local interagency team established for the purpose of exploring policy options.

Following is the state's policy for giving priority of service to low-income adults and public assistance recipients served with adult funds under Title I-B of WIA. Guidelines consistent with the following policy have been issued to the local areas.

- WIA adult funds are generally considered to be limited, as that term is used in Section 134(d)(4)(E) of the Act. Therefore, WIA Title I-B adult grant funds budgeted for intensive and training services must be provided on a priority basis to TANF or other low-income individuals who do not otherwise have access to these services through other funding sources.
- The local area must discuss and quantify how the area will comply with this requirement as part of the submission of the local plan required by Section 118. Compliance with this requirement may be demonstrated by the local area in one of two ways: either 51% or more of WIA adult participants enrolled in intensive and training services are from the target population, or 51% or more of the adult WIA funds spent on intensive and training services are expended on the target population.
- Fifty-one percent (51%) is considered to be a minimum percentage of enrollees or expenditures, not a maximum or a ceiling. Local workforce investment boards (LWIBs) are encouraged (and expected) to closely examine their local conditions and to determine what specific percentage (and/or additional program elements) are necessary to meet the requirements and intent of Section 134(d)(4)(E) of the Act and Sections 663.600, 663.610 and 663.620 of the WIA regulations.

As part of this examination of local conditions, the LWIB should not only consider the total amount of funds available for TANF recipients, but should consider the flexibility of the use of available grants. If WIA adult funds can provide needed intensive or training services that are not allowed under other programs, priority should still be given to TANF recipients to receive those unique WIA services.

- Compliance with this policy is evaluated on an annual basis and is tracked on an ongoing basis using regular monitoring and reporting systems.
- The local area may request a waiver to the targeting requirement to the extent that empirical evidence can be presented that demonstrates that, due to the availability of sufficient alternative funds or insufficient demand from the priority population, the needs of the low-income adult population can be adequately met without targeting. The waiver may be requested as part of the local plan submission, or at a later date.

Each LWIB is responsible to make a determination regarding the local priority system. If the LWIB wishes to establish a priority system under which either 51% or more of WIA adult participants enrolled in intensive and training services are from the target population, or 51% or more of the adult WIA funds spent on intensive and training services are expended on the target population, then the local plan must discuss and quantify how the area will comply with this requirement in the local plan submission.

If the LWIB wishes to establish a priority system under which less than 51% of WIA adult participants enrolled in intensive and training services are from the target population, and less than 51% of the adult WIA funds spent on intensive and training services are expended on the

target population, then it must submit a waiver request. This waiver request must either be part of the initial local plan submission or of a subsequent plan modification.

Subsequent to passage of the Jobs for Veterans Act (Public Law 107–288) on November 7, 2002, the State issued policy to all WIA Title I-B grantees and subgrantees specifying the new requirements to provide priority for veterans in terms of access to services within the State’s one-stop service delivery system.

The new law established a priority of service requirement applicable to all DOL programs offering employment and training related services. “Priority of service” means that a “covered person”, as described below, who is eligible for a program, is to be given priority over non-veterans for the receipt of program services, notwithstanding any other “priority” provisions of the law.

Under the Act, a "covered person" is entitled to priority of service under twenty DOL-funded workforce programs including WIA Title I-B adult, dislocated worker and youth programs, statewide activity programs, National Emergency Grants (NEG), and the Trade Adjustment Assistance program (TAA). A covered person is defined as:

- A veteran, or
- The spouse of any of the following individuals:
 - ▶ Any veteran who died of a service-connected disability;
 - ▶ Any member of the Armed Forces serving on active duty who, at the time of application, is listed in one or more of the following categories and has been so listed for a total of more than 90 days: missing in action, captured in line of duty by a hostile force, or forcibly detained or interned in line of duty by a foreign government or power;
- Any veteran who has a total disability resulting from a service-connected disability; or,
- Any veteran who died while a disability so evaluated was in existence.

For purposes of this policy, the term “veterans’ priority of service” means that a covered person, who meets program eligibility requirements, is to be given priority over non-veterans for the receipt of all services provided under the program, notwithstanding any other provision of law. Local areas are not required to change their allocations among services to reserve funds for veterans, but are required to ensure that eligible veterans are given priority over non-veterans for all available services. Veterans’ priority of services cannot be waived.

Within WIA Title I-B, the Adult program has mandatory priority provision established by law requiring priority of service for intensive and training services to low income and public assistance individuals. Veterans meeting program eligibility requirements are to be served within the context of giving priority to public assistance and low-income persons for intensive and training services. In implementing Veterans’ priority in the Adult program, the first population to receive intensive and training services would be public assistance and low-income veterans; then public assistance and low-income non-veterans; then veterans who are not low-income or receiving public assistance; and, lastly would be adults who are non-veterans who are not low-income or receiving public assistance.

State policy requires that all WIA grantees and subgrantees include grant language in their grants and contracts to ensure that those entities are fully aware of the law's requirements and of their obligation to design service delivery strategies accordingly. All requests for proposals (RFPs), grants/contracts, and (where feasible) memoranda of understanding, or other service provision agreements, must be administered in compliance with the Veterans' priority provisions and must include DOL's required language stating such.

IX. SERVICE DELIVERY

- D. Rapid Response. (112(b)(17)(A)(ii).) Describe how your State provides Rapid Response services with the funds reserved under section 133(a)(2).
1. Identify the entity responsible for providing Rapid Response services. Describe how Rapid Response activities involve local boards and chief elected officials. If Rapid Response activities are shared between the State and local areas, describe the functions of each and how funds are allocated to the local areas.
 2. Describe the process involved in carrying out Rapid Response activities.
 - a. What methods are involved in receiving notice of impending layoffs (include WARN Act notice as well as other sources)?
 - b. What efforts does the Rapid Response team make to ensure that rapid response services are provided, whenever possible, prior to layoff date, onsite at the company, and on company time?
 - c. What services are included in Rapid Response activities? Does the Rapid Response team provide workshops or other activities in addition to general informational services to affected workers? How do you determine what services will be provided for a particular layoff (including layoffs that may be trade-affected)?
 3. How does the State ensure a seamless transition between Rapid Response services and One-Stop activities for affected workers?
-

Responsible State Entity: The Bureau of Workforce Development (BWD) within the Illinois Department of Commerce and Economic Opportunity (DCEO) is the entity responsible for the provision of rapid response services mandated by the Workforce Investment Act (WIA).

Local workforce investment boards (LWIBs) and chief elected officials (CEOs) are involved in rapid response by virtue of the participation of WIA Title I-B grantees in rapid response activities. Initially, a WIA Title I-B grantee is informed of the receipt of a WARN notice by the BWD. The content of WARN notice is shared with the Title I-B grantee, as well as with other agencies involved in rapid response. The Title I-B grantee shares WARN information forwarded by the state with the CEO(s) and LWIB.

Shared State-Local Responsibilities: Rapid response activities are shared between the state and local areas. Rapid response procedures require on-site intervention efforts involving a state-local rapid response team, which includes the WIA Title I-B grantee. Intervention efforts include: on-site meetings with management, organized labor, and other employee representatives; provision of program information directly to the affected workers at pre-layoff workshops; distribution of employee surveys and analysis of the survey results; and, completion of an event-level plan to serve affected workers.

The Title I-B grantee, in concert with partner agencies, is responsible for implementation of the plan. Financial assistance from the state and/or the U.S. Department of Labor (DOL) is provided to the Title I-B grantee, as called for in the event plan.

State WIA 25 percent reserve funds are awarded to areas of the state affected by plant closings and/or layoffs that create demand for services beyond the capacity of the local grantee to meet with available local formula funds. However, reserve funding is limited to layoffs affecting 50 or more workers. Events meeting this threshold are assigned a Dislocated Event Tracking System (DETS) number, indicating that state Rapid Response services are being provided and participation in WIA services is being documented. Events affecting fewer than 50 workers are funded through local WIA Dislocated Worker program formula funds.

In situations involving the receipt of voluntary WARN notices below the layoff threshold for state response, the BWD sends a letter of acknowledgment to the employer and forwards a cover letter and a copy of the voluntary notice to the appropriate WIA Title I-B grantee for local response.

Methods of Notice of Layoffs: WARN notices submitted to the BWD are legal notices of dislocation events submitted by employers pursuant to the requirements of the Worker Adjustment Retraining Notification (WARN) Act. When a WARN notice is received by the Bureau it is date stamped and recorded. Copies of the WARN notice are forwarded to rapid response staff, the appropriate WIA Title I-B grantee, the Illinois AFL-CIO/Member Assistance Program (MAP), the Illinois Department of Employment Security (IDES), and the Illinois Department of Labor. Original WARN notices are retained on file at DCEO.

Rapid response staff analyze each WARN notice and determine whether it meets the content requirements specified in Section 639.7 of the federal WARN rule. If the notice addresses all information required by regulation, the employer is sent a letter of confirmation of receipt of the notice. If the employer's notice is in compliance with the requirements for an abbreviated notice, a letter is sent to the employer, which acknowledges receipt of the notice and requests additional information. If the notice does not meet the content requirements, a letter is sent to the employer, which acknowledges receipt of the notice and requests additional information. Additional and supplemental WARN notices, which are received pursuant to a request by the BWD for additional information or for any other reason, are processed in the same manner as original notices.

As an event moves through various phases, the state monitors service provision through an automated tracking system, the Dislocation Event Tracking System (DETS). Information from

each WARN notice is entered into DETS. As services are provided, Rapid Response Specialists add information to the system. Drawing data from DETS, Bureau staff prepare weekly and monthly WARN activity reports for DCEO management as well as quarterly reports by local workforce investment area (LWIA) of WARN activity and the total number of workers affected. Monthly WARN reports are posted to the Bureau's web site.

An informal notice is a notice received by the BWD from any other source. Informal notices may be obtained from a variety of sources such as the press, organized labor, local WIA agencies, economic development agencies, or individual workers. When an informal notice is received, BWD staff verifies the validity of the notice by collecting preliminary information from the agencies participating in rapid response. When all preliminary information has been collected, Bureau staff contact the employer to attempt to verify the information. If the employer representative verifies the event, staff obtains additional information, informs the employer representative of the requirements of WARN, and encourages immediate compliance if notification requirements apply. Upon request, BWD staff provide each employer in this situation with a copy of the WARN Act and regulations.

Immediately following verification of the event by the employer, the Rapid Response Specialist enters the information into DETS and informs the Bureau Manager whether sufficient evidence exists to verify the event. Upon obtaining the approval of the Bureau Manager, the Rapid Response Specialist makes the information available to other entities participating in rapid response.

Activities Prior to Layoff: Upon verification of a dislocation event, the Rapid Response specialist contacts the employer, the WIA Title I-B grantee, the employee and/or union representatives, the Illinois AFL-CIO MAP program, and the Illinois Department of Employment Security to make arrangements for an initial on-site meeting. If at all possible initial meetings are scheduled well in advance of layoffs. All parties are consulted about the timing of the initial meeting and are requested to participate. If a meeting is not possible at the work site, it is conducted at a location determined by BWD staff with the concurrence of the parties.

At the initial on-site meeting, the Rapid Response specialist initiates a discussion of pre-layoff workshops. Pre-layoff workshops are critical to bringing participants into the program; therefore, support for holding workshops is sought from all parties at the meeting. At this stage, the employer is requested to contribute to the pre-layoff effort by providing space for workshop(s) and release time for workers to attend. The union is asked to provide support by encouraging members to attend workshops and then participate in the various readjustment and retraining programs provided later. When union and employer support is obtained, a timetable for planning and delivery of pre-layoff workshops is set. Pre-layoff workshops are generally scheduled as soon as possible after the initial on-site meeting to ensure that workers are presented with information well in advance of layoff and to allow adequate time for planning for the delivery of services.

Frequently, it is necessary to conduct more than one pre-layoff workshop due to the number of workers involved, shift changes, employer staffing needs, limited available facilities, or other factors. If possible, workshops are scheduled during the regular working hours of the affected

employees. Employers are encouraged to provide paid leave time for all affected employees to help ensure maximum participation in the workshops. During the pre-layoff workshops, workers are encouraged to apply for services at the earliest possible time. And WIA Title I-B grantees are encouraged to begin the registration process for those individuals desiring services immediately.

If possible, pre-layoff workshops are conducted at the employment site. If this cannot be arranged and the workers are represented by a union, the workshop may be conducted at the union hall. Other sites, as identified by the Rapid Response Team, may be available within the community and used whenever the facilities of the employer and the union cannot be accessed.

For situations involving the dislocations of workers for which no notice is received, workshops are conducted as soon as possible after a location can be obtained and outreach activities conducted. Potential locations for workshops include labor halls, hotels/motels, and community centers. Notifications of such meetings are circulated using mailings, newspapers, radio, local television, and community bulletins.

Rapid Response Activities: A state-local Rapid Response Team is established for each workforce investment area (i.e., 26 areas statewide). Members of the team include: staff of the BWD; staff from the local WIA Title I-B grantee; a representative from IDES; and, a representative from the Member Assistance Program of the AFL-CIO. Subsequent to the notification phase (see above), rapid response procedures are described below in five phases.

- **Investigation:** The Rapid Response Specialist contacts members of the state-local Rapid Response Team to inform them of the event and collect any information about the event that may be known locally. The Rapid Response Specialist then contacts the employer and affected union(s), describes the rapid response procedures, and informs them about available services. During this contact pertinent information from the company and union(s) is collected. At this time, the Rapid Response Specialist requests an initial on-site meeting with the company and union(s) or employee representatives. An initial on-site meeting is subsequently scheduled.
- **Initial On-Site Meeting:** During the initial meeting the role of each member of the Rapid Response Team is introduced and clarified so the company and union have clear expectations of the process. Information about the affected workforce is elicited from company management and the union, which aids the team in planning for services. A commitment is obtained from management and the union to actively participate in planning and implementation of key project activities, such as a worker survey, pre-layoff workshops, outreach, and job placement activities.
- **Pre-Layoff Workshops:** Local Rapid Response Team members introduce workers to the services to be made available to ease their transition to new employment. A survey of the workers is conducted to obtain their direct input concerning other types of services and retraining options they would like to see made available. Additional state agencies or community-based organizations may participate in the pre-layoff workshops, as appropriate. Typically, a local financial counselor and other human service agencies participate.

- **Planning for Services:** Based upon all available information collected during rapid response, the local team develops a plan for readjustment and retraining services. The plan is documented in the Dislocation Event Tracking System (DETS). A determination is made regarding the need for additional funding to supplement the local allocation, based upon the final event plan. Funds are awarded from the state's reserve and/or funds are requested from DOL, as appropriate to the circumstances of the event.
- **Project Implementation:** The Title I-B grantee, IDES Unemployment Insurance (UI) staff, and Employment Service personnel have primary responsibility for execution of the event plan. However, the Rapid Response Specialist maintains periodic contact with the WIA Title I-B grantee to monitor plan implementation. As needed, the Rapid Response Specialist intervenes and provides remedies for underperformance through technical assistance, training, and/or modifications to the plan for services.

Transition to One-Stop System: During Rapid Response activities, a representative from the local One-Stop introduces the One-Stop system to both the employer and the affected employees. The employer is introduced to the services available to employers during the initial on-site meeting, and workers are given names, telephone numbers, and locations of local One-Stop center during the pre-layoff workshops. If the Rapid Response Team determines that other partner services (other than the partners already participating on the state-local team) are applicable to the affected workforce, a representative from that One-Stop partner attends rapid response meetings and workshops to share information. Local Memorandums of Understanding (MOUs) ensure that arrangements are in place to make a seamless transition from rapid response to One-Stop services.

IX. SERVICE DELIVERY

- E. Youth. ETA's strategic vision identifies youth most in need, such as out of school youth and those at risk, youth in foster care, youth aging out of foster care, youth offenders, children of incarcerated parents, homeless youth, migrant and seasonal farm worker youth, youth with disabilities, and youth of Native American descent as those most in need of service. State programs and services should take a comprehensive approach to serving these youth, including basic skills remediation, helping youth stay in or return to school, employment, internships, help with attaining a high school diploma or GED, post-secondary vocational training, apprenticeships and enrollment in community and four-year colleges. (§112(b) (18).)
1. Describe your State's strategy for providing comprehensive, integrated services to eligible youth, including those most in need as described above. Include any State requirements and activities to assist youth who have special needs or barriers to employment, including those who are pregnant, parenting, or have disabilities. Include how the State will coordinate across State agencies responsible for workforce investment, foster care, education, human services, juvenile justice, and other relevant resources as part of the strategy. (§112(b) (18).)
 - 2 Describe how coordination with Job Corps and other youth programs will occur. (§112(b) (18)(C).)

3. How does the State plan to utilize the funds reserved for statewide activities to support the State's vision for serving youth? Examples of activities that would be appropriate investments of these funds include:
 - a. utilizing the funds to promote cross agency collaboration;
 - b. demonstration of cross-cutting models of service delivery;
 - c. development of new models of alternative education leading to employment;
 - d. development of demand-driven models with business and industry working collaboratively with the workforce investment system and education partners to develop strategies for bringing these youth successful into the workforce pipeline with the right skills.
 - e. Describe how your State will, in general, meet the Act's provisions regarding youth program design. (§§112(b) (18) and 129(c).)
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Planning Youth Services: At the state level, planning for youth services through the Illinois Workforce Investment Board (IWIB) is proceeding. Youth serving state agencies represented on the State Board include the: Illinois State Board of Education (ISBE); Illinois Board of Higher Education (IBHE); Department of Commerce and Economic Opportunity (DCEO); Illinois Community College Board (ICCB); Illinois Department of Employment Security (IDES); Illinois Department of Human Services (DHS); and DHS' Division of Rehabilitation Services (separately represented). Local youth serving agencies are also represented on the IWIB.

At the local level, Youth Councils required by Section 117 of WIA provide the focal point for comprehensive planning. Illinois will continue to support local Youth Councils as long as those councils are required by statute. Illinois intends to support their ongoing development throughout the period of this plan. In particular, Illinois will emphasize the ongoing role of Youth Councils in a continuing and comprehensive youth planning process. If the requirement for Youth Councils is eliminated due to reauthorization legislation, the state will continue to support such councils where they are voluntarily continued.

Final decisions regarding the targeting of limited categorical funds for youth will, and should, be made at the local level. Such decisions are the purview of the local Youth Council, the LWIB, and state and local agencies responsible for the administration of local youth programs. However, there appears to be an opinion, shared by many across the state that limited WIA Title I-B youth funds would be best targeted to at-risk youth.

The state will encourage a trend already evident at the local level. There has been a significant shift over time in the proportion of out-of-school youth served through the WIA youth program. The percentage of out-of-school youth served has risen from 41.1 percent during program year (PY) 2001 to 46.8 percent during PY 2003 and up to 53.5 percent in PY 2006..

State and local categorical programs will also be encouraged to target various at-risk youth populations. Populations considered to be at-risk include (but are not limited to): (a) out-of-school youth who lack basic skills, (b) pregnant and parenting teens, (c) youth in TANF households, (d) youth who are non-custodial fathers of children in TANF households, (e) youth

in foster care (especially older youth), (f) youth with disabilities, (g) youth involved with the juvenile justice system (especially those on parole), (h) youth with limited English speaking ability, and (I) youth of American Indian descent.

In addition, the state will encourage LWIBs and local Youth Councils to develop partnerships between Illinois businesses, education, local community and faith-based organizations, and the workforce development system to serve youth throughout Illinois. Such partnerships will create meaningful employment and training opportunities for all Illinois youth. Pursuant to the requirements at WIA Section 129(b), partnerships will be established in every community to create:

- Paid and unpaid work experience programs;
- Summer employment opportunities for in-school youth;
- Programs that link academic educational programs with work-based learning;
- Opportunities for volunteer and leadership development experiences;
- Job shadowing and mentoring programs; and,
- Unsubsidized employment opportunities for youth that provide for career advancement.

In addition, the state will provide technical assistance and training to professional staff to improve services to at-risk youth and will develop improved program models for youth services.

Coordination with Job Corps: Where the Job Corps operates programs within a local workforce investment area (LWIA) it is subject to the same access requirements as any other required partner program. That is, the Job Corps must provide access to its core services at each comprehensive center in the area. Core services are defined as those services listed in WIA Section 134(d) (2) that the partner provides to customers of its programs. The Job Corps may provide other services on an optional basis. Other services are defined as non-core services, which the partner provides to customers of its programs. The manner of access must be described in the MOU.

Use of WIA Funds Reserved for Statewide Activities: Consistent with the U.S. Department of Labor's "New Strategic Vision for the Delivery of Youth Services" described in TEGL #3-04, DCEO and partner agencies are developing new program models that address the specific populations addressed in the TEGL. As described below, three major youth-related model program development efforts are underway.

- **K-12 Career Development Programs:** DCEO, ICCB, and ISBE are working together to promote statewide K-12 career development programs based on career clusters that are aligned with the economic sectors identified through the Critical Skill Shortages Initiative (CSSI) - healthcare, manufacturing, transportation, and logistics. This effort is being supported through education innovation grants to promote these programs in pilot schools in Illinois. Based on the recommendations of the IWIB's Healthcare Task Force, the first priority is healthcare. The remaining sectors will be addressed over the next two years, starting with the development of a program model for transportation and logistics. Please note that this project is being supported through Section 503 incentive funds rather than WIA 15 percent reserve funds.

- **e-Learning Projects:** Throughout the later half of 2004 the Bureau of Workforce Development developed the Illinois e-Learning Initiative. An initial goal of this pilot project was to utilize an online curriculum to assist youth out-of-school to obtain a local high school diploma.

As the project developed it was determined two additional components should be added to make it a meaningful pilot for workforce development. Components dealing with career exploration and job readiness skills were included and the scope of the pilot became a true diploma recovery and career planning program for use by LWIAs and their youth services providers. The project also provided youth the opportunity to achieve the information technology skills necessary for using 21st Century technology for further education and employment. WIA eligible youth, served by four e-Learning pilot grants from January 01, 2005 to June 30, 2006, totaled 144..

During the 18 month period 95 youth (66%) earned their high school diplomas. 80 youth (55.5%) completed career exploration guidance, and 73 youth (50.7%) were provided job readiness instruction.

Current e-Learning projects include a blended-online learning project for nursing students. The goal of this project is to make it easier for nursing students to complete their education by giving them the flexibility to complete certain portions of the nursing curriculum online. In cooperation with the Illinois Community College Board, DCEO is pilot testing the use of blended on-line learning within healthcare bridge programs to expand access of low- income, low literacy adult workers to career pathway opportunities in the healthcare industry. This project will evaluate the effectiveness of blended on-line learning in improving the completion and transition rates of said workers in bridge programs by: 1) improving and accelerating learning and 2) lowering participation costs including time savings for balancing work and family life and lowered childcare and transportation costs. This project will also evaluate the effectiveness of online learning in reducing government support services costs including case management, childcare and transportation.

This project is building on statewide initiatives in promoting sector-specific career pathway programs and blended online learning. DCEO and ICCB are collaborating in promoting regional workforce pipeline solutions involving career pathway strategies through Critical Skill Shortages Initiative (CSSI) and Postsecondary Innovation Grants. DCEO and ICCB have both funded healthcare bridge programs across the state including northern, central and southern parts of the state. Currently, Truman College, Lincoln Land, and Illinois Eastern Colleges are conducting the Postsecondary Innovation Grants with partner involvement from healthcare providers in each area, Harold Washington College, Howard Area Vocational Services, Jewish Vocational Center, and Instituto del Progreso Latino.

The first phase of the project was to engage Illinois experts and stakeholders in developing a model healthcare bridge program with blended online learning. The pilots are now in the implementation phase to deliver the model they created. These projects demonstrate the commitment to integrate initiatives into the talent development efforts of our Critical Skill

Shortage Initiative sector strategy.

- **Foster Care Demonstration Project:** The Foster Care Youth Demonstration Project's scope of work calls for DCEO's sub-grantee Alternative Schools Network, Chicago (ASN) to work with 330 youth over the projected three year life of the grant (January 2005-June 30, 2008). As of December 31, 2006 207 youth have been enrolled. There are fourteen participating alternative schools in the demonstration. The counseling of students commences at the start of the second semester of the junior year. Each ASN participating school has one part time transition counselor who helps youth with preparations for college or other vocational post-secondary endeavors. Upon graduation from school the youth is guided and coached by one of three full time Transition Specialists based at ASN headquarters, who assist with: post-secondary school selection, staying in school, overcoming barriers, job search assistance, housing issues, personal relationship concerns, money management, etc.

Most students transition to post-secondary education, jobs, or the military. Some are lost to the streets and others are un-employed and continue to search for productive endeavors to pursue.

DCEO, along with its partnering agency The Department of Children and Family Services (DCFS), is investigating various ways to sustain this project beyond the three years of the current grant. The ability to replicate the program throughout the state is being studied. The total project budget is \$800,000 annually, which includes \$400,000 provided by DOL and \$200,000 DCEO WIA funding, and \$200,000 ASN private funding.

LWIBs throughout the state will be appraised of the progress of these projects with the goal of encouraging them to incorporate successful elements from these initiatives into their own local programs.

DCEO is participating as a team member of a National Governors Association Policy Academy Grant awarded to DCFS. This grant is investigating the disparity in the age of emancipation of wards of the state between the Chicago metro area and "downstate" regions. A major focus of the grant is attempting to ascertain what services are available for older youth transitioning out of state care. WIA youth services are being looked at as key to adequately and successfully serving this population.

Youth will also benefit from several other research and development activities described elsewhere in this plan. Those activities include: Illinois workNet, the Critical Skill Shortages Initiative (CSSI), the Healthcare initiative, and the Disability Navigator Projects. While these initiatives are not targeted exclusively to youth, they will benefit youth as well as adults, dislocated workers, displaced homemakers, and other at-risk populations. It has been proposed that Illinois workNet could be utilized to help youth identify bridge programs that can be accessed to assist them in gaining basic skill remediation so they can more effectively participate in higher level job skill training programs

Youth Services Specialist: DCEO is using WIA 15 percent reserve funds to underwrite the position of Youth Services Specialist within Bureau of Workforce Development (BWD). This

staff person is responsible for coordinating services provided to WIA eligible youth by state and local agencies. The Youth Services Specialist's duties include: (a) conducting relevant background research; (b) reviewing requirements in existing and proposed laws and regulations; (c) consulting with stakeholders; (d) seeking special grant funds; (e) proposing state legislative and budgetary initiatives; (f) developing special reports; (g) developing policies and procedures needed to improve and increase services; and, (h) serving as a liaison with stakeholders and state and federal agencies to promote increased service provision, collaboration, and service quality.

On behalf of the Governor and DCEO, the Youth Services Specialist has the responsibility to promote an integrated vision for serving youth by actively consulting with and engaging state and local agencies in pilot programs and projects that DCEO initiates on behalf of the youth population. Examples of this include the Illinois e-Learning initiative. Making this project a success required consultation and collaboration with the Chicago Public Schools, ICCB, various local school districts, LWIA youth service providers, community-based organizations (CBOs), and local area businesses. Similarly, the Youth in Foster Care Project required active participation and coordination from DCEO, the Department of Children and Family Services (DCFS), IDHS' Juvenile Justice Division, ICCB, and CBOs.

State General Revenue Funds: DCEO uses state general revenue funds (GRF) to sponsor the High Technology School-to-Work Program. This program is designed to help Illinois students' transition from school to high-skilled, high-paying jobs in technology related fields. The program combines traditional classroom instruction in mathematics, science, and information technology with hands-on learning in on-the-job settings. Programs allow students to explore careers in fields such as information technology, biotechnology, engineering, agriculture, electronics, medical technology, and manufacturing. Projects are designed through partnerships between schools and employers, with employers playing an active role in designing the curricula and providing the work-related experience. Grants are available to consortia among employers from high technology industries and local educators.

Wagner-Peyser Funds: IDES funds the Hire-the-Future (HTF) program. HTF supports Illinois youth staying in school by providing summer and part-time jobs, provided they maintain certain academic standards. IDES participates with school counselors and a number of major corporations to provide employment for youth through the Hire-The-Future Program. Program goals are: encourage youth to aspire to future careers in higher level professional and growth-oriented occupations; introduce students to new career opportunities; foster understanding of the relevancy of school courses to the world of work; and, encourage students to stay in school and apply themselves to their studies.

Career Resources Network (CRN): IDES also sponsors the Career Resource Network (CRN). CRN continues to expand its tradition and commitment of serving the career information needs of all Illinois stakeholders. The premier product of the CRN, the Career Information System (CIS), compiles Illinois specific labor market and career information on occupations, financial aid and scholarships, apprenticeship opportunities, post-secondary training, and entrepreneurship. CIS is used by students, parents, counselors, adults, job seekers, businesses, and One-Stop center staff and is available free of charge, 24-7, via the Internet. To achieve these goals, IDES works through the partner agency members of its CRN Advisory Committee (i.e.,

IBHE, ICCB, DCEO, IDHS, ISBE, and the IWIB) to achieve satisfaction with CRN products and services and contribute to the success of programs in education, workforce development, job training, rehabilitation, economic development and TANF.

IX. SERVICE DELIVERY

- F. Business Services. (§§ 112 (a) and 112(b)(2)) Provide a description of the State's strategies to improve the services to employers, including a description of how the State intends to:
1. Determine the employer needs in the local areas and on a Statewide basis.
 2. Integrate business services, including Wagner-Peyser Act services, to employers through the One-Stop system.
 3. Streamline administration of Federal tax credit programs within the One-Stop system to maximize employer participation? (20 CFR part 652.3(b), §112(b)(17)(A)(i))

The state uses a variety of methods to determine the needs of employers in local areas and statewide. A primary vehicle for determining employer needs is planning underway through the state's Critical Skill Shortages Initiative (CCSI) described throughout this plan. The state will also rely on direct input from employers participating on the Illinois Workforce Investment Board (IWIB), as well as input from employers participating on local workforce investment boards (LWIBs). The recently created LWIB Leadership Association will facilitate communication with the private sector members of the state's LWIBs. Other methods of determining employer needs include:

- State-of-the-art labor market data produced by the IDES Economic Information and Analysis Division. The division's most recent product, I*Compass provides online, interactive modular training for users to allow for improved access to and utilization of IDES' workforce information products;
- The skill gap analysis tool available in the Illinois Skills Match (ISM) system. Skills Gap provides an analysis by occupation of the skills requested by employers within job orders they have placed on the ISM system;
- A Business Advisory Panel will be formed by the Department of Employment Security (IDES) to advise IDES on agency functions that deal with business, including UI tax filing and collection, UI adjudication, federal tax-credit programs, and labor exchange functions; and,
- The IDES Business Services Coordination Team (BSCT), which will work with statewide employers and business associations to identify the human resource needs of particular industries.

The needs of businesses are also determined through business service teams operating out of One-Stop centers.

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G. Innovative Service Delivery Strategies (§112(b)(17)(A))

1. Describe innovative service delivery strategies the State has or is planning to undertake to maximize resources, increase service levels, improve service quality, achieve better integration or meet other key State goals. Include in the description the initiative's general design, anticipated outcomes, partners involved and funds leveraged (e.g., Title I formula, Statewide reserve, employer contributions, education funds, non-WIA State funds).
2. If your State is participating in the ETA Personal Re-employment Account (PRA) demonstration, describe your vision for integrating PRAs as a service delivery alternative as part of the State's overall strategy for workforce investment.

H. Strategies for Faith-Based and Community-Based Organizations (§112(b)(17)(i).)
Reaching those most in need is a fundamental element of the demand-driven system's goal to increase the pipeline of needed workers while meeting the training and employment needs of those most at risk. Faith-based and community organizations provide unique opportunities for the workforce investment system to access this pool of workers and meet the needs of business and industry. Describe those activities to be undertaken to: (1) increase the opportunities for participation of faith-based and community organizations as committed and active partners in the One-Stop delivery system; and (2) expand the access of faith-based and community-based organizations' clients and customers to the services offered by the One-Stops in the State. Outline those action steps designed to strengthen State collaboration efforts with local workforce investment areas in conducting outreach campaigns to educate faith-based and community organizations about the attributes and objectives of the demand-driven workforce investment system. Indicate how these resources can be strategically and effectively leveraged in the State's workforce investment areas to help meet the objectives of the Workforce Investment Act.

Innovative Strategies: Throughout this plan the state describes a variety of innovative strategies to maximize resources, increase service levels, improve service quality, achieve better service integration or meet other key state goals. Discussion of these strategies will not be repeated here. However, some of the major strategies are briefly listed below including:

- Consolidation of workforce programs into the state's economic development agency, the Department of Commerce and Economic Development (DCEO) to strengthen the linkage between workforce and economic development;
- A regional planning initiative to leverage private sector funds and target limited public sector workforce development resources on critical skill shortages occupations that are vital to the

regional economies of the state's ten Economic Development Regions (i.e., the Critical Skill Shortages Initiative) and a state policy initiative to encourage increased use of on-the-job training and customized training by WIA Title I-B grantees;

- Development of model programs to address the workforce needs of at-risk populations such as the persons with disabilities, youth in foster care, and high school dropouts (i.e., Foster Care Demonstration Project, e-Learning Projects, Disability Navigator Project, and creation of the Youth and Disability Specialist staff positions within DCEO);
- Expansion of One-Stop services through development of Illinois workNet to promote access to core, intensive, and training services via the Internet (e.g., Illinois workNet, Labor Market Information e-Learning, Internet-based UI Claims - BIS redesign);
- Strengthening of private sector involvement on local workforce investment boards (LWIBs) through increased technical assistance and creation of the LWIB Leadership Association;
- Improved delivery of workforce information through expansion of geographic detail of various data series, increased information about skill shortages in key industries, improved methods for the delivery of information (both hard copy and electronic), and new information products and services (e.g., Small Domain Estimation, and Local Employment Dynamics (LED));
- Integration of services in Illinois One-Stop centers through jointly delivered and coordinated services (e.g., state-local Rapid Response Teams, workshops jointly presented by center partners for client orientation and teaching job search techniques, and creation of Business Services Teams);
- Waivers to simplify program delivery, and enhance opportunities to integrate and expend services, and,
- Increase efforts to share best practice information across jurisdictions through state funded technical assistance and training

Faith-based and Community Organizations as Training Providers: Faith-based and Community-based organizations (CBOs) may apply to be listed on the state's list of approved training service providers and compete for contracts from LWIBs. In fact, such organizations are present on the state list and are being utilized as service providers at the local level.

Working to gather information to update this section:

Partnering with Faith-Based and Community Organizations: The Northeast Economic Development Region (EDR) of Illinois is comprised of ten counties and nine local workforce investment areas (see Attachment D). Local workforce boards in this EDR received a discretionary grant award from the U.S. Department of Labor (DOL) under DOL's faith-based and community organization (FBCO) initiative. The DOL award is in the amount of \$500,000 and covers an eighteen month period. The Workforce Board of Northern Cook County will be

the grantee for the project and TEC Services Consulting, Inc. will administer the grant. However, the grant will be shared throughout the region and local workforce investment boards (LWIBs).

Based on an analysis of need, the LWIBs targeted five areas within the EDR that have significant populations with multiple barriers to employment. These areas are: (a) the City of Aurora; (b) the City of Joliet; (c) the City of Elgin; (d) the far-south section of Chicago; and, (e) the Westtown section of Chicago. These five areas have high rates of poverty, limited English speaking populations, ex-offender populations, and other hard-to-serve groups. However, there are also strong FBCOs located within the five areas serving these diverse populations.

The first phase of the project will involve efforts to outreach FBCOs in the five target areas. A brief survey and programmatic inventory of area FBCOs will be conducted. Responses will provide the LWIBs with insights into FBCOs' knowledge of, and interest in, workforce development issues. The survey will also help the LWIBs gauge the interest of FBCOs in partnering with One-Stop centers to offer workforce development services.

In order to reach out to these grassroots and faith-based organizations, community meetings will be held at times and locations that are convenient for the FBCO leaders. The focus these meetings will be emphasizing common goals of helping people enter, advance, and thrive in good jobs. Staff will relate to the FBCO leaders as experts in their communities and listen carefully to their feedback. After learning about the leadership structure of the FBCOs, project staff will find out about the people they serve and what assistance they think they will need to expand their involvement in workforce development.

Subsequent to the community meetings, a task force consisting of representatives from the LWIBs and FBCOs will be created to undertake strategic planning for the project. In addition, as part of the communication strategy, a website will be created to facilitate networking among nonprofits and connect FBCOs to the local workforce system. The LWIBs will develop relationships and improve communication between LWIB staff and FBCO leaders. Strategies to achieve this include integrating FBCOs in the Board's decision-making process, as well as engaging FBCOs in direct workforce development services.

The region's LWIBs will offer technical assistance to the FBCOs to help them deal with the technical requirements of subgrant administration to facilitate their ability to directly provide workforce services. The LWIBs will use DOL grant funds to assist FBCO subgrantees in several ways including:

- Providing training to help FBCOs function more effectively (e.g., provide training on financial accounting, report writing, services available through One-Stop centers, etc.);
- Ensuring that FBCO program each access point has the technology and print resources necessary to be successful;
- Training FBCO staff about how to make appropriate referrals to the One-Stop system and how to track and report data that will contribute to meeting performance standards;
- Helping with issues of the complexity of solicitation and reporting processes;
- Offering orientation and technical assistance to address accountability, evaluate program outcomes, and incorporate best practices;

- Keeping FBCO subgrantees updated on workforce development programs and activities as well as policies and procedures; and,
- Helping FBCOs to qualify for matching funds from philanthropic and corporate foundations and city government agencies.

A large segment of jobseekers need to acquire basic life management skills, employability skills, and readiness skills before they can enter the job market or even benefit from the services offered by One-Stop centers. A recent survey conducted by the LWIBs determined that local employers would benefit from additional employability skills training provided to potential employees. Employers are seeking entry-level employees who are motivated, understand appropriate behaviors for the workplace, can balance their families responsibilities with work obligations, and are reliable and on time. The development of employment enhancement skills and competencies include communication, thinking and cognitive abilities, conflict resolution, anger management, interpersonal and teamwork skills, habits of punctuality and regular attendance, physical appearance and dress, and a strong work ethic. As a result of this DOL funded project, LWIBs in the Northeast EDR will have an opportunity to establish new partnerships to meet this critical need by utilizing and leveraging FBCO capacity in the area of employability skills development.

Within the first six months of the project, a Request for Proposal (RFP) for the development of employability skills will be issued targeted to FBCOs. Other RFPs will be issued to FBCOs for customized training in the healthcare, retail, and information technology sectors. This training will be designed specifically to serve targeted clients such as at-risk youth, welfare-to-work populations, dislocated workers, or ex-offenders. This grant will help the LWIBs and area FBCOs to offer focused training, mentoring, and follow-up to services meet employment needs of local industries and help hard-to-serve populations gain meaningful employment.

Partnerships have also been developed with four business entities. These businesses made long-term commitments to hire qualified employees through the LWIBs and FBCOs. The Chicagoland Chamber of Commerce committed to approaching its membership of over 2,000 area business to make this project a success. TEC Services Consulting, Inc., an information technology firm, committed to hire qualified individuals from hard-to-serve populations as well as provide workforce training. Metropolitan Chicago Healthcare Council members committed to assisting with placement of qualified individuals with healthcare skills and Illinois Retail Merchant's Association members committed to developing a training program and hiring qualified individuals trained in retail industry occupations.

The Illinois Department of Commerce and Economic Opportunity (DCEO) also recognizes that the state-wide success of Illinois' workforce system will be enhanced through partnerships between LWIBs and FBCOs. To expand the project's efforts, DCEO is providing resources and technical assistance to expand and sustain the project beyond the life of the DOL grant. DCEO has committed \$100,000 in state matching funds to expand the project as a model for all of Illinois. DCEO will participate in the project and make addition financial commitments of WIA 15 percent reserve funds to expand successful elements of this model program statewide in the future.

X. STATE ADMINISTRATION

- A. What technology infrastructure and/or management information systems does the State have in place to support the State and local workforce investment activities such as a One-Stop operating system designed to facilitate case management and service delivery across programs, a State job matching system, Web-based self service tools for customers, fiscal management systems, etc.? (§§111(d)(2), 112(b)(1), and 112(b)(8)(B).)
- B. Describe the State's plan for use of the funds reserved for Statewide activities under WIA §128 (a)(1).
-

Technology Infrastructure:

- **IWDS Participant Tracking System:** The Department of Commerce and Economic Opportunity's (DCEO's) Internet-based participant tracking system, the Illinois Workforce Development System (IWDS), supports Illinois' One-Stop centers. IWDS has a broad range of functionality including: case management, grant management, entity management, performance management, dislocation event tracking, training provider information, and reporting. IWDS supports Workforce Investment Act (WIA) programs for adults, dislocated workers and youth as well as the Trade Adjustment Assistance program. In addition, One-Stop operators may add localized content.

IWDS also supports training service provider certification and access to the statewide list of approved providers. Training providers requesting approval contact the local workforce investment areas (LWIA), which sets up access to IWDS for the provider to enter data required for approval. The information is then available for the LWIA to approve or disapprove. Once approved the program information for the provider is available via the Internet.

IWDS includes functionality to support resource room tracking and reporting (including swipe card functionality), as required by USDOL. Additionally, the system is capable of accepting data from third-party tracking systems, and a standard has been developed to facilitate the exchange of information where appropriate..

It is important to note that DCEO is in the process of creating and filling two new technical positions to support the ongoing functionality of IWDS and to ensure that the state is in the position to meet changing federal reporting requirements.

Automated Compliance Monitoring System (ACMS): DCEO is in the process of designing and developing the Automated Compliance Monitoring System (ACMS), which is a critical element in our overall management strategy. The system will permit the state to more-effectively manage and monitor the field operations of the WIA and Trade programs at each of the state's 26 LWIAs, as well as in other grantee locations. ACMS will help to ensure that all federal grant recipients are fiscally and programmatically monitored in a timely manner and that corrective action is taken expeditiously, when there are findings of

non-compliance with federal statutes, implementation rules, and/or State policies. The system is scheduled to be deployed in July 2007.

- **Illinois workNet portal:** The Illinois workNet portal, the result of the Virtual One-Stop design initiative, was launched in June 2005 and its pilot phase ended in June 2006 in three Local Workforce Investment Areas (LWIAs). Beginning July 2006, Illinois workNet entered a testing and expansion phase or “Phase II Rollout.” There are currently 13 LWIAs implementing the portal during Phase II Rollout. The Phase II LWIA partner sites include One-Stop centers, including their satellites and partners, community-based organizations, faith-based groups, libraries, education entities, and other non-traditional partners.

The Illinois workNet portal expands access to self-service and expands the network of agencies and partners that provide workforce development services. The portal uses Web services with the Illinois Department of Employment Security, Illinois Community College Board, and IWDS to seamlessly interface information in an easy-to-use and easy-to-understand format. It is expected that the portal will continue to expand state agency interfaces to leverage existing Web-based applications for presentation to Illinois citizens and businesses. The portal utilizes dynamic delivery of content to present current and relevant resources and information from both statewide and local sources.

It uses a content management system that supports statewide and local content development to assure that end users access geographically relevant information. The dynamic nature of the content presentation assures that end users experience new and relevant information often.

The portal interfaces with IWDS to provide virtual resource room use and to support, in the future, the exchange of customer data.

It is expected that the Illinois workNet portal will continue to expand access to services through technology-based solutions, enhance interfaces with community-based partners and government agencies/partners, and improve the quality of resources made available to both Illinois citizens and businesses.

- **High-speed Internet Access:** DCEO subsidizes high-speed access for all LWIAs to support customer access to the Internet in One-Stop resource rooms. Access can also be provided from any LWIA supported location where clients are served. Data from all resource rooms is collected for non-registered clients as well as clients that are enrolled in WIA or Trade.
- **Shared Data:** Pursuant to an interagency agreement, the Illinois Department of Employment Security (IDES) provides data from the Benefit Information System (BIS) to DCEO to support client outreach, performance management, and federal reporting. First, IDES provides data on Unemployment Insurance (UI) profilees for use by local workforce investment areas (LWIAs). Profilees are UI claimants judged by IDES as being likely to exhaust their benefits and are therefore targeted for WIA reemployment services. UI profilee files are forwarded to LWIAs to facilitate outreach to this population. Secondly, IDES provides wage records for all WIA and TAA registrants for use in calculating achievement of

federal performance measures and to support program evaluation. Wage data are added to registrant records in IWDS. In turn IDES is able to produce the ETA 9048 report from IWDS. DCEO and IDES are also working to jointly develop processes, procedures and technological solutions necessary in order to report common customer data to DOL.

- **ISM Job Matching:** The Illinois Skills Match (ISM) system is a computerized, self-service, job matching system that allows individuals to enter their own employment registration followed by an automatic search of employer job orders. ISM is available 24 hours a day, seven days a week, via the Internet. This self-service strategy allows customers to execute the labor exchange process without IDES staff involvement. ISM maintains a growing pool of available, qualified job seekers, plus an extensive variety of jobs at every skill level in hundreds of industries and occupations in Illinois. The system automatically selects and matches qualified job seekers with suitable employers. The job seeker's skills and educational background are matched with the employer's requirements. Once a job seeker indicates interest in a job or an employer in a job seeker, immediate communications are sent out via email, telephone, or mail. The job seeker and employer decide how much or how little information to send to the prospective candidate and ISM sends the communication.

Economic and Labor Market Information Web portal: IDES provides a wide range of economic and labor market information tools, products, and services to support Illinois' One-Stop system. These products and services are delivered as core services to customers through One-Stop centers in the resource rooms and via Illinois workNet (through linkages with the IDES)

- **I*Compass** is a set of modular, in-depth e-learning courses to assist users in understanding available data at all five of the workforce and career information Web sites listed below. The live, interactive Web site provides examples, self-checks and tests to allow users to customize their individual learning in order to effectively access and analyze data.
 - ▶ **Workforce Info Center** interactively delivers labor market and occupational information and resources, such as local area profiles, industry employment trends, largest employers, average wages, and population and employment data, available by geographic area including counties, metropolitan areas, and local workforce areas.
 - ▶ **Career Information System (CIS)** enables displaced workers, adults, career changers, students and their parents to focus on occupational information such as wages, current employment, and future job outlook using assessment links, sort features and videos. Related information on programs of study, state and national schools, financial aid, and other topics augment the career decision-making process. Fastest growing and declining occupations are shown in the FAQ section of the Occupations file. CIS also has sections on "Job Search," "Employability Skills," "Keep That Job," and "Employer Locator."
 - ▶ **Career Click** organizes career and occupational data for quick and easy access by students and young adults. State and regional employment, wage, and job outlook information are clustered by career interest area. Additional information and features include top employing industries, skill requirements, and occupational videos, available in English, Spanish, and captioned versions.

- ▶ **Countdown**, with a fifth (5th) grade reading level that may be appropriate for some customers with limited English proficiency, builds career awareness for middle and junior high school students through general information about occupations and career interest areas. A career interest inventory assists students to focus on key topics important to begin their career exploration.
- ▶ **LMI Source** provides comprehensive workforce information reports and databases for a variety of geographic alignments along with access to publications and economic analysis including Occupational Outlook In Brief, Guides to Career Choices, and the Illinois Labor Market Review.
- **BIS Redesign Project:** IDES is in the process of testing and implementing its new Business Information System (BIS). The new BIS will provide greater access for individuals in filing unemployment claims and will interface with the Illinois Skills Match (ISM), an online system that provides skills-based job matching services for employers and jobseekers. The new BIS system will provide online UI filing for claimants, offering them a new means of access in addition to the phone, fax, and in-person filing services now available. See Section II of this plan for additional details.
- **e-learning Projects:** Projects were developed to use the Internet to expand learning opportunities for participants and workforce development professionals.
 - ▶ **Dropout Prevention:** This initiative explored ways to help WIA youth develop and achieve career goals using advanced computer and telecommunication technology. Specifically, model projects explored the potential use of the Internet and specialized software as an efficient means of delivering education and training services to youth. Four demonstration pilot projects utilizing different curricula in were conducted in four geographic areas of the state. Sites were selected to allow close integration with related programs and activities being provided through ISBE and ICCB. The pilots had three primary goals. First, assist youth to recover lost credits and complete accredited courses online to obtain a high school diploma. Secondly, incorporate an online module to raise career awareness. Thirdly, incorporate a job readiness skills module to prepare youth for entry-level employment. Each model program took a unique approach to attaining these goals. In some pilot sites adaptive technologies were assessed, coupled with tutors, to ensure youth with disabilities were included in the initiative.
 - ▶ **Workforce and Career Information Training:** IDES is delivering online, e-learning workforce and career information training modules that are accessible to all partner agencies and stakeholders. This self-directed knowledge management and training tool is accessible 24-7 and provides the necessary assistance to access information from all of IDES' One Source workforce and career information Web sites. The course offers several in-depth training modules with assessments covering topics related to workforce, career, and labor market information.

Use of State WIA Reserve Funds: The use of Governor's WIA state reserve funds is discussed in more detail in Section II of this plan. Current investments support continuous improvement

and growth of the One-Stop system, an increased focus on training, and increased programmatic and fiscal accountability. The table below displays the percentage distribution of reserve funds by major budgeted purpose for program year (PY) 2006.

**Table 11: Program Year 2006 Planned
Uses of Workforce Investment Act
15 and 25 Percent State Reserve Funds**

Expenditure Category:	Percent
State WIA Staff	13%
Indirect Charges & Audit	4%
Performance Management	8%
Management Information	3%
Workforce System Support	5%
Mass Layoffs & Plant Closings	33%
Training & Model Programs	34%

Although changes to this distribution may be expected in response to changing conditions during PY 2006 and 2007, investments during the period of this plan will likely be similar.

X. STATE ADMINISTRATION

- C. Describe how any waivers or workflex authority (both existing and planned) will assist the State in developing its workforce investment system. (§§189(i)(1), 189 (i)(4)(A), and 192.)

Waivers: The state is requesting three waivers as part of this plan submission. See Attachment G for a full discussion of these waiver requests.

Use of ITAs for Youth Age 16 and Above: The U.S Department of Labor (DOL) issued Illinois a waiver of the prohibition excluding the use of Individual Training Accounts (ITAs) for out-of-school youth participants. This waiver now permits LWIBs to use the state’s list of eligible training providers to secure training for these youth. The waiver is designed to enhance customer choice, allow these youth to benefit from services provided by Illinois’ certified training providers, and expand services without requiring One-Stop operators to register participants in the adult program. The waiver was initially granted for the period beginning July 1, 2003, and ending June 30, 2004. At the request of the state, DOL extended the waiver through June 30, 2007. The state is requesting that this waiver be extended throughout the period of this plan.

In addition to the requested extension of this waiver, the state is requesting an expansion of the waiver to include all youth participants ages 16 and above, regardless of school enrollment status. This requested expansion is based on comments on the current waiver, and the state’s experience with implementing the ITA waiver for out-of-school youth. Whether or not DOL is able to grant the expansion of this waiver, the state still seeks extension of the current waiver.

Incumbent Worker Training: The U.S Department of Labor (DOL) issued Illinois a waiver requested and was granted, of WIA section 129 on the “Use of Funds for Youth Activities” and WIA section 134 on “Use of Funds for Employment and Training Activities”, as well as WIA regulations at 20 CFR 663.145 regarding the use of WIA Title I adult and dislocated worker formula funds. This waiver now permits allowed LWIBs to use up to 10 percent of the funds allocated to them under WIA Sections 127, 128, 132, and 133 of WIA in the same manner and fashion as statewide activity funds are used under WIA Section 134(a)(3)(iv)(I), which allows statewide activity funds to be used to for the “implementation of innovative incumbent worker training programs, which may include the establishment and implementation of an employer loan program to assist in skills upgrading”.

This waiver allowed the Department to help ensure Illinois’ workforce system is demand-driven and LWIBs are given maximum flexibility in tailoring service delivery and making strategic investments in workforce development activities to meet the needs of state and local economies and labor markets. Allowing LWIBs the authority to use a limited portion of their allocated funds for incumbent worker training programs permits them to develop a full continuum of training services that address the needs of the existing workforce, unemployed, underemployed, and new entrants to the labor force. The waiver was initially granted for the period beginning July 1, 2005, and ending June 30, 2007. The state is requesting that this waiver be extended throughout the period of this plan.

Over forty Incumbent Worker projects, with investments totaling nearly \$1 million have begun in six LWIAs under the auspices of the waiver. As of December 2006, 741 individuals completed training. Ten projects are scheduled to begin in early 2007, with planned enrollments of over 180 incumbent workers. Additional LWIAs have submitted local plan modifications to shift funding for incumbent worker projects.

Requirement for a Comprehensive One-Stop Career Center in Each LWIA: The state is requesting a waiver of the WIA requirement for a comprehensive One-Stop center in each LWIA. This waiver would provide the maximum flexibility to the state and to local areas to structure the career center network in the most efficient manner possible. In addition, it supports the overall state objective of encouraging greater reliance on technology rather than physical facilities as a means of accessing career transition services. Finally, the increased flexibility obtained through this waiver will allow the state to implement policies that are intended to increase WIA Title I expenditures for training.

Adoption of WIA Common Measures: The state is requesting a federal waiver permitting the early adoption of the WIA common measures. This waiver would encourage the provision of training to adults and dislocated workers by removing the current WIA credential rates, which strongly discourage on-the-job or customized training delivery. In addition, it would enhance services to out-of-school youth, who are more clearly targeted by the new common measures for youth.

Exemption from Individual Training Accounts and Customer Choice Requirements: The state is requesting a waiver of the requirement to use Individual Training Accounts as the primary means of purchasing occupational training services for adults and dislocated workers. It

is also requesting a waiver of the related provisions regarding customer choice from the state eligible training provider list. This waiver would encourage the use of WIA funds to increase training capacity rather than merely purchasing training slots in existing classes.

Exemption from the Procurement of Youth Services: The state is requesting a waiver of the requirement for LWIAs to competitively procure youth services. This waiver request is an extension of our existing waiver permitting LWIAs to use the Individual Training Account system for procuring training for out-of-school youth. In addition to the use of ITAs for training, most LWIAs can readily use existing case management staff to provide most of the ten youth service elements directly, rather than through service providers. The existing requirements create another layer of staff that is often not needed.

X. STATE ADMINISTRATION

- D. Performance Management and Accountability. Improved performance and accountability for customer-focused results are central features of WIA. To improve, states need not only systems in place to collect data and track performance, but also systems to analyze the information and modify strategies to improve performance. (See Training and Employment Guidance Letter (TEGL) 17-05, Common Measures Policy, February 17, 2006.) In this section, describe how the State measures the success of its strategies in achieving its goals, and how the State uses this data to continuously improve the system.
1. Describe the State's performance accountability system, including any state-system measures and the state's performance goals established with local areas. Identify the performance indicators and goals the State has established to track its progress toward meeting its strategic goals and implementing its vision for the workforce investment system. For each of the core indicators, explain how the State worked with local boards to determine the level of the performance goals. Include a discussion of how the levels compare with the State's previous outcomes as well as with the State-adjusted levels of performance established for other States (if available), taking into account differences in economic conditions, the characteristics of participants when they entered the program and the services to be provided. Include a description of how the levels will help the State achieve continuous improvement over the two years of the Plan. (§§112(b)(3) and 136(b)(3).)

Performance Indicators. The State of Illinois is making modifications to its performance accountability system to comply with U.S. Department of Labor (DOL) requirements for WIA measures for PY 2007 and 2008. DOL has issued a revised common measures policy, including definitional changes affecting existing WIA core measures, which are to be effective for PY 2007 and 2008. Illinois will adhere to these revised measure definitions in implementing its WIA accountability system.

The Secretary of Labor has defined eight performance measures for adult and dislocated worker programs, seven measures for youth programs, and two measures of customer satisfaction, which

cover all job seeker registrants and employers served by Title I-B. Based on the above cited guidance, and related consultations with DOL, the measures are defined as follows (changes have been highlighted in italics):

- **Adult Entered Employment Rate (AEER):** Of all adults who were not employed at registration: the number who enter employment in the quarter after exit **divided by** the number who exit during the quarter.
- **Adult Employment Retention Rate (AERR):** Of all adults who are employed in the first quarter after exit: the number of adults who are employed in the *second and* third quarter after exit **divided by** the number of adults who exit during the quarter.
- **Adult Average Earnings (AAE):** Of all adults who are employed in the first, second, and third quarter after exit: the total earnings in the second quarter plus total earnings in the third quarter after the exit quarter **divided by** the number of adults who exit during the quarter.
- **Adult Employment and Certificate/Credential Rate (AECR):** Of all adults who were enrolled in training: the number who were employed in the quarter after exit, and received a credential within three quarters after exit **divided by** the number of adults who exited during the quarter.
- **Dislocated Worker Entered Employment Rate (DEER):** Of all dislocated workers: the number of dislocated workers, who enter employment in the quarter after exit **divided by** the number of dislocated workers who exit during the quarter.
- **Dislocated Worker Employment Retention Rate (DRR):** Of all dislocated workers who are employed in the first quarter after exit: the number of dislocated workers who are employed in the *second and* third quarter after exit **divided by** the number of dislocated workers who exit during the quarter.
- **Dislocated Worker Average Earnings (DAE):** Of all dislocated workers who are employed in the first, second, and third quarter after exit: the total earnings in the second quarter plus total earnings in the third quarter after the exit quarter **divided by** the number of dislocated workers who exit during the quarter.
- **Dislocated Worker Employment and Certificate/Credential Rate (DECR):** Of all dislocated workers who were enrolled in training: the number of dislocated workers who were employed in the first quarter after exit, and received a credential by the end of the third quarter after exit **divided by** the number of dislocated workers who exit during the quarter.
- **Younger Youth Skill Attainment Rate (YSAR):** Of all in-school younger youth and any out-of-school younger youth (age 14-18) assessed to be in need of basic skills, work readiness skills, and/or occupational skills: the total number of skill goals attained **divided by** the number of skill goals set for the reporting period.

- **Younger Youth Diplomas and Equivalent Rate (YDER):** Of all younger youth (age 14-18) who enroll without a high school diploma or equivalent: the number of younger youth who attained secondary school diploma or equivalent by the end of the first quarter after exit **divided** by the number of younger youth who exit during the quarter (except those still in secondary school at exit).
- **Younger Youth Placement and Retention Rate (YPRR):** Of all younger youth (age 14-18), placed and retained in the third quarter following exit in: (a) post-secondary education, (b) advanced training, (c) employment, (d) military service, or (e) qualified apprenticeships **divided by** the number of younger youth who exit during the quarter (except those still in secondary school at exit).
- **Older Youth Entered Employment Rate (YEER):** Of all older youth (age 19-21) who are not employed at registration: the number of older youth who are employed in the first quarter after exit **divided by** the number of older youth who exit during the quarter (except for youth who go on to post-secondary education).
- **Older Youth Employment Retention Rate (YERR):** Of all older youth (age 19-21) who are employed in the first quarter after exit, and who are not enrolled in post-secondary education or advanced training in the third quarter after exit: the number who are employed in the third quarter after exit **divided by** the number of older youth who exit during the quarter (except for older youth who are not enrolled in post-secondary education or advanced training in the third quarter after exit).
- **Older Youth Earnings Change (YEC):** Of all older youth (age 19-21) who are employed in the first quarter after exit and who are not enrolled in post-secondary education or advanced training in the third quarter after exit: the total post-program earnings in the second and third quarters after exit, minus total pre-program earnings (earnings in the second and third quarters prior to registration) **divided** by the number of older youth who exit during the quarter (except for older youth who are not enrolled in post-secondary education or advanced training in the third quarter after exit).
- **Older Youth Certificate/Credential Attainment Rate (YCAR):** Of all older youth (age 19-21) who are in employment, post-secondary education or advanced training in the first quarter after exit: the number of older youth who received a credential by the end of the third quarter after exit **divided** by the number of older youth who exit during the quarter.
- **Client Customer Satisfaction Rate (CCSR):** The average of the three required customer satisfaction questions for all Title I registrants, converted into the American Customer Satisfaction Index (ACSI) score.
- **Employer Customer Satisfaction Rate (ECSR):** The average of the three required customer satisfaction questions for all employers, converted into the American Customer Satisfaction Index (ACSI) score.

The measure definition changes are a result of a decision by DOL to partially implement the new common measures of performance for existing WIA Title I-B programs, in anticipation of broader performance management changes resulting from reauthorization of WIA.

State Proposed Goals for WIA Measures. Table 12 provides the state’s final negotiated performance goals for each of the above performance measures, for PY 2007 and 2008.

Table 12: Final Negotiated State Levels for Adult, Dislocated Workers and Youth Title I-B Performance for Two Program Years
This table provides PROPOSED goals and will be updated to reflect PY 2007-2008 Goals when they are finalized.

Measure	PY 2007	PY 2008
Adult Entered Employment Rate	75.0%	75.5%
Adult Employment Retention Rate	83.0%	84.0%
Adult Average Earnings	\$10,200	\$10,300
Adult Employment and Certificate/Credential Rate	63.0%	63.5%
Dislocated Worker Entered Employment Rate	83.0%	84.0%
Dislocated Worker Employment Retention Rate	89.0%	90.0%
Dislocated Worker Average Earnings	\$15,000	\$15,250
Dislocated Worker Employment and Certificate/Credential Rate	65.0%	66.0%
Youth Skills Attainment Rate	80.0%	81.0%
Youth Diplomas and Equivalent Rate	68.0%	68.5%
Youth Placement and Retention Rate	63.0%	63.5%
Youth Entered Employment Rate	70.0%	71.0%
Youth Employment Retention Rate	81.0%	81.5%
Youth Earnings Change	\$3,500	\$3,600
Youth Certificate/Credential Attainment Rate	50.0%	51.0%
Participant Customer Satisfaction Index	70.0%	71.0%
Employer Customer Satisfaction Index	73.0%	74.0%

How the State Worked with Local Boards to Determine the Levels. The state consulted with the local workforce investment areas (LWIAs) to help determine the level of each of these performance goals. Input was obtained from each LWIA as part of the overall consultation process for the development of the adult, dislocated worker and youth plan.

First, state and local baseline performance information was produced and provided to each LWIA. This information was produced from historical performance information for WIA programs. This information was made available to each LWIA for its use in estimating its potential performance under the current WIA performance measures.

Second, a planning worksheet was developed for each measure. The worksheets disaggregate each measure into its component parts, so that they can be expressed in terms of the number of WIA Title I-B registrants who comprise the numerator and denominator. This was done to allow

the state to sum up the local results and derive an overall planned performance level for Illinois. Finally, this was done to make explicit the definitions of each measure, so that each LWIA would base its planned levels on a shared understanding of the measure definitions. These worksheets were transmitted to the LWIAs for their use in arriving at a planning estimate. The state also provided links to state and local labor market information to assist in calculating performance goals.

The LWIAs submitted their completed worksheets to the state, which used them as input to arrive at a statewide goal for each measure.

Two important caveats need to be stated regarding these goals:

- The proposed goals reflect the state’s current understanding of the measures. The goals are subject to change if the measures change.
- These goals do not reflect the results of formal negotiations with chief elected officials (CEOs) and local workforce investment boards (LWIBs), and may change as a result of these negotiations.

Performance History and Comparison of Goals to Other States.

Table 13 represents Illinois’ performance history for these measures. These values include recalculation of the prior outcomes using the modified definitions of the measures.

Table 13: Performance History for WIA Title Measures

Performance Measure	Actual Performance			Percentage Change (Variance)		GPRA PY 2007	Illinois PY 2005 Actual as Percent of GPRA
	PY 2003	PY 2004	PY 2005	2003 to 2005	2004 to 2005		
ADULTS							
Entered Employment Rate	71.3	73.7	74.5	4.5%	1.1%	76	98%
Employment Retention Rate 1,2	79	85.2	82.8	4.8%	-2.9%	83	99.8%
Average Earnings	\$9,991	\$10,594	\$10,756	7.7%	1.5%	\$11,100	96.9%
Employment & Credential Rate	62.2	61.2	63.9	2.7%	4.4%	n/a	
DISLOCATED WORKERS							
Entered Employment Rate	83.7	83.3	85	1.6	2	84	101.2%
Employment Retention Rate 1,2	86.4	91.5	90.5	4.7%	-1.1%	90	100.6%
Average Earnings	\$15,079	\$15,531	\$15,390	2.1	-9%	\$13,900	110.7%
Employment & Credential Rate	65.1	65.4	68.9	5.8	5.4	n/a	
OLDER YOUTH							
Entered Employment Rate	68.5	71	71.4	4.2%	0.6%	69	103.5%
Employment Retention Rate	82.9	84.1	81.4	-1.8%	-3.2%	80	101.8%
Earnings Change	\$3,502	\$3,658	\$3,772	7.7%	3.1%	\$3,167	119.1%

Credential Rate	50.8	58.3	61.8	21.7%	6%	48	128.7%
YOUNGER YOUTH							
Skill Attainment Rate	82	79.9	81.6	-0.5%	1.7%	83	98.3%
Diploma Attainment Rate	65.6	68.3	74.3	13.3%	8.8%	53	140.2%
Retention Rate	62.3	65.6	67.9	9%	3.5%	61	111.3%
CUSTOMER SATISFACTION							
Employer	72.6	75	73.7	1.5%	-1.7%	69.4	106.2%
Participant	71.4	68.9	71.1	-0.4%	3.2%	71	100.1%
Source: USDOL Region V. (1) Employment Retention Rates and Earnings Change measures are common measure definitions derived from WIASRD data. (2) Employment Retention Rate outcomes include supplemental employment information.							

In spite of some slight declines in performance, Illinois 2005 outcomes are at or above the national Government Performance and Results Act (GPRA) targets for eleven (11) of the 15 measures for which targets have been set and in no case less than 96.9% of these national targets.

As can be seen from Table 13, Illinois performance has declined since PY 2003 for only four of seventeen measures. These performance declines are due mostly to three factors

- The increased share of total exiters accounted for by hard to serve customers.
- The culmination of program designs that are in the process of increasing the number of adults who enter training programs that focus on higher wage occupations.

Table 14 compares Illinois and national performance outcomes. Illinois' performance outcomes in PY 2005 generally varied from the national average with an average overall variance of 3.3%.

Table 14: Comparison of Illinois and National Outcomes for PY 2005

Measure	National Performance for PY 2005	Illinois Performance for PY 2005	Illinois variance from National Average
Adult Entered Employment Rate	77%	74.5%	-3.2%
Adult Employment Retention Rate	83%	82%	-1.2%
Adult Average Earnings	\$11,208	\$10,756	-4%
Adult Employment and Credential Rate	68%	63.9%	-6%
Dislocated Worker Entered Employment Rate	83%	85%	2.4%
Dislocated Worker Employment Retention Rate	88%	90.5%	2.8%
Dislocated Worker Average Earnings	\$14,150.	\$15,390	8.8%
Dislocated Worker Employment and Credential Rate	68%	68.9%	0.1%

Youth Skills Attainment Rate	84%	81.6%	-2.9%
Youth Diplomas and Equivalent Rate	65%	74.3%	14.3%
Youth Placement and Retention Rate	69%	67.9%	-1.6%
Youth Entered Employment Rate	76%	71.4%	-6.1%
Youth Employment Retention Rate	83%	81.4%	-1.6%
Youth Earnings Change	\$3,769	\$3,772	.01%
Youth Credential Attainment Rate	53%	61.8%	16.6%
Participant Customer Satisfaction Index	80%	71.1%	-11.1%
Employer Customer Satisfaction Index	75%	73.7%	-1.7%
Average Variance			3.3%

As can be seen in Table 14, Illinois performed at or above the national average for 7 of the seventeen measures. The most significant positive variances were for the youth credential attainment rate (16.6% above the national average) and youth diploma equivalent rate (14.3% above the national average). This signifies Illinois continuous commitment to serving the hard-to-serve, neediest out of school youth and those at risk for dropping out.

Continuous Improvement in State Performance: Illinois remains committed to continuous improvement of its performance within an overall framework that recognizes the importance of setting realistic and attainable goals that enable service to a broader range of individuals and to customers with barriers to employment. The state also takes into consideration the economic setting in which the programs operate.

Illinois is proposing to meet or increase 11 of its performance goals (relative to PY 2006) for PY 2007 and increase 12 of its measures for PY 2008. Illinois is proposing goals that exceed the applicable GPRA level for eight of the fifteen measures for which a GPRA level has been set. Furthermore, we are proposing goals that are close to the GPRA for the remaining seven measures.

Optimal Return on Investment of Federal Funds: The greatest return on investment comes from focusing training services on the hardest to serve customers. For youth, this means mostly the out-of-school population and those in-school youth at risk of dropping out. For adults, it means those with limited work histories, a history of welfare dependency, or other serious skill deficiencies. For dislocated workers, it means those with pre-dislocation wages that are high relative to their skill levels. Illinois encourages its local programs to serve these target populations.

In addition, Illinois implemented a major effort via the Critical Skill Shortages Initiative (CSSI) and other actions as described in this Plan, to reverse the decline in occupational skills training that has been observed in WIA Title I-B, and increase the responsiveness of the system to labor market demands.

One of the problems of the performance accountability system under WIA is that the only way that LWIAs can get a “break” for serving these hard to serve customers is through the negotiation process. There are no models that adjust for service mix, and the targeting requirements are minimal. States need to have the room to pursue this targeting effort, by ensuring that goals are set which are not unrealistically high. Illinois believes that this strategy will yield the best overall long-term return on investment.

Wagner-Peyser Performance Goals:

Labor Exchange Performance Goals for PY 2007 and PY 2008

The Illinois Department of Employment Security has established PY 2007 performance goals for its labor exchange programs as follows:

Entered Employment Rate (EER): 66.5%
Employment Retention Rate (ERR): 82.5%
Average Earnings: \$14,000

We have also established PY 2008 performance goals as follows:

Entered Employment Rate (EER): 66.8%
Employment Retention Rate (ERR): 82.8%
Average Earnings: \$14,150

In establishing these benchmarks, IDES reviewed quarterly performance data for PY 2006 and end of year PY 2005 and used this data as the primary predictors for performance in the forthcoming program years. IDES believes that the PY 2006 data remains the best available predictor of performance. For each measure, we reviewed the last three quarters for which there are data to assist in establishing the goals.

In addition to this performance data, we considered economic factors, budget projections, and changes in operational procedures which we are implementing. We also compared performance levels to those established for Wagner-Peyser programs under the Government Performance and Results Act of 1993 (GPRA).

Entered Employment Rate

PY 2006 Goal: 63%
Actual Performance PY 2006: 66.2%
Proposed PY 2007 Goal: 66.5%
Proposed PY 2008 Goal: 66.8%
DOL GPRA PY 2007 Goal: 65%
DOL GPRA PY 2008 Goal: 65%

Employment Retention Rate

PY 2006 Goal: 81.5%
Actual Performance PY 2006: 81.8%
Proposed PY 2007 Goal: 82.5%
Proposed PY 2008 Goal: 82.8%
DOL GPRA PY 07 Goal: 82%
DOL GPRA PY 08 Goal: 82%

Average Earnings

PY 2006 Goal: \$13,900
Actual Performance PY 2006: \$15,311
Proposed PY 2007 Goal: \$14,000
Proposed PY 2008 Goal: \$14,150
DOL GPRA PY 07 Goal: \$10,750
DOL GPRA PY 08 Goal: \$11,000

Several factors were taken into consideration in projecting 2007 and 2008 performance at these levels:

- The most recent unemployment rate for the state -- 4.2% for March 2007 -- is close to the all time low of 4.0 in November 2006. It is worth noting that our last available quarter of data coincides with this all time low in our unemployment rate. While predictions about the future of the Illinois labor market may vary, it seems unlikely that the general employment picture for the State can improve significantly, and may in fact have reached its high mark.
- Illinois' State minimum wage is higher than all surrounding states. This factor affects our average earnings, thus contributing to the actual average earnings increasing significantly in PY 2006. In addition, the actual performance data for December 2006 of \$15,311 seems to be an aberration as the previous quarter had been only \$13,791. Our proposals are significantly higher than the GPRA for both PY 2007 (30.2%) and PY 2008 (28.6%).
- The agency has placed a major emphasis on placing formerly incarcerated individuals through its Re-entry Services Program (RESP). Since January, 2005, RESP has placed over 2000 formerly incarcerated individuals. This group is among the most difficult to place into jobs, and can be expected to negatively affect the EER measure.
- Continuation of budget cuts to Illinois' Wagner Peyser funding will negatively affect staffing levels for the program.

X. STATE ADMINISTRATION

- D. Performance Management and Accountability. Improved performance and accountability for customer-focused results are central features of WIA. To improve, states need not only systems in place to collect data and track performance, but also systems to analyze the information and modify strategies to improve performance. (See Training and Employment Guidance Letter (TEGL) 15-03, Common Measures Policy, December 10, 2003.) In this section, describe how the State measures the success of its strategies in achieving its goals, and how the State uses this data to continuously improve the system.
2. Describe any targeted applicant groups under WIA Title I, the Wagner-Peyser Act or Title 38 chapters 41 and 42 (Veterans Employment and Training Programs) that the State tracks. (§§111(d)(2), 112(b)(3) and 136(b)(2)(C).)
 3. Identify any performance outcomes or measures in addition to those prescribed by WIA and what process the State is using to track and report them?
 4. Describe the State's common data system and reporting processes in place to track progress. Describe what data will be collected from the various One-Stop partners (beyond that required by DOL), use of quarterly wage records (including how your State accesses wage records), and how the Statewide system will have access to the information needed to continuously improve. (§112(b)(8)(B).)
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Applicant Tracking Groups: Illinois tracks the provision of services to low-income adults under Title I-B in order to measure compliance with the state's policy regarding service priority for intensive and training services. Illinois also tracks the provision of services to out-of-school youth and dislocated workers under Title I-B in order to measure compliance with the statutory targeting requirements for these customers, and the provision of services to TAA/NAFTA impacted workers under the Trade Act in order to measure compliance with the statutory targeting requirements for these customers.

In addition to the required groups, Illinois supports the development of service and outcome information for a wide array of demographic and service intervention categories, to support local targeting policies, and to provide useful baseline information for performance management. This includes performance outcome information for the following groups:

- Persons with low pre-program earnings,
- Persons with less than a high school diploma,
- TANF recipients,
- Persons receiving intensive services only,
- Persons receiving training services,
- UI profilees,
- Substance abusers,
- Persons aged 50 years or more,

- Persons with a developmental disability,
- Persons with disabilities,
- Math deficient persons,
- Reading deficient persons,
- Teenage parents, and
- Veterans.

The Illinois Workforce Development System (IWDS) includes additional reports, which provide substantial additional information on all of the demographic categories, including gender, age, and racial/ethnic categories. LWIAs may view the number of clients (total registrants, new registrants) by program year and title, the service level (intensive, training), the number of exiters and an average wage at placement for each of these demographic categories.

Additional State Measures: Illinois has not established any additional formal measures of performance for its State and local workforce system, as permitted under Section 136. Illinois has determined that the existing seventeen core measures provide significant performance pressure, especially in light of the requirement that failure to achieve the performance goal for even a single measure is considered overall failure to meet performance goals. In the context of a revised performance accountability system under reauthorization of WIA, the State may reassess this decision, assuming the eight DOL common measures are the only formal accountability measures imposed on States. However, the state has established benchmarks that are used to gauge the overall improvement of the workforce development system. These benchmarks are described in response to Question X.D.5.

Common Data Systems: Illinois has systems in place for the coordination and sharing of data among partner programs as outlined in the Workforce Investment Act (WIA). The Department of Commerce and Economic Opportunity (DCEO), the Illinois Department of Employment Security (IDES) and the Illinois Department of Human Services (DHS) have long standing data sharing agreements in place. These agreements facilitate access between partner programs to data on common customers while minimizing duplicative systems costs. Data that is most often shared facilitates the coordination of services to customers; allows for common reporting; and, provides for the calculation of performance outcomes. Service coordination is enhanced through the use of shared data to determine program eligibility, report on job placements, and track a customer's progression through the workforce development system.

Illinois is in the process of supplementing existing data sharing arrangements between IDES and DCEO to include partner program service information. This will allow us to meet the requirement for cross partner program participation periods and work toward consolidated performance reporting as required by the new WISPR (Workforce Investment Streamlined Performance reporting).

DCEO, which oversees Title I-B and Trade Act programs, has a robust data system in place to facilitate service to customers. Through the Illinois Workforce Development System (IWDS), data is stored on each customer from self service to program enrollment through follow-up after job placement. Its function for issuing customer swipe cards helps to facilitate self-service tracking and reporting which will identify those activities that best support job placement. This

system is capable of producing reports on common customers such as job seekers, TANF recipients, and UI claimants. When requested, reports are produced for common customers that have received services.

IDES, which administers the Employment Service programs in Illinois, uses the Illinois Skills Match (ISM) system to collect data on job seeker and employer customers. ISM is an Internet-based system with a centralized database.

Each of the major workforce program partners in Illinois collect Social Security Numbers (SSNs) on their clients. Illinois has extensive experience in matching these files to identify common clients to support case management, program administration, and evaluation activities.

DCEO and IDES will continue to develop processes, procedures and technological solutions to permit identification of each customer and associated data record using a unique identifier (not SSN), as required by DOL.

Use of Quarterly Wage Records: Quarterly, a file with the SSNs of all customers enrolled or exited from Illinois' WIA Title I-B and Trade Act programs is sent from DCEO to IDES. This file is matched with the statewide database of Unemployment Insurance (UI) covered wage records. Quarterly wage information is returned for all matches. The UI wage data is incorporated into IWDS, and is used to compute outcomes for the applicable performance standards. All Illinois wages obtained via this process are viewable for each client for case management.

Each Illinois LWIA executed a Shared Data Agreement with IDES, which permits them to view these records for their customers with appropriate protections for individual and employer privacy. Under these agreements, LWIA and DCEO staff have access to a variety of online UI and Trade Act data screens. These are utilized for reviewing information related to eligibility. This also allows the LWIAs to verify that client employment and wage records have been properly recorded.

X. STATE ADMINISTRATION

- D. Performance Management and Accountability. Improved performance and accountability for customer-focused results are central features of WIA. To improve, states need not only systems in place to collect data and track performance, but also systems to analyze the information and modify strategies to improve performance. (See Training and Employment Guidance Letter (TEGL) 15-03, Common Measures Policy, December 10, 2003.) In this section, describe how the State measures the success of its strategies in achieving its goals, and how the State uses this data to continuously improve the system.
5. Describe any actions the Governor and State Board will take to ensure collaboration with key partners and continuous improvement of the Statewide workforce investment system. (§§111(d)(2) and 112(b)(1).)

6. How do the State and local boards evaluate performance? What corrective actions (including sanctions and technical assistance) will the State take if performance falls short of expectations? How will the State and local Boards use the review process to reinforce the strategic direction of the system? (§§111(d)(2), 112(b)(1), and 112(b)(3).)
-

Continuous Improvement through Benchmarking: In July of 2003, the Illinois General Assembly passed legislation (Public Act 93-0331) requiring the Illinois Workforce Investment Board (IWIB) to implement a method for measuring progress of the state's workforce development system using evaluative benchmarks. Benchmarking is a general planning and evaluation tool that states may use to measure progress on major indicators of performance compared to other states, especially major competitor states. Benchmarks are designed to identify Illinois' relative strengths and weaknesses compared to other states to stimulate discussion and further analysis.

Public Act 93-0331 defines a series of benchmarks and requires that the IWIB report annually to the General Assembly on progress on each measure. The benchmarks were drawn from previous work of the IWIB, which had sought to create a mechanism to measure the progress of the Illinois workforce development system. This state Act requires that the IWIB identify the most significant early indicators for each benchmark, establish a mechanism to collect data, track the benchmarks on an annual basis, and then use the results to set goals. This is to be done to inform planning and to ensure the effective use of state resources.

As listed below, Illinois' benchmarks for workforce development are designed to provide a comprehensive and balanced picture of workforce development and ensure collaboration with key partners and continuous improvement of the statewide workforce investment system. The first six benchmarks measure workforce quality and are arranged in an order that tracks the educational life of a worker through various educational milestones.

- Educational level of working-age adults
- Percentage of the adult workforce in education or workforce training
- Adult literacy
- Percentage of high school graduates transitioning to education or workforce training
- High school dropout rate
- The number of youth transitioning from 8th grade to 9th grade

The next two benchmarks focus on the earnings of the Illinois workforce since earnings is an indicator of the quality of the workforce.

- Percentage of individuals and families at economic self-sufficiency
- Average growth in earnings

The final two benchmarks are key indicators of Illinois' competitive business advantage.

- Net job growth

- Productivity per employee

The IWIB produced the first benchmark report in 2003. The State Board established a working group in April 2004 to update the report. In December of 2004, the IWIB reviewed the draft of the second annual report to the General Assembly titled, *Measuring Progress: Benchmarking Workforce Development in Illinois*. Outcomes to be published in this report are currently being validated and will be submitted to the General Assembly when that process is complete.

Evaluation and Corrective Action: Illinois implemented a process for evaluation of local performance that conforms to the requirement of the Workforce Investment Act (WIA) and closely follows the evaluation process implemented by U.S. Department of Labor (DOL) for states. The basis for the state's system was drawn from a review of the consultation papers and discussions with DOL's national and regional office staff at the implementation of WIA. The following points summarize the state's process.

- A range of acceptable performance is established for each federal performance measure for each local workforce investment area (LWIA). The top of the range reflects the level for each measure, as agreed to through negotiations with DOL. Multiplying the negotiated level for each measure by 80 percent sets the bottom of the range.
- The determination that the negotiated levels of performance for Title I-B programs were exceeded is based on the LWIA's cumulative achievement for each program area (adults, dislocated workers and youth) and the customer satisfaction measures. In order to be judged as having *exceeded* the goals, no individual program may have a cumulative average of less than 100 percent of the *negotiated* performance levels.
- The determination that the negotiated levels of performance for Title I-B programs were met is based on the LWIAs cumulative achievement for each program area (adults, dislocated workers and youth) and the customer satisfaction measures. In order to be deemed to have *met* the goals, no individual program may have a cumulative average of less than 100 percent of the *lower level of acceptable performance*, as defined above.
- The overall definition of success and failure for Title I-B programs is based solely on the required core measures of performance as defined by DOL.
- Illinois continuously monitors the performance outcomes for each LWIA and provides technical assistance to each LWIA to assist local programs in meeting and exceeding their negotiated performance goals. This includes staff development and other training opportunities, participation in the state's continuous improvement efforts, and use of the IWDS system to provide client-level performance updates to all case managers.
- LWIAs failing to meet their goals for one year receive targeted technical assistance, which includes a determination of the reason(s) for failure and the development of a performance improvement plan designed to improve performance outcomes to acceptable levels. Modification of the local plan may also be undertaken at this point.

- LWIAs failing to meet their goals for two consecutive years in a particular program area (adults, dislocated workers and youth) are subject to the implementation of a reorganization plan in accordance with Section 136(h) of the Act. Such reorganization plan may (a) require the appointment and certification of a new local board, (b) prohibit the use of eligible providers and one-stop partners identified as achieving a poor level of performance, or (c) other actions as determined by the Governor to be appropriate.
- Evaluation of core performance outcomes is integrated into Illinois' overall strategy for continuous improvement as described in this plan. Local workforce investment boards (LWIBs) have been encouraged to integrate the use of the performance outcomes into their local continuous improvement planning.
- Illinois has an appeals process relating to the potential imposition of any reorganization plan, as required by Section 136(h)(2)(B) of the Act, after consultation with LWIBs and chief elected officials.

X. STATE ADMINISTRATION

D. Performance Management and Accountability. Improved performance and accountability for customer-focused results are central features of WIA. To improve, states need not only systems in place to collect data and track performance, but also systems to analyze the information and modify strategies to improve performance. (See Training and Employment Guidance Letter (TEGL) 17-05, Common Measures Policy, February 17, 2006.) In this section, describe how the State measures the success of its strategies in achieving its goals, and how the State uses this data to continuously improve the system.

7. What steps has the State taken to prepare for implementation of new reporting requirements against the common performance measures as described in Training and Employment Guidance Letter (TEGL), 17-05, February 17, 2006, Common Measures Policy. In addition what is the State's plan for gathering baseline data and establishing performance targets for the common measures? NOTE: ETA will issue additional guidance on reporting requirements for common measures.
8. Include a proposed level for each performance measure for each of the two program years covered by the Plan. While the plan is under review, the state will negotiate with the respective ETA Regional Administrator to set the appropriate levels for the next two years. States must identify the performance indicators required under section 136, and for each indicator, the State must develop an objective and quantifiable performance goal for two program years. States are encouraged to address how the performance goals for local workforce investment areas and training providers will help them attain their statewide performance goals. (§§112(b)(3) and 136.)

Preparation for New Reporting Requirements: Illinois has completed reporting system changes that were required by reporting requirements issued by ETA via the March 29, 2005 Federal Register Notices, and has begun the technical analysis of the reporting system changes required by the revised reporting requirements recently issued by ETA via the November 6, 2006 Federal Register Notices.

Illinois will monitor any additional reporting guidance that is issued on the common measures, and will consult with the Regional Office as necessary to seek clarification on any of these instructions. DCEO will implement changes to support the additional data collection and reporting requirements, including processes used jointly by DCEO and IDES to establish a statewide common identifier, share participant service periods information across partner programs, and work toward consolidated performance reporting as required by the new WISPR (Workforce Investment Streamlined Performance reporting).

Illinois will continue to monitor the progress of WIA and trade reauthorization legislation, especially those provisions relating to performance accountability.

Proposed Levels of Performance: The state's final negotiated levels of performance are presented in Table 12. This table will be updated after negotiation is complete.

X. STATE ADMINISTRATION

E. Administrative Provisions

1. Provide a description of the appeals process referred to in §116(a)(5)(m).

2. Describe the steps taken by the State to ensure compliance with the non-discrimination requirements outlined in §188.

No appeals to the State's designation process were received in response to the initial area designations. At the time of the original designations, appeals to area designations were to be made directly to the Deputy Governor for Education and Workforce Development. With the change of state administrations, the process has changed under Governor Rod R. Blagojevich. If a designation process is undertaken during the period of this plan, appeals may be submitted to the Director of the Department of Commerce and Economic Opportunity.

The state of Illinois has developed and adheres to its Methods of Administration (MOA), which was developed in accordance with 29 CFR Part 37 and Section 188 of the Workforce Investment Act (WIA). The MOA was developed by the Governor of the state of Illinois in conjunction with the workforce investment system partners, and was approved by the U.S. Department of Labor (DOL), Civil Rights Center, on July 14, 2006. The MOA is designed to give "a reasonable guarantee" that all Illinois recipients will comply, and are complying, with the nondiscrimination and equal opportunity (EO) provisions of the WIA and 29 CFR Part 37. DCEO maintains a copy of its MOA on its Web site in order to ensure that it is accessible to all WIA recipients.

The Governor designated DCEO to implement and administer the provisions of 29 CFR Part 37 and Section 188. The Director of DCEO has ultimate responsibility for administration of the nondiscrimination and equal opportunity provisions of 29 CFR Part 37 and Section 188 on behalf of the Governor.

The Director appointed a State EO Officer within DCEO for Illinois' workforce investment system. The State EO Officer has overall responsibility for coordinating, implementing, and monitoring the state's adherence to the provisions of Section 188. In addition, the department also hired a Compliance Manager and a Monitor to assist with the EO responsibility. The State EO Officer reports EO matters directly to the Deputy Director of DCEO who is responsible for implementing WIA.

Each of the 26 workforce investment areas has appointed an EO Officer who reports to the Executive Director of the LWIA, who in turn reports to the chief elected official of the LWIA. Each CEO and Director is responsible for adherence to Section 188 in its workforce investment area and the EO Officer monitors compliance.

The State EO Officer conducts EO training on a periodic basis and conducts, or is responsible for conducting, periodic EO monitoring reviews of its partners and service providers to ensure compliance with Section 188 and Part 37. The State EO Officer processes complaints filed with the state. Local EO Officers also process discrimination complaints which are filed at the local area for their workforce investment areas.

Policy regarding the DCEO MOA and EO complaint and hearing process has been updated and is currently available online at <http://www.illinoisbiz.biz/NR/rdonlyres/95D94771-0E03-4DC5-B3CE-B66990113116/0/WIAEEOMOArev06082.pdf>.

ATTACHMENT A

O*NET Knowledge / Skill Descriptions

O*NET Descriptors refer to categories of occupational information collected and available for O*NET-SOC occupations.

Knowledge - Organized sets of principles and facts applying in general domains.

Administration and Management: Knowledge of business and management principles involved in strategic planning, resource allocation, human resources modeling, leadership technique, production methods, and coordination of people and resources.

Biology: Knowledge of plant and animal organisms, their tissues, cells, functions, interdependencies, and interactions with each other and the environment.

Building and Construction: Knowledge of materials, methods, and the tools involved in the construction or repair of houses, buildings, or other structures such as highways and roads.

Chemistry: Knowledge of the chemical composition, structure, and properties of substances and of the chemical processes and transformations that they undergo. This includes uses of chemicals and their interactions, danger signs, production techniques, and disposal methods.

Clerical: Knowledge of administrative and clerical procedures and systems such as word processing, managing files and records, stenography and transcription, designing forms, and other office procedures and terminology.

Communications and Media: Knowledge of media production, communication, and dissemination techniques and methods. This includes alternative ways to inform and entertain via written, oral, and visual media.

Computers and Electronics: Knowledge of circuit boards, processors, chips, electronic equipment, and computer hardware and software, including applications and programming.

Customer and Personal Service: Knowledge of principles and processes for providing customer and personal services. This includes customer needs assessment, meeting quality standards for services, and evaluation of customer satisfaction.

Design: Knowledge of design techniques, tools, and principles involved in production of precision technical plans, blueprints, drawings, and models.

Economics and Accounting: Knowledge of economic and accounting principles and practices, the financial markets, banking and the analysis and reporting of financial data.

Education and Training: Knowledge of principles and methods for curriculum and training design, teaching and instruction for individuals and groups, and the measurement of training effects.

Engineering and Technology: Knowledge of the practical application of engineering science and technology. This includes applying principles, techniques, procedures, and equipment to the design and production of various goods and services.

English Language: Knowledge of the structure and content of the English language including the meaning and spelling of words, rules of composition, and grammar.

Fine Arts: Knowledge of the theory and techniques required to compose, produce, and perform works of music, dance, visual arts, drama, and sculpture.

Food Production: Knowledge of techniques and equipment for planting, growing, and harvesting food products (both plant and animal) for consumption, including storage/handling techniques.

Foreign Language: Knowledge of the structure and content of a foreign (non-English) language including the meaning and spelling of words, rules of composition and grammar, and pronunciation.

Geography: Knowledge of principles and methods for describing the features of land sea, and air masses, including their physical characteristics, locations, interrelationships, and distribution of plant, animal, and human life.

History and Archeology: Knowledge of historical events and their causes, indicators, and effects on civilizations and cultures.

Law and Government: Knowledge of laws, legal codes, court procedures, precedents, government regulations, executive orders, agency rules, and the democratic political process.

Mathematics: Knowledge of arithmetic, algebra, geometry, calculus, statistics, and their applications.

Mechanical: Knowledge of machines and tools, including their designs, uses, repair, and maintenance.

Medicine and Dentistry: Knowledge of the information and techniques needed to diagnose and treat human injuries, diseases, and deformities. This includes symptoms, treatment alternatives, drug properties and interactions, and preventive health-care measures.

Personnel and Human Resources: Knowledge of principles and procedures for personnel recruitment, selection, training, compensation and benefits, labor relations and negotiation, and personnel information systems.

Philosophy and Theology: Knowledge of different philosophical systems and religions. This includes their basic principles, values, ethics, ways of thinking, customs, practices, and their impact on human culture.

Physics: Knowledge and prediction of physical principles, laws, their interrelationships, and applications to understanding fluid, material, and atmospheric dynamics, and mechanical, electrical, atomic and sub- atomic structures and processes.

Production and Processing: Knowledge of raw materials, production processes, quality control, costs, and other techniques for maximizing the effective manufacture and distribution of goods.

Psychology: Knowledge of human behavior and performance; individual differences in ability, personality, and interests; learning and motivation; psychological research methods; and the assessment and treatment of behavioral and affective disorders.

Public Safety and Security: Knowledge of relevant equipment, policies, procedures, and strategies to promote effective local, state, or national security operations for the protection of people, data, property, and institutions.

Sales and Marketing: Knowledge of principles and methods for showing, promoting, and selling products or services. This includes marketing strategy and tactics, product demonstration, sales techniques, and sales control systems.

Sociology and Anthropology: Knowledge of group behavior and dynamics, societal trends and influences, human migrations, ethnicity, cultures and their history and origins.

Telecommunications: Knowledge of transmission, broadcasting, switching, control, and operation of telecommunications systems.

Therapy and Counseling: Knowledge of principles, methods, and procedures for diagnosis, treatment, and rehabilitation of physical and mental dysfunctions, and for career counseling and guidance.

Transportation: Knowledge of principles and methods for moving people or goods by air, rail, sea, or road, including the relative costs and benefits.

ATTACHMENT B

Small Business Services

Information and Technical Assistance:

- **Illinois Entrepreneurship Network (IEN):** The IEN provides entrepreneurs with coordinated access to small business consulting, entrepreneurship training, entrepreneurship development services and other tools they need to help make their ventures successful. Anchored by the new Entrepreneurship Centers, the IEN builds on the existing infrastructure of the Business Information Center, the Small Business Development Centers, Procurement Technical Assistance Centers, the Illinois Technology Enterprise Centers, the Manufacturing Extension Centers and the Small Business Environmental Assistance Program.
- **Entrepreneurship Centers:** Among the many specialized resources the new Entrepreneurship Centers offer is a financial award program to assist pre-venture entrepreneurs or existing small businesses with obtaining professional services for comprehensive business plan assistance, evaluation of a proposed start up or expansion, or other accelerated support purposes. Award funding is determined based on the potential for successful achievement of a significant business milestone for client firms. Maximum funding per award is up to \$5,000 of eligible project costs. Applicants are required to provide a cash match of 100% of the award amount.
- **IEN Business Information Center:** The IEN Business Information Center (formerly First-Stop) provides individuals and businesses with access to information and referral assistance to guide them through the permitting, licensing and regulatory processes. The IEN Business Information Center can also link them to other available resources that can help them comply with government regulations and enhance their competitiveness.
- **Small Business Regulatory Flexibility Program:** The IEN Business Information Center also conducts impact analyses of proposed rules and regulations affecting the small business community and can suggest ways of making the rules more flexible, or cost effective or restrictive for small business. In some instances, small businesses may be exempted completely from compliance. The program publishes *Regulatory Alert*, summarizing rules proposed during the previous week that have the potential to affect small business. Published each Monday, *Regulatory Alert* is designed to inform and involve the public regarding changes taking place in licensing, registration and permitting.
- **Small Business Development Centers (SBDCs):** Small Business Development Centers located throughout the state provide assistance to new and existing small businesses. Services include: (a) one-on-one business counseling and management assistance; (b) assistance with the development of business plans; (c) help accessing marketing information and the development of business plans; (d) business financing programs; (e) assistance with financial analysis and planning; and (f) access to business education and training opportunities.

- **Procurement Technical Assistance Centers (PTACs):** PTACs provide one-on-one counseling, technical information, marketing assistance and training to existing Illinois businesses that are interested in selling their products and/or services to local, state, or federal government agencies. The services are offered through PTACs located at community colleges, universities, chambers of commerce, and business development organizations.
- **SBDC International Trade Centers (ITC)/ NAFTA Opportunity Centers (NOC):** The ITCs provide information, counseling and training to existing, new-to-export Illinois companies interested in pursuing international trade opportunities. The NOCs provide specialized assistance to those firms seeking to take advantage of the trade opportunities in Mexico and Canada made possible by the North American Free Trade Agreement.
- **Illinois Technology Enterprise Centers (ITECs):** Illinois Technology Enterprise Centers serve technology-based entrepreneurs, innovators, and small businesses by assisting them with critical business startup and marketing needs. The regional centers, supported by DCEO, help entrepreneurs locate pre-seed and early stage financing; help innovators in high growth and high technology sectors further their technical and/or managerial skills, and assist with new product development and marketing, thus nurturing new venture development in Illinois.
- **Manufacturing Extension Partnership of Illinois (MEPI):** Through the Manufacturing Extension Partnership of Illinois, DCEO provides access for manufacturers to information and technology expertise enabling them to modernize their operations and become more efficient. With manufacturing professionals operating out of regional offices throughout the state, services range from assessments of a firm's overall competitive position to projects employing advanced technologies and modern business practices to solve specific problems and enhance a firm's competitiveness. The MEPI also funds projects to assist firms involved in environmental assessments or multi-company collaborative efforts. DCEO, the Illinois Board of Higher Education, the U.S. Department of Commerce, City of Chicago, and local institutions jointly fund MEPI.
- **Illinois Small Business Environmental Assistance Program:** The Illinois Small Business Environmental Assistance Program helps small businesses understand and comply with state and federal air pollution regulations. The program serves as a free, confidential and non-regulatory resource to small business owners around the state. Staff creates "plain language" publications, answer compliance questions, respond to written and verbal regulatory inquiries, coordinate environmental compliance workshops, and direct businesses to other pertinent technical assistance providers. Services include a toll-free help-line, on-site consultation, and permit applications on the DCEO Web site. Free business assistance tools include: easy-to-read regulatory fact sheets and guides, Directories of Environmental Consultants and Resources, and a quarterly newsletter called Clean Air Video Clips.
- **Business and Industry Data Center Program (BIDC):** The Business and Industry Data Center Program was started in 1988 by the U.S. Census Bureau as an expansion of the State Data Center Program. The BIDC Program is designed to meet the growing need by decision makers for effective use of economic statistics. Illinois is helping meet this need by providing

small businesses, independent contractors and future businesses in Illinois convenient access to statistical data and other sources of usable information. The goal is to enhance the ability of small businesses to plan, market, manage, and expand their businesses in Illinois and throughout the world. BIDC affiliates have been created throughout the state. These affiliates are responsible for working directly with small businesses and other data users, providing basic census, and demographic information, offering technical assistance.

- **Small Business Set-Aside Program:** Recognizing that small businesses are a driving force in creating jobs and revitalizing the state's economy, Governor. Blagojevich recently signed legislation that bolsters the ability of more small businesses to compete for state contracts by increasing the number of small businesses eligible for the Small Business Set-Aside Program (SBSP). Effective January 1, 2005, an Illinois business may register and be certified as a small business under SBSP if the following criteria are met:
 - ▶ Wholesale businesses with annual sales and receipts of \$10 million or less;
 - ▶ Retail businesses or businesses selling services with annual sales and receipts of \$6 million or less;
 - ▶ Construction businesses with annual sales and receipts of \$10 million or less; or,
 - ▶ Manufacturing companies that employ 250 people or less.

By earmarking certain state contracts for businesses that meet these criteria, SBSP supports the state's policy to promote and encourage continuous economic development of Illinois small businesses.

- **Illinois Small Business Energy Program:** DCEO provides energy conservation and energy efficiency information and technical assistance to Illinois businesses, with services including on-site walk-through energy surveys, small business energy educational seminars, and the "Motor Master" computer software program.
- **Surety Bond Guaranty Program:** The program is designed to assist Illinois' small, minority and women contractors with technical assistance; help them receive experience in the industry; and assist in obtaining bid, performance and payment funds for government, public utility, and private contracts.

Grants and Loans:

- **Illinois Capital Access Program:** The Illinois Capital Access Program (CAP) is designed to encourage financial institutions to make loans to small and new businesses that do not qualify under conventional lending policies. CAP is a form of loan portfolio insurance, which provides additional reserve coverage to the lender on loan defaults. By participating in CAP, lenders have available to them a proven financing mechanism to meet the needs of financial institutions and Illinois small businesses.
- **Participation Loan Program:** DCEO works with banks and other conventional lenders to provide financial assistance to small businesses that will employ Illinois workers. The state

will participate in loans up to 25 percent of the total amount of a project, but not less than \$10,000, nor more than \$750,000.

- **Minority, Women and Disability Participation Loan Program:** Similar to the Participation Loan Program, except that participation may not exceed 50 percent of the total project to maximum of \$50,000.
- **Enterprise Zone Financing Program:** Similar to the Participation Loan Program, except that DCEO will generally provide favorable interest rates to businesses either locating in or expanding in one of the 93 certified enterprise zones located throughout the state.
- **Development Corporation Participation Loan Program:** This program provides financial assistance through a Development Corporation to small businesses that provide jobs to workers in the region served by the Development Corporation. The state will participate in loans up to 25 percent of the total amount of a project, but not less than \$10,000, nor more than \$750,000.
- **The Technology Venture Investment Program (TVIP):** The Technology Venture Investment Program was created to provide seed and early stage capital, in the form of a qualified security investment, to Illinois entrepreneurs that are developing an advanced technological device or process commercially exploitable by Illinois businesses. DCEO may invest up to \$500,000, but no more than 50 percent of the equity financing of the project. A qualified co-investor(s) with expertise in the related field of technology must assume at least 50 percent of the additional equity contribution.
- **Community Services Block Grant Loan Program (CSBG):** This program provides long-term, fixed-rate financing to new or expanding businesses that create jobs and employment opportunities for low-income individuals. The program links federal, state and private financing by using CSBG funds at low interest rates in combination with bank funds and equity.
- **Employer Training Investment Program (ETIP):** This state-funded program assists Illinois companies in training new workers or upgrading the skills of their existing workers. ETIP grants may be awarded to individual companies, multi-company efforts and intermediary organizations offering multi-company training.
- **Technology Challenge Grant Program:** The Technology Challenge Grant Program provides grants to fund science and technology projects, partnerships between universities and industry, high-tech commercialization projects, transfer projects and infrastructure improvements.
- **Illinois Technology Enterprise Development and Investment Program:** Provides investment, loans or qualified security investments to or on behalf of young or growing businesses in cooperation with private investment companies, private investors or conventional lending institutions. Investors assume a portion of the investment loan or

financing for a business project. New or emerging businesses also are eligible through financial intermediaries as they commercialize advanced technology projects.

- **Recycling Industry Modernization (RIM) Program:** The Recycling Industry Modernization Program provides grants to manufacturers to encourage them to modernize their operations and divert materials from the solid waste stream. RIM projects require the use of recycled materials and/or solid waste reduction activities. Grants of \$30,000 are available for modernization assessments, with grants up to \$150,000 available for modernization implementation projects. Grants require an applicant investment.
- **Recycling Market Development Program:** Provides grants to encourage private-sector investment in the manufacture, marketing and procurement/demonstration of products containing recycled commodities. These funds may be used for capital equipment, certain marketing expenses, and to offset costs to procure and demonstrate the use of recycled-content products. The Recycling Market Development Program provides grants up to \$250,000. Grants require an applicant investment.

ATTACHMENT C

Services Matrix for Comprehensive Centers in Illinois

<i>Required Partner Program (State-Level Partner)</i>	<i>Core Services Provided¹</i>	<i>Other Services Provided²</i>
WIA services to adults (DCEO)	<ul style="list-style-type: none"> • Initial eligibility determination • Outreach, intake and orientation <ul style="list-style-type: none"> • Initial assessment of skills • Job search and placement assistance • Employment statistics information • Program performance and cost information • Information on local performance, supportive services and UI • Assistance establishing eligibility for financial aid for education • 12 month follow-up for WIA registrants 	Intensive and training services as defined by WIA
WIA services to dislocated workers (DCEO)	Same as for adults	Same as for adults
WIA services to youth (DCEO)	Same as for adults and dislocated workers	Same as for adults and dislocated workers
WIA Veterans Workforce Programs (IDES)	<ul style="list-style-type: none"> • Eligibility determination • Outreach and intake, plus orientation where resources allow • Initial assessment of supportive service needs • Job search and placement assistance (not counseling) • Employment statistics information • Program performance information • Information on local performance, supportive services and UI 	Individual employment plan development and case management services for veterans

¹ Core services are defined as those services, which the state-level partner provides to customers of its programs, and which will therefore be provided at all comprehensive centers in Illinois.

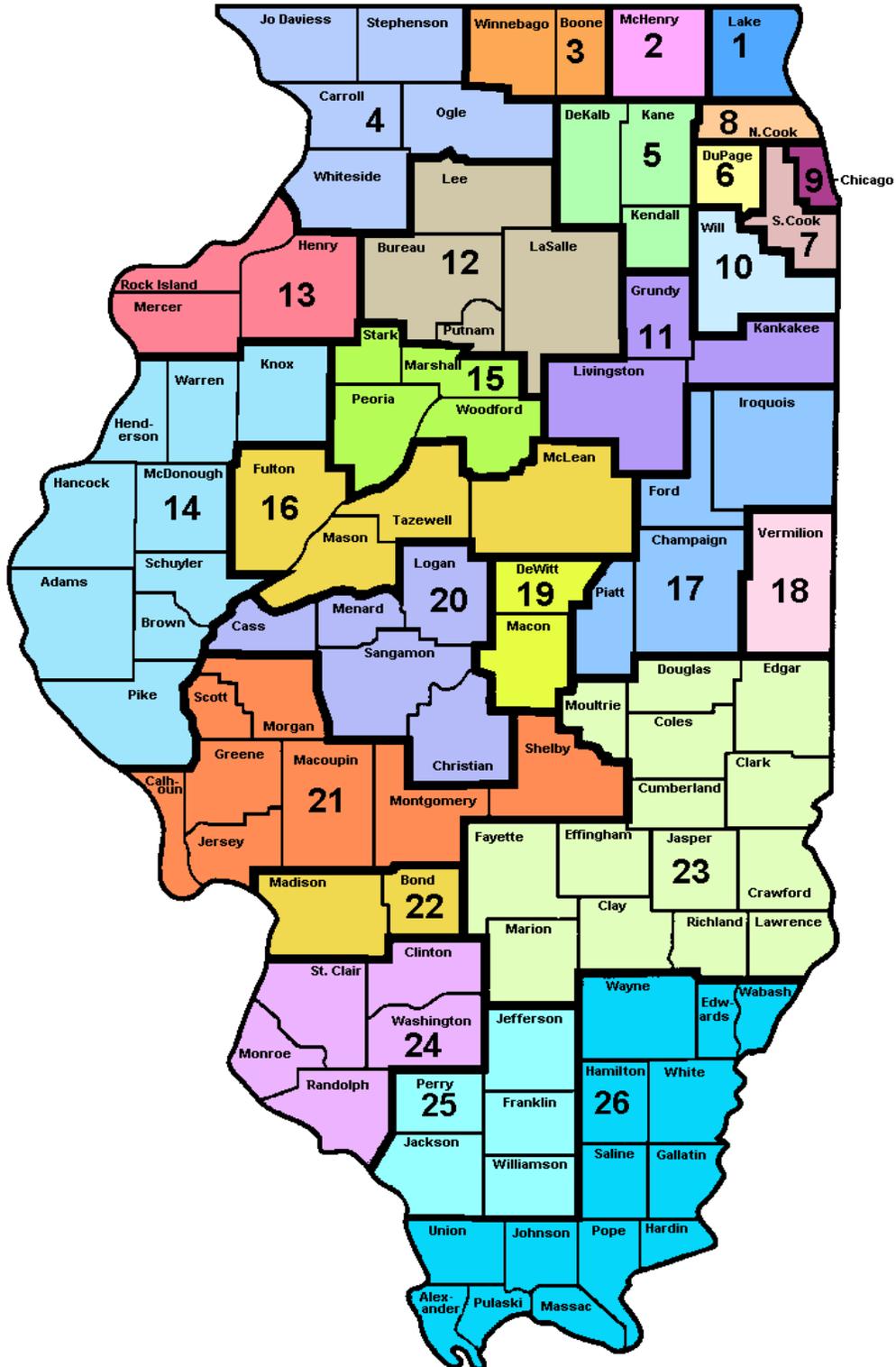
² Other services are defined as those services which the state-level partner provides to customers of its programs, and which can be accessed through all comprehensive centers in Illinois. The manner of access must be described in the MOU.

<i>Required Partner Program (State-Level Partner)</i>	<i>Core Services Provided¹</i>	<i>Other Services Provided²</i>
Wagner-Peyser (IDES)	<ul style="list-style-type: none"> • Eligibility determination • Outreach, intake and orientation to, and on behalf of, employers • Initial assessment of supportive services needs • Job search and placement assistance • Employment statistics • Program performance information • Information on local performance, supportive services and UI 	<ul style="list-style-type: none"> • Job orders from employers, including file selection and referral services for these job orders • Outreach to employers with job openings to assist them in filling these job openings • Provides employers through the Illinois Employer Council (IEC) with an avenue for input into legislation affecting employers, and to share information on the concerns and needs of Illinois employers • In addition, the following services are also provided at selected offices where they are available: Hire the Future (youth); apprenticeship; specialized assistance (i.e., registration, job development and job referrals) to migrant and seasonal farm workers who wish to obtain other than seasonal work
Adult education and literacy (ISBE)	<p>The following core services may be provided, subject to decisions made by local providers:</p> <ul style="list-style-type: none"> • Outreach, intake and orientation • Initial assessment of skills • Job search placement and assistance • Employment statistics information • Program performance and cost information • Information on local performance and supportive services 	<ul style="list-style-type: none"> • Adult basic education • Secondary adult education • ESL • Secondary vocational training • Counseling • Case management • Testing and assessment • Employability skill training • Other services
Vocational Rehabilitation (DHS/DRS)	<ul style="list-style-type: none"> • Outreach, intake and orientation • Initial assessment of skills, etc. • Job search and placement assistance (only to those who meet the Order of Selection requirement) 	VR counselors may also provide, either directly or through contracted providers, the full scope of all VR services
Senior Community Service Employment Program (SCSEP) (NOTE: These core and other services will be provided at comprehensive centers by a combination of IDOA and other SCSEP contractors)		Individual development plans for seniors, plus other services as determined locally

<i>Required Partner Program (State-Level Partner)</i>	<i>Core Services Provided¹</i>	<i>Other Services Provided²</i>
Perkins post-secondary vocational education (ICCB)	<p>Regardless of how they choose to use Perkins III funds, all Perkins III section 132 grantees must:</p> <ul style="list-style-type: none"> • Provide information regarding the performance and costs of programs assisted under Perkins III section 132 <p>The following additional core services may be offered depending upon the college's use of Perkins funding: (To individuals prior to their enrollment in a vocational and technical education program, if, and to the extent that, a Perkins III section 132 grantee uses funds for this purpose, as part of a program for special populations, or a program that prepares individuals for nontraditional training and employment)</p> <ul style="list-style-type: none"> • Initial assessment of skill levels, aptitudes, abilities and supportive service needs • The provision of information related to the availability of supportive services 	Intensive and training services as defined by WIA, and other services to be offered by the local community college will be determined by each local community college
Trade Adjustment Act assistance and NAFTA (DCEO)	Same as WIA Veterans workforce programs	Case management and training for individuals enrolled in TAA/NAFTA training
Veterans Employment (IDES)	Same as WIA Veterans workforce programs	Individual employment plan development and case management services for veterans
Community Services Block Grant employment and training programs (DCEO)	<ul style="list-style-type: none"> • Outreach, intake and initial assessment • Program performance and cost information • Provision of information on local supportive services 	Intensive and training services and other supportive services offered by community action agencies, depending on local needs, circumstances and decisions of Community Action Agency boards
Unemployment Insurance (IDES)	<ul style="list-style-type: none"> • Eligibility determination • Outreach, intake and orientation • Employment statistics information • Program performance information • Information on UI 	None

ATTACHMENT D

State of Illinois Workforce Investment Areas



ATTACHMENT E

The following policy provides the guidelines by which all Local Workforce Investment Boards (LWIBs) shall be organized and certified.

A. Membership of the LWIBs

1. The authority to appoint members to the Local Workforce Investment Board lies solely with the chief elected official(s).
2. The chief elected official (CEO) should give special consideration to assuring an appropriate ethnic and gender balance and other representation as reflective of the local area.
3. Membership of each LWIB will be comprised of:
 - a. Business representatives:
 - 1) Reflecting a majority of all board members. (This is defined as greater than 50% of all board membership);
 - 2) That are owners of businesses, chief executives, operating officers, or other business executives or individuals with optimum policy making or hiring authority;
 - 3) That are chosen from businesses with employment opportunities that reflect the employment opportunities of the local area as defined by:
 - a) Key industry sectors;
 - b) Labor Market Information (LMI) provided by the state to each area that reflects current employment and future projections by industry sector and tallies of establishments by employment size by major industry sectors; and
 - c) Additional sources of labor market information to help demonstrate the appropriate business composition of the board as indicated by the CEOs; and
 - 4) That are appointed from among individuals nominated by local business organizations and business trade associations.
 - b. Labor organization representatives (for all local areas in which employees are represented by labor organizations):
 - 1) With at least two representatives of labor organizations;
 - 2) That are nominated by:
 - a) Local labor federations; or
 - b) (For a local area in which employees are represented by such organizations) other representatives of employees; and
 - 3) That are individuals with optimum policy making authority within their organizations, agencies, or entities.
 - c. Local educational entity representatives:

- 1) That are comprised of at least two representatives of local educational entities;
 - 2) That are representatives of:
 - a) Local educational agencies;
 - b) Local school boards;
 - c) Entities providing adult education and literacy activities; and
 - d) Post-secondary educational institutions (including representatives of community colleges, where such entities exist);
 - 3) That are selected from among individuals nominated by regional or local educational agencies, institutions, or organizations representing such local educational entities;
 - 4) That are individuals with optimum policy making authority within the organizations, agencies, institutions, or entities;
 - 5) That include at least one community college president (where such entities exist);
 - 6) That are reflective of the educational opportunities in the area; and
 - 7) That are chosen with special consideration given by the CEO to inclusion of secondary education and community college, as well as adult education, selected from among the following list of potential representatives:
 - a) Regional superintendent of education;
 - b) Additional community college presidents;
 - c) Secondary/elementary superintendent;
 - d) Education for Employment Regional Delivery System;
 - e) Secondary Area Vocational Centers;
 - f) Area Planning Councils (adult);
 - g) Adult education providers;
 - h) Local board of education;
 - i) College board of trustees;
 - j) Universities;
 - k) Private schools and colleges; and
 - l) Other educational institutions and entities as may be deemed appropriate.
- d. Community based organization (CBO) representatives:
- 1) That are comprised of at least two representatives of CBOs;
 - 2) That are individuals with optimum policy making authority within the organizations, agencies, or entities; and
 - 3) That may be representatives of organizations, including but not limited to, those representing individuals with disabilities or veterans.
- e. Economic development agency representatives:
- 1) That are comprised of at least two representatives of economic development agencies;
 - 2) That are individuals with optimum policy making authority within the organizations, agencies, or entities; and

- 3) That may be individuals of economic development agencies, including but not limited to, private sector economic development entities, regional planning commissions, or county economic development organizations.
- f. One-Stop Partner program representatives:
- 1) That are comprised of the following:
 - a) At least one representative of the following programs:
 - i. Workforce Investment Act Title I (Adult, Dislocated, and Youth);
 - ii. Wagner-Peyser Act/Employment Services;
 - iii. Workforce Investment Act Title II Adult Education and Literacy;
 - iv. TANF Employment and Training Program/ Food Stamp Employment and Training Program (represented by a Department of Human Services representative);
 - v. Vocational Rehabilitation (Rehabilitation Act Title I);
 - vi. Title V Older Americans Act;
 - vii. Postsecondary Vocational Education/Perkins Act;
 - viii. Trade Act/NAFTA;
 - ix. Veterans Title 38;
 - x. Unemployment Insurance;

and
 - b) When present in the area, at least one representative of the following programs:
 - i. CSBG Employment and Training;
 - ii. HUD Employment and Training; and
 - iii. Workforce Investment Act Title I, National Programs including:
 - a) Native American Programs;
 - b) Migrant and Seasonal Farmworker Programs;
 - c) Job Corps; and
 - d) Veterans Workforce Investment Programs.
 - 2) That are individuals with optimum policy making authority within the organizations, agencies, or entities; and
 - 3) That have expertise relating to a program, service, or activity including a person who is an official within a One-Stop partner program and a person with documented expertise relating to the One-Stop partner program.
- g. Other individuals or representatives of entities;
- 1) That are chosen by the CEO in the local area as determined appropriate;
 - 2) That have optimum policy making authority within the organizations, agencies, or entities;
 - 3) That are chosen from One-Stop partner programs having expertise relating to a program, service, or activity including a person who is an official within a One-Stop partner program and a person with documented expertise relating to the One-Stop partner program. (It is the State's intent

to be inclusive, rather than exclusive, in the selection of One-Stop partner program representatives to serve on local workforce investment boards.);

- 4) That are selected with special attention given to workforce needs in the area; and
- 5) That may be given consideration by the CEO to the inclusion of:
 - a) Local organizations that represent individuals with disabilities;
 - b) Various education entities; and
 - c) Public housing authorities.

- h. Use of committees and subcommittees can afford opportunities for participation of additional individuals and programs that may not be LWIB members.

4. Youth Councils

- a. A youth council appointed by the LWIB, in cooperation with the chief elected official, shall be established as a subgroup within each local board.
- b. Membership of each youth council shall include:
 - 1) Members of the LWIB with special interest or expertise in youth policy;
 - 2) Representatives of youth service agencies, including juvenile justice and local law enforcement agencies;
 - 3) Representatives of local public housing authorities;
 - 4) Parents of eligible youth seeking assistance under WIA;
 - 5) Individuals, including former participants, and representatives of organizations that have experience relating to youth activities;
 - 6) Representatives of the Job Corps as appropriate; and
 - 7) Other members as deemed appropriate by the chairperson of the LWIB in cooperation with the CEO.
- c. In selecting representatives to the local youth council, LWIBs in cooperation with chief elected officials are requested to invite the following specific representatives:
 - 1) Regional superintendents of education;
 - 2) Representatives from secondary education programs;
 - 3) School board members;
 - 4) Parents;
 - 5) Youth;
 - 6) Agency individuals who deal with youth;
 - 7) Education for employment systems directors; and
 - 8) Representatives from the private sector.

5. Multiple Units of Local Government in an Area

- a. In general, as noted in WIA, Section 117(c)(1), in a case in which a local area includes more than one (1) unit of government, the chief elected officials of

such units shall execute an agreement that specifies the respective roles of the individual chief elected officials:

- 1) In the appointment of members of the local board from the individuals nominated or recommended to be such members in accordance with the criteria established under Section 117(b) of WIA; and
- 2) In carrying out any other responsibilities assigned to such officials under this subtitle.

- b. If after a reasonable effort, the chief elected officials are unable to reach agreement as provided under clause 5.a.1 above, the State may appoint the members of the local board from individuals nominated or recommended.
- c. The CEO decides how the LWIB members are to be apportioned by county or unit of government.

6. LWIB Chairperson

- a. A Chairperson for the Local Board must be from among the business representatives of the board.
- b. Any change to the Chairperson designation should be forwarded in writing to DCEO within 10 business days.
- c. A copy of the approved minutes indicating a change to the Chairperson should be forwarded to DCEO within 10 business days of their approval.

7. Membership Terms

- a. LWIB by-laws should include provisions that set fixed term lengths.
- b. Membership terms shall also be staggered so that only a portion of membership terms expire in a given year.
- c. Board members replacing outgoing members mid-term will serve the remainder of the outgoing member's term.
- d. Term expirations shall be in alignment with the dates found in WIA Notice No. 06-NOT-09 – LWIB Membership Term Expiration Dates.

8. Multiple seats on the board

- a. An individual may be appointed as a representative of more than one entity if the individual meets all criteria for representation, including the criteria described in paragraphs (c) through (e) of Final Rule 29 CFR 661.315.

- b. Individuals representing more than one entity must have optimum policy making authority within each of the entities they are representing.
- c. Two examples of multiple entity representation are:
 - 1) The Illinois Department of Employment Security (IDES) had decided that the three programs under its auspices required to be One-Stop partner programs (Wagner-Peyser/Employment Security, Veterans Title 28, and Unemployment Insurance) will, at the option of the IDES, be represented on the local board by a single board member; and
 - 2) The adult education provider representative under the local education entity and the post-secondary vocational education/Perkins Act representative under the One-Stop partner program can be represented on the local board by a single board member.

9. Nomination of Board Members

- a. The CEO may contact the appropriate entities in the local area for nominations to appoint members and/or fill vacancies in the LWIB from business, local educational entities, and labor representatives.
- b. Individuals for nomination must be nominated as follows:
 - 1) Business representatives are to be from local business organizations and business trade associations;
 - 2) Local educational entity representatives are to be from regional or local educational agencies, institutions, or organizations representing such local educational entities providing adult education and literacy activities, and postsecondary educational institutions (including representatives of community colleges, where such entities exist);
 - 3) Labor representatives are to be nominated by local labor federations or (for an LWIA in which no employees are represented by such organizations) by other representatives of employees, such as employee organizations and/or the state AFL-CIO;
 - 4) The CEO must contact the appropriate one-stop partner entity for one-stop program nominations in their LWIA;
 - 5) Other mandated LWIB member representatives are to be selected from among individuals nominated by the appropriate groups in the local area; and
 - 6) It is acceptable for an individual to nominate themselves as long as they meet the criteria for both a nominator and an individual to be a representative within the particular business, organization, or entity for which they are being nominated.
- c. All nominations must be made using the LWIB Nomination Form (DCEO/LWIB Form # 001).
- d. All Nomination Forms must be fully completed and signed to be accepted.

- e. A copy of all Nomination Forms should be maintained at the local office.
- f. A copy of all Nomination Forms must be sent to DCEO within 30 days of being signed.

10. Procedures for Appointment of Board Members

- a. The CEO in a local workforce investment area is authorized to appoint members of the local board for such area.
- b. LWIB vacancies must be filled within 90 days of the vacancy.
- c. Appointment of an individual as a member of the LWIB must be made using the Appointment/Reappointment Form (DCEO/LWIB Form # 002).
- d. The Appointment/Reappointment Form must be fully completed to be accepted.
- e. The Nominated individual must sign and date the Appointment/Reappointment Form within one (1) year of the Nominator's signature and date.
- f. An updated and fully completed copy of the Composition Summary Form (DCEO/LWIB Form # 003) must accompany any Appointment/Reappointment Form.
- g. The CEO must sign and date the Composition Summary Form following these guidelines:
 - 1) The CEO's signature and date may be an original signature, a stamp or an electronic signature;
 - 2) The CEO's signature and date must be made within 90 days of the Appointed individual's signature and date;
 - 3) In LWIAs where there are multiple chief elected officials, the Composition Summary Form must be signed by ALL chief elected officials using the Additional Signature Form (DCEO/LWIB Form # 004), unless they have designated one or more of the chief elected officials to act on behalf of all of the chief elected officials; and
 - 4) Where an LWIA has designated one or more CEOs to act on behalf of multiple CEOs, a CEO agreement must be on file with DCEO, Bureau of Workforce Development.

- h. A copy of the Appointment/Reappointment Form and Composition Summary Form must be mailed to DCEO, Bureau of Workforce Development within 30 days of the CEOs' signature and date.
- i. The Appointment/Reappointment Form and Composition Summary Form must be maintained on file at the LWIA.
- j. The Appointment/Reappointment Form and Composition Summary Form must be mailed in accordance with the Actions Required (Section VII) of this policy letter.
- k. The composition of each LWIB will be reviewed periodically by the State to ensure compliance.
- l. The State will notify the LWIB in writing if any conditions exist that are not in compliance with WIA or the requirements of this policy letter.

11. Procedures for Reappointment of Board Members

- a. The CEO in a local workforce investment area is authorized to make all reappointments of members of the local board for such area.
- b. LWIB reappointments must be made within 90 days of the term expiration.
- c. Reappointment of an individual as a member of the LWIB must be made using the Appointment/Reappointment Form.
- d. The Appointment/Reappointment Form must be fully completed to verify all information is correct.
- e. The LWIB member must sign and date the Appointment/ Reappointment Form to verify the information is correct.
- f. An updated and fully completed copy of the Composition Summary Form must accompany any Appointment/Reappointment Form.
- g. The CEO must sign and date the Composition Summary Form following these guidelines:
 - 1) The CEO's signature and date may be an original signature, a stamp or an electronic signature;
 - 2) The CEO's signature and date must be made within 90 days of the Reappointed individual's signature and date; and
 - 3) In LWIAs where there are multiple chief elected officials, the Composition Summary Form must be signed by ALL chief elected officials using the Additional CEO Signature Form (DCEO/LWIB Form #

004), unless they have designated one of the chief elected officials to act on behalf of all of the chief elected officials.

- h. A copy of the Appointment/Reappointment Form and Composition Summary Form must be mailed to DCEO, Bureau of Workforce Development within 30 days of the CEOs' signature and date.
- i. The Appointment/Reappointment Form and Composition Summary Form must be maintained on file at the LWIA.
- j. The Appointment/Reappointment Form and Composition Summary Form must be mailed in accordance with the Actions Required (Section VII) of this policy letter.
- k. The composition of each LWIB will be reviewed periodically by the State to ensure compliance.
- l. The State will notify the LWIB in writing if any conditions exist that are not in compliance with WIA or the requirements of this policy letter.

12. Resignation or Removal of Board Members

- a. Members serving on Local Workforce Investment Boards that subsequently retire or no longer hold the board position or status that made them eligible board members must resign or be removed by the CEO immediately as a representative of that entity.
- b. These individuals, in order to retain their knowledge and experience, may be appointed by the chief elected official(s) to the Other Member category described in subparagraph A.3.g. above.
- c. Another option to retain this individual's knowledge and experience would be to appoint them to a LWIB committee. (These individuals would be a member of the committee, but not a member of the LWIB.)
- d. LWIBs may, under circumstances indicated in their local by-laws, remove board members at their discretion for justifiable cause.

B. Local Workforce Investment Board Certification Process

1. Certification of Local Workforce Investment Boards

- a. The State will certify that the composition of each LWIB, including the appointment process, complies with the criteria established in Section 117 of WIA.

- b. The composition of each LWIB will be evaluated on the following criteria:
 - 1) State membership criteria;
 - 2) Federal membership composition requirements encompassing business, labor, education, community-based organizations; economic development organizations, and one-stop partners;
 - 3) Specific requirements for each of the above membership categories;
 - 4) Authority of board members (optimum policy making authority); and
 - 5) Majority business membership.

- c. Certification of an LWIB requires the submittal of one (1) original, two (2) hard copies, and one (1) electronic version (of items 1 through 4 below, preferably in a .pdf format) of the following documents to DCEO:
 - 1) A copy of the CEO Agreement (if changed since the last certification/recertification) clearly identifying:
 - a) The CEO(s) who have authority to appoint members;
 - b) The appointment process developed by the LWIB; and
 - c) The CEO(s) who have authority to submit appointment requests to DCEO.
 - 2) A copy of the LWIB By-laws (if changed since the last certification/recertification) indicating:
 - a) The adopted generally accepted parliamentary procedure, such as Robert's Rules of Order, chosen by the LWIB;
 - b) The LWIB's meeting procedures;
 - c) The LWIB's policy assuring attendance and participation of its members;
 - d) Quorum requirements;
 - e) The policy dictating fixed and staggered terms of its members;
 - f) The LWIB's conflict of interest policy; and
 - g) The LWIB's policy on absentee voting, if allowed by the LWIB.
 - 3) A narrative demonstrating how the business members of the LWIB reflect the current and emerging employment opportunities in the local workforce investment area;
 - 4) A statement of accessibility indicating:
 - a) All LWIB and LWIB committee meetings will be held in accessible facilities; and
 - b) That all materials and discussions are in an accessible format (i.e. large print, Braille, interpreter, etc.) for all members as needed or indicated.
 - 5) Appointment/Reappointment Forms for all LWIB members completed in accordance with the requirements found in A.11.d - f of this policy letter; and
 - 6) A current and accurate Composition Summary Form (DCEO/LWIB Form # 003).

2. Recertification of Local Workforce Investment Boards

- a. Recertification of each LWIB will be conducted by the State once every two years to:
 - 1) Ensure that local workforce activities enable the LWIA to meet their performance measures; and
 - 2) Ensure the board composition requirements have been maintained.
- b. If an LWIB meets all membership requirements, but fails to meet all performance measures, LWIB recertification will be granted for only a one-year review period, instead of a two-year period.
- c. At the end of the one-year review period, the recertification process will be repeated with an updated assessment of LWIB membership and local performance measures.
- d. If the LWIB meets all of the performance measures during the one-year review period, they will be given a new two-year recertification.
- e. Recertification of an LWIB requires the submittal of one (1) original, two (2) hard copies, and one (1) electronic version (of items 1 through 4 below, preferably in a .pdf format) of the following documents to DCEO:
 - 1) A copy of the CEO Agreement clearly identifying:
 - a) The CEO(s) who have authority to appoint members;
 - b) The appointment process developed by the LWIB; and
 - c) The CEO(s) who have authority to submit appointment requests to DCEO.
 - 2) A copy of the LWIB By-laws (if changed since the last certification/recertification) indicating:
 - a) The adopted generally accepted parliamentary procedure, such as Robert's Rules of Order, chosen by the LWIB;
 - b) The LWIB's meeting procedures;
 - c) The LWIB's policy assuring attendance and participation of its members;
 - d) Quorum requirements;
 - e) The policy dictating fixed and staggered terms of its members;
 - f) The LWIB's conflict of interest policy; and
 - g) The LWIB's policy on absentee voting, if allowed by the LWIB.
 - 3) A narrative demonstrating how the business members of the LWIB reflect the current and emerging employment opportunities in the local workforce investment area;
 - 4) A statement of accessibility indicating:
 - a) All LWIB and LWIB committee meetings will be held in accessible facilities; and
 - b) All materials and discussions are in an accessible format (i.e. large print, Braille, interpreter, etc.) for all members as needed or indicated.

- 5) Appointment/Reappointment Forms for all LWIB members completed in accordance with the requirements found in A.11.d - f of this policy letter; and
 - 6) A current and accurate Composition Summary Form (DCEO/LWIB Form # 003).
- f. All recertification documentation is due to DCEO by October 1 of the recertification year.
 - g. The exception to the October 1 date found in section B.2.f is that those LWIB recertifications due in 2006 will have all documentation due within 60 days of the date of this policy letter.
3. Decertification of Local Workforce Investment Boards
- a. All local workforce investment boards are subject to decertification by DCEO under one or more of the following conditions:
 - 1) If an LWIB fails to continue to meet all membership requirements;
 - 2) Failure to carry out functions of the board; or
 - 3) Fraud and/or abuse.
 - b. A written notice and opportunity for comment will be provided before decertification under these conditions.
 - c. If an LWIB, having already been placed on a one-year cycle of recertification due to a lack of meeting all performance measures, fails to meet all performance measures in a second-year, the LWIB may be decertified.
 - d. An LWIB that is decertified or fails to achieve certification will be required to reappoint and submit a revised membership listing and repeat the process for initial certification.

C. Conflict of Interest

A member of a local board:

1. Must publicly disclose if they have a conflict of interest prior to discussion;
2. May not vote on any matter under consideration by the local board:
 - a. Regarding the provision of services by such member (or by an entity that such member represents); or
 - b. That would provide direct financial benefit to such member or the immediate family of such member.

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3. May not engage in any other activity determined by the Governor to constitute a conflict of interest as specified in the State plan.

ATTACHMENT F

Grievance Procedures

Federal law requires that all recipients of WIA funds, each LWIA, and the State, except for Job Corps, establish a procedure for filing complaints and grievances from participants and other interested parties that are affected by the statewide workforce investment system.

This policy sets forth the procedures to be followed at the local and state level regarding grievances and complaints that may occur during the administration of any WIA funded and related activities. These procedures will outline the receipt, review, and resolution of the grievances and complaints. The policy also requires each local workforce investment board (LWIB) to develop and maintain a procedure for grievances and complaints from participants and other interested parties as they pertain to WIA Title I services and benefits.

A. General Requirements

There are two types of issues covered by this policy.

1. General complaints are those that are non-criminal complaints of violations of WIA and other related regulations.
2. Grievances are those filed against an employer for violations of labor standards.

Please note, criminal complaints alleging fraud, waste, misconduct, or other illegal activity under WIA must be reported immediately to the Department of Labor's Office of Inspector General as required by 20 CFR 667.630 and are not covered under this policy.

B. Definitions

"Complaint" means an accusation of wrongdoing or injustice by another person.

"Complainant" means the person making the complaint.

"Days" means calendar days, not business days.

"Grievance" means an allegation against an employer for a violation of labor standards who receives WIA Title I funding.

"Grievant" means the person submitting a grievance.

"Respondent" means the person or organization against whom a complaint or grievance has been filed.

C. Local Workforce Investment Area Requirements

1. Each LWIB shall designate a Grievance/Complaint Officer to be responsible for handling all complaints of violations of Title I of WIA, regulations, grants, or other agreements under WIA.

2. Each LWIB should establish, publish, and maintain a procedure for resolving grievances and complaints that allege violations of Title I of WIA, regulations, grants, or other agreements under WIA. These procedures must be:
 - a. Readily available to applicants, participants, employees, one-stop partners, service providers, other interested parties, and members of the public.
 - b. Made available in a timely manner when an individual expresses interest in filing a complaint or upon request by any other individual.
 - c. Easily understood by all affected participants and other individuals, including youth and those who are limited-English speaking individuals.

D. Grievance and Complaint Filing Procedures

At a minimum, the LWIB grievance and complaint procedures must include the following provisions:

1. Local Level Complaints
 - a. Complaints must be filed within 180 days of the alleged violations.
 - b. All individuals filing complaints shall be free from restraint, coercion, retaliation, and discrimination.
 - c. The complainant must file the complaint in writing to the local area Grievance/Complaint Officer.
 - d. The complaint must include the following information:
 - 1) name, address, and telephone number of the complainant;
 - 2) name, address and telephone number of the person and/or organization that the complaint is against;
 - 3) a clear and concise statement of allegation(s) and facts of the case;
 - 4) the date of the alleged occurrence(s)
 - 5) the provisions of the Workforce Investment Act of 1998, regulations, grants, or other agreements under Title I of WIA believed to have been violated;
 - 6) the resolution being sought; and
 - 7) must be signed by the complainant or their legal guardian/representative.
 - e. Upon receipt of a grievance or complaint, the local area Grievance/Complaint Officer or designee, shall acknowledge receipt of the grievance by certified mail, return receipt requested. This will be done within ten (10) days of receipt of the complaint.

This acknowledgement shall:

- 1) outline the steps to be taken to resolve the matter;
 - 2) advise the complainant to attempt to reach an informal resolution;
 - 3) notify all parties of the right to request a hearing if an informal resolution can't be met; and
 - 4) provide a summary of the issues to be decided.
- f. If a complaint is to be amended or withdrawn, the complainant must make that request in writing.
- g. An opportunity for an informal resolution shall be completed within 60 days of the filing of the grievance or complaint.
- h. If either the complainant or local area Grievance/Complaint Officer deems they are dissatisfied with the local hearing decision or no decision is made within 60 days, an the complainant may file an appeal.
- i. Allegations of labor standards violations that are covered under a collective bargaining agreement shall be binding to the procedures of the agreement.

Informal Resolutions

If the complainant and respondent choose to resolve the complaint or grievance through an informal resolution, they must make good faith efforts to do so in writing prior to the scheduled hearing date. Failure to do so by either party does not warrant the complaint to be dismissed, nor should it be taken into consideration as part of the facts to be judged during the resolution process. Informal resolutions should be made at the level where the alleged violation(s) occurred.

When a complaint or grievance has been resolved through an informal resolution process, the complainant and the local area Grievance/Complaint Officer shall enter into a formal resolution agreement.

Formal Hearing Resolutions

Requests for a formal hearing shall be made to the local area Grievance/Complaint Officer within 30 days of filing of a grievance or complaint. The local area Grievance/Complaint Officer shall appoint a Hearing Officer to conduct the hearings on complaints. The Hearing Officer shall be an individual who has qualifications necessary to conduct the proceedings and shall be impartial. The complainant may make a request for a change in Hearing Officer within five (5) days of received notification of the hearing schedule and the designation of the Hearing Officer. Only one request for designation of an alternate Hearing Officer may be made by either party for each complaint.

Written hearing notices shall be sent to the complainant, respondent, and other parties considered appropriate within 15 days prior to the scheduled hearing date to

allow for proper preparation of the case. The notice will include the date, time and place of the hearing.

The Hearing Officer shall conduct the hearing in an informal manner. Technical rules of evidence do not apply. Both parties shall be allowed the opportunity to present evidence, cross-examine witnesses, and be represented by legal counsel. The party requesting the hearing shall have the burden of establishing the facts and the entitlement to relief requested. The respondent shall cooperate by making available any information and to release any documentation requested by the complainant after it is deemed appropriate and relevant to the complaint. The respondent shall also make available any person under their control or employ to testify, if these persons are requested to testify by the complainant. Hearings will only cover those issues listed in the written complaint. Complete records shall be kept of the hearing either via audio recording or by a court reporter.

The Hearing Officer or designee will make a written decision and it shall be sent by certified mail, with return receipt requested, within 60 days of the filing of the complaint.

The Hearing Officer's decision shall contain the following:

- The names of the parties involved;
- A statement of the alleged violations;
- A statement of the facts presented during the hearing;
- The issue(s) being decided;
- Reasons for the decision;
- A statement of corrective actions or remedies, if appropriate;
- A statement assuring that all steps included in the complaint procedures have been adhered to; and
- Notice that either party has the right to appeal the decision by the Hearing Officer within ten (10) days of receipt of the decision.

A copy of all decisions will be concurrently sent to:

Illinois Department of Commerce and Economic Opportunity
Bureau of Workforce Development
620 East Adams Street, 5th Floor
Springfield, Illinois 62701
Attention: WIA Grievances/Complaints

2. State Level Complaints

- a. If a complainant does not receive a satisfactory decision or the decision is not made within 60 days of the filing of the complaint, the complainant may appeal to the State level. All appeals shall be made in writing to the Workforce Investment Act Manager. The respondent may also request a

review by the WIA Grievance/Complaint Officer if the decision is not made in the prescribed timeliness.

The request for state review must be made within ten (10) days of notification of the decision and shall be made in writing to:

Illinois Department of Commerce and Economic Opportunity
WIA Grievance/Complaint Officer
620 East Adams Street, 5th Floor
Springfield, Illinois 62701

- b. Complaints that are appealed to the State level shall include the same basic elements as the local level hearings. These are:
 - 1) Name, address, telephone number, and social security number of the complainant;
 - 2) Name, address and telephone number of the person and/or organization that the complaint is against;
 - 3) A clear and concise statement of allegation(s) and facts of the case;
 - 4) The date of the alleged occurrence(s)
 - 5) The provisions of the Workforce Investment Act of 1998, regulations, grants, or other agreements under Title I of WIA believed to have been violated; and
 - 6) The resolution being sought.
- c. The appeal must contain specific information supporting the grounds upon which the appeal is sought, a copy of the original written complaint, a transcript of the hearing proceedings, and a copy of the Hearing Officer's written decision.
- d. The WIA Grievance/Complaint Officer or their designee will:
 - 1) Review the complaint within 15 days of receipt of the request for appeal;
 - 2) Notify the complainant, LWIA, and other concerned parties by certified mail, return receipt requested, within 20 days after receiving the notice of appeal. The notification shall include the following information:
 - a). The date of the notice, name of the complainant, and name of the party against whom the complaint is filed;
 - b). The date, time, and place of the hearing;
 - c). A statement of the allegations that accurately reflect the content of the original content of the complaint submitted by the complainant; and
 - d). The name, address, and telephone number of the contact person issuing the notice.
 - 3) Conduct a state review to determine whether the local area hearing was conducted in accordance with the local level hearing procedures;
 - 4) Make a final written determination within 60 days of receipt of the appeal;

- e. The WIA Grievance/Complaint Officer will issue a written decision to both the complainant and respondent by certified mail, return receipt requested, with the following information:
 - 1) The names of the parties involved;
 - 2) A statement of the alleged violations and issues related to the alleged violations;
 - 3) A statement of the facts;
 - 4) The WIA Grievance/Complaint Officer's or their designee decision and the reasons for the decision;
 - 5) A statement of the corrective actions or remedies, if appropriate; and
 - 6) Notice that either party has the right to appeal the decision by the WIA Grievance/Complaint Officer within 60 days of receipt of the decision

f. Remedies

Remedies that may be imposed for violations of any requirement of this title shall be limited:

- 1) To suspension or termination of payments under this title;
- 2) To prohibition of placement of a participant with an employer that has violated any requirement under this title;
- 3) Where applicable, to reinstatement of an employee, payment of lost wages and benefits, and reestablishment of relevant terms, conditions, and privileges of employment; and
- 4) Where appropriate, to other equitable relief.

3. Federal Level Complaints

Under Title 20 CFR Section 667.610(a)(1), if the state has not issued a decision within the required 60 day time limit, the complainant can file an appeal to the Secretary of Labor. An appeal must be made within 120 days of the filing of the complaint with the State or the filing of the appeal of a local grievance or complaint with the State. An appeal can also be made if the state renders an adverse decision. The appeal must be filed within 60 days of receipt of the decision.

All appeals must be sent by certified mail, return receipt requested, to the following address:

Secretary of Labor
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, D.C. 20210
Attention: ASET

A copy of the appeal must be simultaneously provided to the opposing party and to the Employment and Training Regional Administrator as follows:

Regional Administrator – Region 5
U.S. Department of Labor/ETA
230 South Dearborn Street, 6th floor
Chicago, IL. 60604

All LWIAs, recipients, and sub-recipients shall review this policy and distribute it to all appropriate individuals within the organization. The policy should be made available to all participants and other interested parties who may wish to file a complaint or grievance.

ATTACHMENT G

State of Illinois Waiver Requests

1. Use of ITAs for Out-of-School Youth

The U.S Department of Labor (DOL) approved an Illinois request for a waiver of the prohibition in the Workforce Investment Act final rule excluding the use of Individual Training Accounts (ITAs) for out-of-school youth participants. This waiver now permits LWIBs to use the state's list of eligible training providers to secure training for these youth. The waiver is designed to enhance customer choice, allow out-of-school youth to benefit from services provided by Illinois' certified training providers, and expand services without requiring One-Stop operators to register participants in the adult program. Funds used for ITAs are tracked separately for each funding stream.

The waiver was initially granted for the period beginning July 1, 2003, and ending June 30, 2004. At the request of the state, DOL extended the waiver through June 30, 2005, and most recently through June 30, 2007. The state is requesting that this waiver be extended through June 30, 2009. This request will enable local youth programs to continue to access training through the ITA mechanism, which will help increase enrollment of WIA eligible out-of-school youth in post-secondary education.

In addition to the requested extension of this waiver, the state is requesting an expansion of the waiver to include all youth participants ages 16 and above, regardless of school enrollment status. This requested expansion is based on comments on the current waiver, and the state's experience with implementing the ITA waiver for out-of-school youth. Whether or not DOL is able to grant the expansion of this waiver, the state still seeks extension of the current waiver.

2. Extension of Incumbent Worker Training Authority to Local Areas

The state has undertaken an innovative program, known as the Critical Skill Shortages Initiative (CSSI) to encourage local workforce investment boards (LWIBs) to plan services on a regional basis and target training to occupations that are critical to their regional economies. The state is using WIA 15 percent reserve resources as "seed funds" to encourage LWIBs to participate in CSSI. Many areas found that providing incumbent worker training programs is needed, along with other WIA service offerings, to develop a full continuum of training opportunities to meet local needs. However, when state reserve funds are exhausted, LWIBs currently do not have the authority to use their own allocated WIA funds to provide incumbent worker training programs.

The waiver was initially granted for the period beginning July 1, 2005, and ending June 30, 2007. The state is requesting that this waiver be extended through June 30, 2009. Granting continued authority to LWIBs to use a limited portion of their allocated funds for incumbent worker training programs will allow them to develop a full continuum of training services

that address the needs of the existing workforce, the unemployed, underemployed, and new entrants to the labor force.

3. Requirement for a Comprehensive One-Stop Career Center in Each LWIA

The state is requesting a waiver of the WIA requirement for a comprehensive one-stop center in each LWIA. This waiver would provide the maximum flexibility to the state and to local areas to structure the career center network in the most efficient manner possible. In addition, it supports the overall state objective of encouraging greater reliance on technology rather than physical facilities as a means of accessing career transition services. Finally, the increased flexibility obtained through this waiver will allow the state to implement policies that are intended to increase WIA Title I expenditures for training.

Waiver: Allow the state to exempt local workforce investment areas from the requirement to maintain at least one comprehensive physical center in each local area that provides the core services specified in WIA section 134(d)(2), and provides access to other programs and activities carried out by the One-Stop partners. Specifically, the state requests waiver of the required partner list specified in WIA Section 121(b)(1), and the applicable Memorandum of Understanding provisions at Sections 121(a)(1), and 121(c). These provisions would remain in effect for local areas that chose (or were required by the state) to operate one or more One-Stop centers that meet the applicable requirements. For local areas that requested the waiver, and if approved by the state, these provisions would become optional, rather than mandated characteristics of the local centers.

Objective: The requested waiver is intended to support the following strategic objectives for Illinois' workforce system:

- Focus WIA training investments on responding to the critical needs of the labor market, including flexible strategies for training for high-paying jobs in skill shortage areas. Position WIA Title I as primarily a targeted training program.
- Implement a Career Center network that is responsive to the needs of Illinois workers, makes effective use of current technology and expands access for those most in need of such access.

Principles: The requested waiver is consistent with the national strategic direction as described in TEGL 13-06, and in particular supports the following strategic priorities:

- Build a demand-driven system within a regional economic development context;
- Implement system reform, with streamlined governance and alignment of economic and workforce development regions; and
- Enhance an integrated service delivery system that focuses on services rather than programs.

Barriers: The existing WIA requirement for maintenance of a physical facility in each LWIA that meets the requirements of a comprehensive center creates a demand for service infrastructure that would not otherwise exist. In particular, in light of the requirement for each partner to expend its funds only on its own eligible customers, the negotiation of MOUs for the formation and maintenance of comprehensive one-stops has been complex, and has yielded limited results in terms of true service integration. The “programs under one roof” model for core service provision is not always an effective approach to meeting the needs of diverse populations. In practice, the WIA Title I partner has usually borne the major burden of staffing the core service business, beyond the basic skills matching system of the Employment Service. This requirement has competed directly with the state’s strategic objectives as described above.

**Statutory /
Regulatory
Citation to be
Waived:** WIA Section 121 (a)(1)
WIA Section 121 (b)(1)
WIA Section 121 (c)
WIA Implementing Rule 20 CFR Part 662.100(c)
WIA Implementing Rule 20 CFR Part 662.250(a)
WIA Implementing Rule 20 CFR Part 662.300(b)

**Expected
Benefits:** This waiver would provide the maximum flexibility to the state and to local areas to structure the career center network in the most efficient manner possible. In addition, it supports the overall state objective of encouraging greater reliance on technology rather than physical facilities as a means of accessing career transition services. Finally, the increased flexibility obtained through this waiver will allow the state to implement policies that are intended to increase WIA Title I expenditures for training.

**On-site
Monitoring:** If this waiver is granted, the state will accept requests from LWIBs to forego operation of a comprehensive physical center. Such requests will provide a description of the alternative service delivery arrangements, a justification as to why these arrangements will enable improved service to customers, and a description of how these benefits will be measured on an ongoing basis, including how the waiver will enable increased investments in training.

4. Adoption of WIA Common Measures

The state is requesting a federal waiver permitting the early adoption of the WIA common measures. This waiver would encourage the provision of training to adults and dislocated workers by removing the current WIA credential rates, which strongly discourage on-the-job or customized training delivery. In addition, it would enhance services to out-of-school youth, who are more clearly targeted by the new common measures for youth.

Waiver: Allow the state to substitute the WIA common measures as defined in TEGL 17-05 for the existing WIA core measures as described in TEGL 17-05. This change would apply to Adult, Dislocated Worker, and Trade Act funding streams beginning with the PY 2007 performance year. Due to the need to complete modifications of youth programs, the new youth common measures are requested to be applied beginning with the PY 2008 performance year.

Objective: The requested waiver is intended to support the following strategic objectives for Illinois' workforce system:

- Focus WIA training investments on responding to the critical needs of the labor market, including flexible strategies for training for high-paying jobs in skill shortage areas. Position WIA Title I as primarily a targeted training program.
- Improve the management and accountability for workforce programs operated by DCEO, especially as this relates to supporting the other strategic objectives.

Principles: The requested waiver is consistent with the national strategic direction as described in TEGL 13-06, and in particular supports the following strategic priorities:

- Build a demand-driven system within a regional economic development context;
- Advance a vision for serving youth most in need;
- Increase the use of flexibility provisions in WIA to design innovative programs that fuel economic competitiveness and create employment opportunities for career seeker customers, and
- Utilize an integrated and enhanced performance accountability system.

Barriers: The current WIA core measures for adults and dislocated workers include credential attainment rates with a definition of credential/certificate attainment that was originally developed for use with the youth common measures. This credential/certificate definition, while appropriate for youth programs, creates a strong disincentive for the provision of On-the-Job and customized training to adults and dislocated workers, since these forms of training frequently do not result in a credential/certificate as now defined. Illinois has been trying to encourage LWIBs to think outside the “ITA box,” and utilize other forms of training. However, LWIBs are reluctant to engage in any form of training that does not clearly lead to a credential or certificate as defined by ETA, due to the impact on their performance for the existing credential attainment rates.

**Statutory /
Regulatory
Citation to be
Waived:** WIA Section 136 (b) (2) (A) (i) (IV)
WIA Section 136 (b) (2) (A) (ii)
WIA Implementing Rule 20 CFR Part 666.100 (a) (1) (iv)
WIA Implementing Rule 20 CFR Part 666.100 (a) (2) (iv)
WIA Implementing Rule 20 CFR Part 666.100 (a) (3)

**Expected
Benefits:** For adults and dislocated workers, this waiver will encourage the provision of training by removing the current disincentive for OJT and customized training delivery. In the view of the state, a credential rate is no longer needed for adults and dislocated workers, given the new emphasis on post-program earnings outcomes, coupled with the state’s emphasis on training for high-paying jobs in skill shortage areas.

For WIA youth, adopting the common measures would have a significant positive effect on the delivery of this program. These new measures focus the program much more on basic skills and educational outcomes rather than labor market outcomes, such as employment and earnings. This will encourage more training, including academic remediation for out-of-school youth. This is consistent with the State’s overall objective of increasing local investments in training that leads to employment in high-demand, good paying jobs. It also is consistent with the intent of the state to promote the types of program design changes that were intended by the new common measures. This includes increased emphasis on out-of-school youth, increased emphasis on skill attainments and verifiable improvements in basic skill levels.

**On-site
Monitoring:** If this waiver is approved, the state would negotiate goals with ETA for the adult and dislocated worker common measures prior to July 1, 2007, and for the youth common measures prior to July 1, 2008. It would negotiate goals for the LWIBs on a similar schedule.

5. Exemption from Individual Training Accounts and Customer Choice Requirements

The state is requesting a waiver of the requirement to use Individual Training Accounts as the primary means of purchasing occupational training services for adults and dislocated workers. It is also requesting a waiver of the related provisions regarding customer choice from the state eligible training provider list. This waiver would encourage the use of WIA funds to increase training capacity rather than merely purchasing training slots in existing classes.

Waiver: The state requests exemption from the requirement to use ITAs as the primary vehicle for delivery of training services for adults and dislocated workers. Specifically, the state requests exemption from the requirements for ITA usage found in WIA Section 134 (d)(4)(G)(i). In addition the state requests exemption from the customer choice requirements in WIA Section 134 (d)(4)(F). This exemption would be extended to all LWIBs via issuance a policy letter by the state. The use of this waiver would be targeted at training contracts which are in response to critical skills shortages identified via the regional skill shortage planning process.

Objective: The requested waiver is intended to support the following strategic objectives for Illinois' workforce system:

- Focus WIA training investments on responding to the critical needs of the labor market, including flexible strategies for training for high-paying jobs in skill shortage areas. Position WIA Title I as primarily a targeted training program.

Principles: The requested waiver is consistent with the national strategic direction as described in TEGL 13-06, and in particular supports the following strategic priorities:

- Build a demand-driven system within a regional economic development context;
- Implement system reform, with streamlined governance and alignment of economic and workforce development regions;
- Strengthen partnerships with community and faith-based organizations;
- Increase the use of flexibility provisions in WIA to design innovative programs that fuel economic competitiveness and create employment opportunities for career seeker customers, and
- Utilize an integrated and enhanced performance accountability system.

Barriers: The Individual Training Account mechanism has been a useful method for purchasing existing training slots in existing training capacity. However, the ITA vehicle is not very useful as a means to increase training capacity through investment of WIA funds in critical skill shortage training programs. By definition, ITAs are individual in nature, and are not well suited to the development of class-size training contracts. In addition, the customer choice provisions found in WIA have had a chilling effect on the ability of the local WIA system to respond to employer needs through the targeting of WIA funds to critical skill shortage occupations.

**Statutory /
Regulatory
Citation to be
Waived:** WIA Section 134 (d)(4)(F)
WIA Section 134 (d)(4)(G)(i)
WIA Implementing Rule 20 CFR Part 663.400
WIA Implementing Rule 20 CFR Part 663.430
WIA Implementing Rule 20 CFR Part 663.440

**Expected
Benefits:** The waiver will allow LWIBs to work with employers and training providers to develop class size contracts with WIA funds. This will enable WIA funds to be used to address critical capacity problems by providing WIA seed funds for training program development. It will also encourage training providers to invest in increased capacity because they will be more likely to do so if there is a prospect of a longer term relationship with the LWIB. Finally, the waiver will enable LWIBs to respond directly to employer requests for significant numbers of persons trained in a particular occupation, because they will be able to enter into a direct class-size contract with one or more training providers to conduct the training.

**On-site
Monitoring:** The state will carefully monitor the implementation of this waiver at the local level, including collection of the following elements:

- The number of LWIBs who develop direct training contracts;
- The number of contracts for development on new training capacity;
- The industries and occupations for which such contracts are developed; and
- The number of persons trained via such contracts.

6. Exemption from Youth Program Element Competitive Procurement

The state is requesting a waiver of the requirement for LWIAs to competitively procure youth services. This waiver request is an extension of our existing waiver permitting LWIAs to use the Individual Training Account system for procuring training for out-of-school youth. In addition to the use of ITAs for training, most LWIAs can readily use existing case management staff to provide most of the ten youth service elements directly, rather than through service providers. The existing requirements create another layer of staff that is often not needed.

Waiver: The state requests exemption from the requirement for LWIAs to competitively procure youth services. Specifically, the state requests exemption from the requirements for competitive selection of youth providers found in WIA Section 123. This provision would remain in effect for local areas that chose (or were required by the state) to continue competitive procurement of youth services via contractors. Local areas that requested the waiver, and were approved by the state would be exempted from competitive procurement requirements for selected youth program elements, and could provide these elements via grant recipient staff.

Objective: The requested waiver is intended to support the following strategic objectives for Illinois' workforce system:

- Focus WIA training investments on responding to the critical needs of the labor market, including flexible strategies for training for high-paying jobs in skill shortage areas. Position WIA Title I as primarily a targeted training program.

Principles: The requested waiver is consistent with the national strategic direction as described in TEGE 13-06, and in particular supports the following strategic priorities:

- Build a demand-driven system within a regional economic development context;
- Implement system reform, with streamlined governance and alignment of economic and workforce development regions;
- Enhance an integrated service delivery system that focuses on services rather than programs; and
- Advance a vision for serving youth most in need.

Barriers: LWIBs are required to make available each of the ten youth program elements listed in WIA Section 129(c)(2). These youth program elements must be provided via eligible providers of youth activities identified by awarding grants or contracts on a competitive basis (Section 123). The state is aware that under the WIA implementing rule, this competitive procurement requirement does not apply to the design framework of local youth programs when the grant recipient/fiscal agent is the provider of the design framework activity. Therefore, grant recipient staff may provide such as services for intake, objective assessment and the development of the individual service strategy. In addition, grant recipients may directly provide work experience, and private sector unsubsidized employment opportunities to be excluded from the competitive process.

However, these provisions still leave several key youth program elements that could be effectively delivered by grant recipient staff. In addition, in some LWIAs there are so few available providers in the community that competitive procurement is not an efficient mechanism for managing these services. These elements include 1) Tutoring, study skills training, and instruction leading to secondary school completion, including dropout prevention strategies; 2) Alternative secondary school offerings; 3) Leadership development opportunities; 4) Supportive services; 5) Adult mentoring; 6) Follow-up services; and 7) Comprehensive guidance and counseling, including drug and alcohol abuse counseling. Requiring that these elements be provided via competitively procured grants or contracts creates what is often an unnecessary additional layer of program management, which results in fewer youth being served.

**Statutory /
Regulatory
Citation to be
Waived:**

WIA Section 123

**Expected
Benefits:**

The waiver will allow LWIBs to use their own grant recipient staff to provide many of the youth program elements listed in WIA Section 129(c)(2). This will enable WIA funds to be used more efficiently in those LWIAs where there are limited numbers of providers or where the size of the program is small enough that competitive procurement of these elements is not an efficient solution to program management. This would be expected to lead to increases in the numbers of youth served in these areas, or increases in the investments in occupational skills training, since more resources will be available for this purpose.

**On-site
Monitoring:**

If this waiver is granted, the state will accept requests from LWIBs to forego competitive procurement of one or more youth program elements. Such requests will provide a description of the alternative service delivery arrangements, a justification as to why these arrangements will enable improved service to customers, and a description of how these benefits will be measured on an ongoing basis, including how the waiver will enable increased investments in training. In particular, the state will review requests to ensure that the overall efficiency of program operation is being advanced by the waiver request, and will not approve requests where cost savings are not apparent.

ATTACHMENT H

PROGRAM ADMINISTRATION DESIGNEES AND PLAN SIGNATURES

Name of WIA Title I Grant Recipient Agency: Illinois Department of Commerce and Economic Opportunity

Address: James R. Thompson Center
100 W. Randolph, Ste. 3-400
Chicago, IL 60601

Telephone Number: (312) 814-2811

Facsimile Number: (312) 814-1843

E-mail Address: jack.lavin@illinois.gov

Name of State WIA Title I Administrative Agency (if different from the Grant Recipient):
N/A

Address: _____

Telephone Number: _____

Facsimile Number: _____

E-mail Address: _____

Name of WIA Title I Signatory Official: Mr. Jack Lavin, Director

Address: James R. Thompson Center
100 W. Randolph, Ste. 3-400
Chicago, IL 60601

Telephone Number: (312) 814-2811

Facsimile Number: (312) 814-1843

E-mail Address: jack.lavin@illinois.gov

Name of WIA Title I Liaison: Ms. Therese McMahon

Address: James R. Thompson Center
100 W. Randolph, Ste. 3-400
Chicago, IL 60601

Telephone Number: (312) 814-6028

Facsimile Number: (312) 814-0999

E-mail Address: therese.mcmahon@illinois.gov

Name of Wagner-Peyser Act Grant Recipient/State Employment Security Agency:

Illinois Department of Employment Security

Address: 33 South State Street

Chicago, IL 60603

Telephone Number: (312) 793-9274

Facsimile Number: (312) 793-9834

E-mail Address: james.sledge@illinois.gov

Name and title of State Employment Security Administrator (Signatory Official):

Mr. James Sledge

Address: 33 South State Street

Chicago, IL 60603

Telephone Number: (312) 793-9274

Facsimile Number: (312) 793-9834

E-mail Address: james.sledge@illinois.gov

As the Governor, I certify that for the State/Commonwealth of Illinois, the agencies and officials designated above have been duly designated to represent the State/Commonwealth in the capacities indicated for the Workforce Investment Act, Title I, and Wagner-Peyser Act grant programs. Subsequent changes in the designation of officials will be provided to the U.S. Department of Labor as such changes occur.

I further certify that we will operate our Workforce Investment Act and Wagner-Peyser Act programs in accordance with this Plan and the assurances herein.

Typed Name of Governor Rod R. Blagojevich



Signature of Governor

Date May 1, 2007

Attachment I – Comments

DCEO received thirteen comments from individuals and organizations during the comment period that began March 26, 2007 and ended April 28, 2007. Comments were received from Chicago Jobs Council (CJC), labor, local workforce area staff, community college staff and the private sector. The thirteen comments received during the public comment period were from five of the twenty-six local workforce areas in Illinois. Nearly seventy percent (nine of thirteen) of local comments were from Local Workforce Investment Area 13. Additional comments from the Illinois Workforce Partnership (IWP), were received on March 5 and again on April 27 and represented statewide local workforce professionals.

Generally, comments were related to three issues: 1) the waiver requesting exemption from the requirement to have a comprehensive one-stop in each local area; 2) the intent to establish a minimum training expenditure requirement; and 3) concerns about the plan development process.

Comprehensive One-Stop Waiver

Comments were received in favor of the waiver request, as long as local boards are able to make decisions on service delivery based on local need. Comments were also received in favor of expanding the use of technology to improve access to services. Comments with concerns on this issue asserted that the State wants to close comprehensive one-stop centers, lay off existing staff, allow state agencies to pull out of one-stop centers, and that the use of technology is not an adequate substitute for experienced staff.

The genesis of this waiver request lay in a call from Department of Labor (DOL) to be creative and submit waiver requests that allow for innovative methods of service delivery. DOL conducted an audit of service delivery at comprehensive one-stop centers in Illinois. This audit found that the federal vision of seamless service delivery has not been achieved, and that local MOUs do not facilitate the delivery of services and coordination between partner programs.

The state intends this waiver request to be a tool local areas may utilize. The state does not intend or expect that career centers will be curtailed or closed due to the waiver. A significant level of local control is an integral part of WIA, however, with that control should also come significant local partner and community participation in support of one-stop centers.

This waiver would allow those areas interested in trying this approach to take advantage of the opportunity. Local boards that choose to pursue this waiver would have to submit their request to the state for approval. The local board would be required to describe their proposed model of service delivery to the state before being allowed to pursue that course.

On the issue of technology and career center staffing levels, the state's goal in expanding the use of technology to deliver core services is to also expand access to services. The

use of technology is not intended to replace existing staff or require staff reductions. The goal is allow existing staff to provide additional and improved services to customers and to expand access via nontraditional partners including faith-based organizations and not-for-profit organizations.

The Illinois Workforce Investment Board (IWIB) created a task force to advise the full board on how this waiver, if granted by DOL, could be implemented.

Required Minimum Level of Training Expenditures

Comments on requiring a minimum level of training expenditures were received from individuals representing a handful of local workforce areas or agencies and community colleges. Comments from the community college system were supportive of this concept. Comments with concerns on this issue covered several common themes.

Commenters asserted that training is not always desirable or often wanted by clients. One commenter stated, "I don't believe it is the solution for all or even most of our customers." The implied assertion is that customers do not want nor need training. Another central issue of concern is that the state should not mandate an expenditure level because it usurps local authority. Several commenters protested setting a training expenditure threshold is unworkable and expressed concerns the level is undefined, and will require local areas to shift resources away from local priorities such as marketing.

The history of WIA indicates that training investments are declining and that if the current trend continues unabated, training expenditures will fall below ten percent of the total by program year 2010.

Illinois has three existing task forces created by the IWIB, which cover demand industry/occupation sectors in the state. These sectors include health care, manufacturing and transportation & logistics. Over the past two years, each of these task forces, working independently, recommended that more training is needed to address the significant worker shortages in these demand sectors. Regional planning consortia convened for the Critical Skill Shortage Initiative also concluded that additional resources for training need to be identified and made available to individuals across the state. In addition, empirical evidence overwhelmingly indicates that higher levels of education and training generate higher levels of income for job seekers.

Because of these recommendations and empirical evidence, the state is taking steps to halt the trend of diminishing resources provided for training. The state has responsibility to reverse this troubling trend. Illinois would not be the first state to set an expenditure threshold. In fact DOL recommended states set a minimum level of training expenditures during a planning guidance Q and A session. It is the state's intent working in partnership with local areas to identify and incent training that will lead to long term employment in occupations that pay a high wage. Local areas will retain discretionary control of the types of training to be employed and how expenditures in general are made, within the broad guidelines that a certain amount must be expended for training.

A set baseline level was not included in the State Plan. The state will work through the IWIB task force, which will have representatives from the private sector, local boards, local workforce professionals, community colleges and state agency leaders. The task force is set to convene in early May 2007.

The intent is to set a level that will be phased in over a two-year period, giving local areas ample time to adjust their service delivery models. The IWIB task force will make a recommendation on this issue.

Process

The third main category of comments revolved around the plan development process. Commenters believed there was a lack of communication between the state and local boards.

The state involved the IWIB and IWP early in the process to provide an opportunity for input. DCEO raised the issue of the State Plan at the December IWIB meeting, over a month before receiving official planning guidance from DOL. The IWIB was informed that DCEO would be embarking on an update and would provide a draft for their review at their next meeting in March. DCEO staff also provided a similar announcement to IWP at their January meeting. It was determined that neither the IWIB nor IWP would form review committees. DCEO senior staff briefed the IWP president on the general vision of the State Plan in early February, and provided a draft copy to IWP to elicit feedback prior to sending the plan to the IWIB. IWP submitted several comments and suggestions, which were discussed at the March IWIB meeting and at a special IWIB meeting held in April related to the State Plan. The state extended the public comment period until April 28, which provided the maximum possible opportunity for public input while also allowing DCEO staff to submit the plan to DOL by the May 1, 2007 deadline.

Public Comments:

**Illinois Workforce Partnership Draft State Plan Comments
and DCEO RESPONSE TO IWP COMMENTS:**

Given the timelines for soliciting and compiling responses to the Draft State Plan from our membership, we have not had sufficient opportunity to thoroughly assess the full impact of the plan on all Local Workforce Areas around the State. Nevertheless, we agree and support many fine aspects of the recommendations contained in the Draft State Plan. We were glad to see that IWP was mentioned as being an important means of communication with DCEO and the local areas. However, we are concerned about several statements incorporated into the Draft State Plan that appear to be in conflict with each other, may not support the unique needs of Local Workforce Investment Areas, nor be in the best interest of the State of Illinois.

I. Executive Summary, page vi - “...DCEO intends to phase in a minimum training expenditure requirement for adult and dislocated worker local allocations to strongly encourage further investments in training. The long-term objective is to position WIA Title I primarily as a targeted training program.”

WIA has a current definition of cost categories. These cost categories include Training, Core Services, Intensive Services, Business Services/Outreach, and Administrative costs. Under these cost categories, a wide range of essential functions occur that support local workforce boards, one-stop systems and local training programs. WIA provides local workforce boards the authority to develop strategic plans for their communities and prioritize WIA investments to meet the workforce needs of their communities. Focusing WIA primarily on training undermines the authority and flexibility of local workforce boards to address the larger workforce needs of their communities.

Local workforce boards have taken on expanded roles and responsibilities. These include: strategic planning; researching economic and workforce trends; educating the community on workforce issues; convening key stakeholders to address workforce challenges; developing strategic partnerships; mobilizing resources to address the challenges; providing services to businesses; marketing the one-stop system; and continuing to develop the local workforce system. It will be critical for local workforce boards to have maximum flexibility to allocate WIA funds to address these expanded responsibilities. As we look forward to further developing our publicly funded workforce system to meet the needs of a twenty-first century global economy, it will be even more important that local workforce boards maintain flexibility in their funding to address the many needs of their communities.

Since Program Year 2002, WIA funding has seen a consistent decline to the State of Illinois (over 10%). As WIA funding has declined, it has put greater pressures on local workforce areas that have to do more with fewer resources. In addition, while some other states have been successful at integrating programs and maximizing state workforce

funding resources to local workforce boards, the State of Illinois has funded local workforce systems primarily with WIA funding. With only this one source of funding to draw from, local workforce boards and systems need more flexibility, not less.

II. Executive Summary Page vii – *“A large percentage of WIA funding is dedicated to the operation of physical One-Stop Centers. We intend to partially redirect our investment away from the current level of support of One Stop Centers, and toward training expenditures. We are committed to maintaining a high level of service to the citizens of Illinois, and we believe there are less expensive methods of service delivery than those currently in use.”* This statement seems to conflict with other statements in this document that seemingly support services offered by One-Stop Centers, such as the one found in the Executive Summary on page xii – *“As negotiated through the MOU process, state and local partners make a full array of One-Stop services available to all job seekers and local business. One- Stop Centers are laid-out to facilitate easy access to all customers through appropriate signage, shared waiting rooms, and greeters to assist clients to quickly navigate center services.”*

We suspect the statement, cited on page vii of the Executive Summary, was written to support the Comprehensive One Stop Center requirement waiver requested on Page xiii of the Executive Summary. We are concerned that making such broad and derogatory statements about inefficiencies and ineffectiveness of One Stop Centers will lead USDOL to more closely scrutinize DCEO expenditures of WIA funds for One Stop Centers. In addition, this appears to support a move toward CAAs being sought by DOL.

While local workforce areas must develop an MOU pursuant to the WIA, it would be most helpful for the state of Illinois to do the same at the state level. A statewide MOU would clearly delineate those state programs and services that are a part of the Illinois workforce development system. Currently, Illinois has approximately 50 workforce development programs administered by about 15 state agencies. As previously stated, local workforce boards have little or no idea what resources are available to them or are operating in their communities. Despite on-going requests for information, and the implementation of new technologies, the state has yet to provide local workforce boards and communities information on the myriad of state workforce programs operating in their communities. This would be most helpful as we seek to maximize and coordinate training resources for maximum efficiency.

III. Clarification is needed regarding the Governor’s direction to LWIBs for youth. *“There is considerable consensus on the need to make youth, parents, and teachers more aware of the skill requirements and opportunities available in the local labor market. The state encourages LWIBs to make efforts to ensure that resource room services and materials are tailored to meet the needs of all youth as well as the professionals who serve the youth population (e.g., teachers, administrators, planners, and counselors).”*

You can't tailor the material if it doesn't exist.

IV. We are concerned that the last two sentences in the Performance and Program Accountability section on Page 22, are inaccurate and projects an image of chaos, disarray, and fiscal irresponsibility within DCEO and among the LWIA's.

“Second, current required financial reporting to the state reveals little about how the WIA Title 1-B funds are being spent locally. For” example, the state cannot determine how much money is being spent on One-Stop centers, support of the LWIBs, core (universal) services, training, and staff salaries and related expenses.”

Making such inflammatory statements reinforces the negative image of WIA being projected by agency leaders in Washington, and will most likely, and needlessly, initiate more scrutiny from USDOL of DCEO fiscal accountability.

V. The waiver to “*NOT require a 1-Stop in all areas*” seems to be going somewhere, and I'm not sure where that is. Is this intended to address a specific issue in one or more LWIA's?

The DCEO request for a waiver from having comprehensive one-stops in each LWIA sets the stage for consolidation, and is the wrong way to go for rural Illinois. Virtual one-stops will not address the needs of many rural and urban residents who do not have access to the Internet, a computer, or who are computer illiterate. Discussions held with healthcare providers show this is a main problem in working with dislocated workers. While the State plan talks about the need to increase focus on serving business through business teams, they are taking away local input and influence that will make this happen. A website does not build business relationships.

With all the emphasis on IllinoisWorkNet, it seems that the BSRs would not have time to do anything else.

VI. Having Springfield and the Illinois WIB determine services for individual areas hampers our ability to give our local businesses the skilled workers they need to get a job done. Particularly now, when employment is tight, local WIAs need to have the latitude to focus on customization of training and to come together within our local communities to identify solutions that will meet local needs. LWIBs are now expected to take on more expanded roles, in an atmosphere of ever declining funds for job-seeker training and infrastructure support. We are more than willing, and look forward to working together with DCEO on regional projects, as we always have.

There is considerable mention about MOUs and the need of locals to work together. There is no mention about a statewide MOU—we still struggle with local agencies wanting to do things with us, only to be blocked at the top. A case in point are requests from local agencies to come into a one-stop to save money and increase efficiency for their clients, only to have State agencies battling between themselves or fighting against such a move.

Also, the emphasis on the EDR's leads us to believe that local control will not be possible or greatly compromised.

VII. The requirement for training is also a concern. WIA law and the rules and regulations limit and define what we can spend. Why is there a need for further clarifications and restrictions? "Training" as a cost category is a number of things, such as tuition, career counseling, recruitment, support services, etc. What specifically is DCEO attempting to address with this waiver request? What is DCEO proposing as a new definition of training?

On page 6 of the summary, after the idea of minimum training expenditures, the plan goes on to say that the "...long-term objective is to position WIA Title 1 primarily as a targeted training program." We would like more information on what exactly this "targeted training" model would look like and how would it affect other services. It would seem that such a model would diminish the role of universal, intensive, and employer services.

Stated later in the plan, on page 21, the "benchmark study" identified that 7 out of the 26 LWIAs had a lower training rate than under JTPA. "Every other area met or exceeded their previous training rates." Could it be stated differently, that this represents less than 30% of all LWIAs and 70% met or exceeded their previous training rates. Is it necessary for every LWIA to be targeted with minimum training requirements? Under WIA, it is up to the customer to decide whether to enter a training program. Not every WIA enrollee desires formal training. Unlike JTPA, WIA enrollees are expected to enter a training-related job. This has not been the outcome for all WIA enrollees in the CSSI program, and earmarking more WIA funds to critical skills occupations could be counterproductive..

In Attachment G, Exemption from Individual Training Accounts and Customer Choice Requirements, Barriers, it is stated "...the customer choice provisions found in WIA have had a chilling effect on the ability of the local WIA system to respond to employer needs through the targeting of WIA funds to critical skill shortage occupations." The critical skill shortage occupations represent only some of the many occupations that need to be filled in our local workforce investment areas. Earmarking more WIA funds to only CSSI occupations eliminates opportunities for WIA customers to receive training in other occupations they may be more qualified to fill.

VIII. On page 26, the vision for the expanded role of the youth council seems to go beyond the scope of the act.

IX. We would like to see the state add a request for an additional waiver. For youth eligibility, we would like to see the addition of free or reduced school lunch enrollment as a qualifier for youth to meet the family low income definition. It is extremely difficult trying to obtain parental income documentation, and by adding free or reduced lunch as allowable documentation for family low-income status could greatly reduce the amount of staff time spent on trying to get income documentation. By simplifying youth eligibility documentation, it will enable local areas to qualify more youth for training.

X. On page 95, the Regional Planning section states that regional planning would be voluntary. How will volunteerism be encouraged? What is the overall vision for regional planning?



April 27, 2007

Michael Baker
Illinois Department of Commerce and Economic Opportunity
Bureau of Workforce Development

RE: State of Illinois Workforce Investment Act Plan

Dear Mr. Baker:

First, we would like to commend the state on its vision and initiative in seeking to redesign the workforce system to meet current and anticipated needs of Illinois' citizens and residents. Second, we would like to say that as the representatives of the local system we recognize the merit in many of the state's ideas and we would like to support the state and welcome the opportunity to partner with the state in implementing these changes.

In the spirit of the partnership between the state and its local delivery system which has been the envy of many other states, we offer comments for the state's consideration as the state finalizes its Plan for submission to the United States Department of Labor.

Section 189 of the Workforce Investment Act provides the authority to the Secretary of Labor to grant waivers following the Governor's "consultation with appropriate local elected officials and notice and an opportunity to comment on such request has been provided to the local board." Further the statute states that waivers may not be granted with respect to the allocation of funds to local areas, or with respect to the establishment and functions of local areas and local boards. Finally, the statute tells us that waivers need to "improve the statewide workforce system" and state the "actions that the State or local area, as appropriate, has undertaken to remove State or local statutory or regulatory barriers."

We believe the intent of the waivers under the WIA is clearly to provide states and localities with a mechanism to set aside a statutory requirement that would impede their ability to deliver workforce services to their constituencies in an effective and efficient way. It was not intended that the waivers be used to create barriers to the delivery of services or to intrude upon roles and functions clearly delineated in the legislation as designated to the local level.

Based upon the statutory language and intent regarding waiver requests, we believe the following waiver request in the state's plan does not meet the established guidelines.

Waiver of the WIA requirement for a comprehensive One-Stop Center in each Local Workforce Investment Area. (Executive Summary, Waiver request, page xiii)

The state plan implies that soon it will no longer be necessary to access a physical One-Stop Center. However, there is no correlation between access to technology and the ability to analyze and process the information which will be available.

Conceptualizing services is very different from delivering those services. No one would suggest a classroom without a teacher. Our experience in implementing the establishment of the One-Stop system indicates that both employers and job seekers need and want personal assistance in accessing workforce services. We agree that some individuals need more or less interventions; however individuals who come to the One-Stop Centers do so because electronic assistance is not sufficient to meet their needs. The law already provides for affiliate and satellite systems which can be electronic where local areas determine that the need exists to establish such centers.

In an age where the workforce is a key element of every economic development strategy providing less services to job seekers and employers sends a wrong message. It says that job seekers and employers are no longer important enough to receive personalized services. We do not believe this is the message the state or local elected officials want to send to their residents and citizens.

Another part of the State Plan that we would like to comment on, is regarding DCEO's intention to require minimum training expenditures for adult and dislocated worker local allocations. (Executive Summary, Investment Priorities, page vi)

Previous employment and training programs dating back to 1973 all contained minimum training set-asides or had funding streams that were dedicated to training. After twenty seven (27) years, of trying to meet the country's workforce needs through rigid and intractable pieces of legislation the Congress enacted a flexible bill called the Workforce Investment Act (WIA) of 1998. We urge the state not to seek to impose rigid set-asides which would return the workforce system to being a clumsy and unresponsive system and which would create a barrier in the determination of the type and mix of services which is a responsibility reserved to the local boards and local elected officials as described below:

- (1) Minimum training set-asides would interfere with local formula allocations which are established under the WIA without restrictions other than a 10% administrative cap.
- (2) Minimum training set-asides would interfere with "establishment and functions of local areas and local boards." It is a function of local boards to approve a budget. In setting a budget local boards would make decisions regarding the types and mix of services and investments in core, intensive and training services. This is clearly an area which the statute states is not subject to waiver.

By seeking to restrict the use of the funds allocated to local areas, the state will be creating artificial barriers that will likely have unintended results. For example, the research tells us that during periods of low unemployment workers seek out jobs not training and use workforce services to assist them in moving up a wage ladder. Conversely during periods of high unemployment workers seek out ways to obtain additional skills in order to be more competitive in the labor market. Illinois currently has a record low unemployment rate, and now, more than ever, is when a flexible system, not a prescriptive one, is needed to address the changing needs of our economy. The current structure of the WIA allows for local areas to follow the natural ebb and flow of supply and demand and to move available resources to meet the local need.

And lastly, we would like to see the state add a request for an additional waiver. For youth eligibility, we would like to see the addition of free or reduced school lunch enrollment as a qualifier for youth to meet the family low income definition. It is extremely difficult trying to obtain parental income documentation, and by adding free or reduced lunch as allowable documentation for family low income status could greatly

reduce time spent by staff trying to get income documentation. By simplifying youth eligibility documentation, it will enable local areas to qualify more youth for training.

We thank the state for the opportunity to present these comments.

Respectfully submitted,

Sue Clark
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CHICAGO JOBS COUNCIL

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April 27, 2007
Michael Baker
Illinois Department of Commerce and Economic Opportunity
620 East Adams, 5th Floor
Springfield, IL 62702

Dear Mr. Baker:

On behalf of the Board of Directors, organizational members, and staff of the Chicago Jobs Council (CJC), I am submitting the following comments on the Illinois Department of Commerce and Economic Opportunity (DCEO) Draft State Strategic Five-Year Plan for Titles I-B and III of the Workforce Investment Act of 1998, and Wagner-Peyser Activities.

CJC is a city-wide coalition that works to ensure employment and career advancement opportunities for people living in poverty. Since its establishment in 1981, CJC's membership has grown to include over 100 organizations and individuals who—through advocacy, applied research, public education, and capacity building initiatives—work together to influence the development and reform of public policies and programs designed to move people into the workforce. CJC is a recognized leader in workforce development and welfare-to-work advocacy and is pioneering efforts to prepare frontline job development staff to better meet the needs of Chicago's employers and low-income job seekers. CJC's expertise lies in its ability to bring the voices and

experiences of Chicago's poor and working poor families to bear on workforce development policies.

Economic and education trends command serious attention from the United States Department of Labor (DOL), the Governor's Office, Illinois' General Assembly, DCEO and tax payers. High road businesses that strive to be competitive in the 21st century global economy face significant skilled worker shortages and thousands nationally, and in Illinois' labor pool, lack the skills required to be productive in growing industries. We commend DOL's goals to "build a demand-driven system within a regional economic development context" and "increase the use of flexibility provisions in WIA to design innovative programs that fuel regional economic competitiveness and create employment opportunities for career seeker customers" (p. ii) with WIA dollars. We hope that DCEO will urge Congress and DOL to prioritize WIA reauthorization to enable state and local areas to make more substantial changes to their systems. As CJC reviewed Illinois' state plan to prepare our comments it became clear that federal and state funding constraints significantly inhibit development of a state vision that can meet business demand and worker training needs.

CJC has long advocated for the alignment of Illinois' workforce development and economic development systems to ensure Illinois' economic competitiveness and to reduce poverty. We

applaud the innovation pursued by Illinois' workforce development stakeholders that has begun to build a continuum of education and training opportunities to ensure a steady pipeline of skilled workers to meet present and future economic development needs: the Job Training and Economic Development program (JTED), Transitional Jobs and Bridge Program pilots, the Foster Care Demonstration Project, and the Critical Skills Shortages Initiative (CSSI). To pretend, however, that we can continue to do more with less simply by redirecting WIA dollars from one part of the system to another and by leveraging other shrinking pots of money fools no one and harms everyone. This overriding concern colors all of our further comments on Illinois' plan. These comments focus primarily on (1) public comment process, (2) investment priorities, (3) waiver requests, (4) improving access to services for at-risk populations; and (5) structure, governance, and administration. Additional clarifying questions and suggestions are also included, organized chronologically to correspond with page numbers.

Public Comment Process

Before responding to the content of DCEO's state plan, we want to share our thoughts about the overall public comment process. CJC has been involved with WIA implementation since its original authorization. Our monthly Workforce Development Working Group, comprised of workforce development practitioners and advocates, has actively engaged in efforts to monitor and shape local and state implementation of the law. Since 2004, we have expanded our organizing and advocacy efforts to include Rockford, Aurora, Decatur and Springfield. We now have relationships with key workforce development stakeholders in these communities. These partnerships provide us with significant insight into how the proposed WIA policy changes and implementation issues will have an impact on communities across the state. Because of our long history of involvement and our expert understanding about how this legislation affects local service delivery, we are disappointed that the current state plan review process was not more inclusive. DCEO's decision to request public comment only *after* the IWIB approved the plan circumvents true inclusion. As a result, the drafted plan fails to adequately reflect the expertise and knowledge of local service providers, many of whom have been engaged with WIA implementation for several years. In the future, we hope that DCEO will make a more concerted effort to seek public comment and share those comments with IWIB members *before* they approve the plan. In the meantime, we hope that any comments DCEO receives on this state plan will be used to inform the newly established task forces that will address the comprehensive one-stop waiver and the minimum training investment requirement. This will lead to more informed decisions, which will ultimately benefit Illinois' entire workforce development system and the tens of thousands of customers who access these services each year.

Investment Priorities

CJC commends Illinois' commitment to direct resources toward job training activities (p. iii). We are troubled that the use of WIA formula funds for training continues to shrink even as demand for skilled workers grows. But, we are concerned that DCEO's intention "to phase in a minimum training expenditure requirement for adult and dislocated

worker local allocations” toward establishing “WIA Title I primarily as a targeted training program” (p. vi) may actually have a contrary effect and block local workforce investment areas from addressing the needs of its targeted job seeking populations.

On page 177 of Illinois’ WIA plan it states, “Most of the available ROI literature...suggests that the greatest return on investment comes from focusing training services on the hardest to serve customers. For youth, this means mostly the out-of-school population and those in-school youth at risk of dropping out. For adults, it means those with limited work histories, a history of welfare dependency, or other serious skill deficiencies. For dislocated workers, it means those with pre-dislocation wages that are high relative to their skill levels.” The hardest-to serve typically need intensive services before they are ready to succeed in high-demand labor-market focused training. Shifting limited funds from one service area to another only severs the workforce development pipeline and may encourage registrant “creaming” to meet WIA performance measures. DCEO’s proposal also denies local stakeholders the flexibility to address local workforce needs. To encourage strategic and effective investments in core, intensive, and training services in an environment of limited funding DCEO and an IWIB task force could use established state benchmarks or other criteria (e.g. demographics of job-seeking populations, labor market needs) to hold LWIBs accountable for use of WIA funds. Finally, a commitment to direct resources toward job training must include an infusion of state revenue into the Critical Skills Shortages Initiative (CSSI). This could free up WIA discretionary dollars, currently used for CSSI, to be used to provide innovative intensive services, like Transitional Jobs or Bridge programs, for targeted WIA customers on the local level.

The state plan also identifies as a priority, investments in Opportunity Returns, Illinois’ vehicle to address economic development needs. Unlike clearly articulated goals to improve performance and program accountability (page 23) of the workforce development system by getting more information on funding use and service delivery outcomes, DCEO’s plan did not articulate how the economic development system will be held accountable for funding use and outcomes. State research demonstrates that Illinois’ investments in business can be better targeted, e.g. by directing incentives to support business growth in high poverty, high unemployment areas, or ensuring that incentives that improve productivity also guarantee better wages/benefits to employees.

Waiver Requests

CJC supports DCEO’s use of waiver requests from the USDOL to improve our workforce development system, but we have several concerns and questions.

1) *Requirement for a comprehensive One-Stop Career Center in each LWIA (p. 172 and Attachment G-3).* CJC opposes DCEO’s request for a waiver of the WIA requirement to have a comprehensive One-Stop in each LWIA. In many LWIAs, especially in rural parts of Illinois, the One-Stop centers are the only physical location where a customer can access services. While utilizing new technology should be an important component of the workforce development system in Illinois, moving to a system that relies heavily or exclusively on technology based services (through Illinois WorkNet) will make it difficult for low skilled, inexperienced, or computer illiterate customers to access the services they need. So, rather than giving DCEO the ability to eliminate One-Stop

centers, we urge the Department to concurrently expand their technologically based services while also striving to improve the existing centers, making them more accessible to individuals with multiple barriers.

2) *Use of ITAs for youth ages 16 and above (p. 171 and Attachment G-1)*. CJC supports DCEO's request for a continuation of the waiver that allows out-of-school youth to obtain ITAs and that lowers the ITA eligibility age to 16. We hope DCEO will encourage providers throughout the state to make use of this waiver to better serve their out-of-school youth customers. Because funding for training is limited and many out-of-school youth have multiple barriers to employment (such as low literacy, little or no work experience, or a criminal record), CJC encourages the state not to extend the training waiver to in-school youth. Instead, CJC recommends that local communities evaluate the need to offer ITAs for in-school youth prior to considering an expansion of this waiver to include them.

3) *Incumbent worker training (p. 172 and Attachment G-2)*. CJC supports the current incumbent worker training waiver, particularly because it is locally controlled and allows for local flexibility in implementation. However, due to limited public resources, and youths' inability to access incumbent worker training, the funding for this waiver should only be appropriated from Adult and Dislocated Worker funding streams. Local areas should also be encouraged to evaluate the types of employers and employees that seek incumbent training assistance to ensure that training is benefiting targeted populations and low income workers. Lastly, the state should strongly suggest that local areas encourage employers to utilize other state operated training programs (such as ETIP and JTED) and local training options (such as TIFWorks in the City of Chicago) *before* utilizing WIA incumbent training dollars. This will allow the state to maximize the utility of its WIA dollars by focusing services on the unemployed.

4) *Adoption of WIA common measures (p. 12 and Attachment G-4)*. CJC supports the state's decision to move towards adoption of the WIA common measures as soon as possible. Many local communities have begun to utilize the common measure standards already. CJC encourages the state to evaluate the impact of common measures on providers and their ability to deliver services for hard to serve populations.

5) *Exemption from ITA and customer choice requirements (p.172 and Attachment G-5)*. Under WIA's current design, customer choice is critical to ensuring that customers can access appropriate training opportunities to prepare them to achieve their long term career goals. This waiver implies that customers are unable to make good choices regarding their training needs. Customers should have the tools they need to choose an appropriate training provider based on their career interests. To ensure that customers have the information they need to make these decisions, the state needs to develop a consistent and accurate communication process to inform customers about the training providers available to them. To further improve a customer's ability to access quality training, DCEO and the IWIB should explore ways to expedite the ITA process. The state should also develop an evaluation process for training providers that looks at more than placement outcomes to assess the quality of the training offerings available to customers. We also suggest that DCEO encourage local areas to consider granting training contracts to serve special populations. These types of contracts could ensure that targeted populations have adequate access to training opportunities.

Improving Access to Services for At-Risk Populations

CJC has several specific areas in which it wants to inform DCEO's strategy for ensuring access to services for at-risk populations.

1) *Utilize technology to supplement, not replace, existing services.* CJC supports DCEO's increased use of technology through the implementation of Illinois WorkNet. The creation of a portal to universal services is an innovative concept that CJC has supported since its inception. However, we want to emphasize that technology-based service delivery should not supplant face-to-face interactions. Not all customers will have access to web-based services or the ability to utilize them. Consequently, it is imperative that DCEO remain committed to serving its job seeking customers through the One-Stop centers, with an emphasis on in-person employment services. Likewise, CJC commends IDES and DCEO for their efforts to make the Illinois Skills Match system more user friendly, but urges them to supplement this system with personal skills assessments for customers.

2) *Coordinate services with other state agencies that serve at-risk populations.* CJC believes that coordination of services is a key component to effective and efficient service delivery. This is especially crucial when serving individuals who seek services from multiple public organizations. For example, greater coordination with IDHS employment services is necessary to ensure job seekers on public benefits do not fall through the cracks of both systems. New rules for TANF work activities and penalties for states failing to meet work participation requirements make inter-agency coordination even more essential. Likewise, DCEO should strive to coordinate their services with IDOC to better meet the employment needs of incarcerated people as they reenter the community. CJC suggests adding IDOC to the list of mandated One-Stop partners, especially since Governor Blagojevich has recently put so much emphasis on serving this population. Finally, CJC encourages DCEO to expand the Foster Care Demonstration Project, and the cross-agency collaboration it requires, to enable foster care youth across the state to access employment services.

3) *Expand Access for Special Populations.* CJC commends DCEO for its support of several innovative programs designed to serve special populations, including youth and people with disabilities. However, we recommend expanding these initiatives to serve a larger number of customers. For example, DCEO could better support the full inclusion of people with disabilities by funding Disability Navigator positions in all One-Stops across the state. LWIA 9 has secured funding for these positions, which has led to far more engagement of people with disabilities in the Chicago One-Stop system. Additionally, DCEO should work with IDES to expand the Hire the Future program to include lower performing youth. Only allowing youth with a C average or better to access the program eliminates many of the youth who could most benefit from participation.

Structure, Governance, and Administration

There are several structure, governance, and administration functions that CJC would urge DCEO to clarify or strengthen.

1) *Communication with stakeholders and the public.* As a public agency, DCEO has a responsibility to inform the public of its activities. However, it is often difficult to obtain necessary information about upcoming meeting dates and times, meeting agendas, meeting minutes, and public comment periods. In order to fully engage the public in its efforts, it is essential that DCEO widely publicize upcoming meetings and materials well in advance of the meeting date. This will enable stakeholders from across the state to become informed and participate when appropriate. Additionally, DCEO needs to develop a more comprehensive strategy for communicating with contractors, especially about system-wide administrative requirements (for example: data entry into IWDS). It is important that all providers understand their responsibilities, and that the same information is delivered to contractors across the state.

2) *Importance of Youth Councils.* CJC agrees with DCEO's decision to support the continuation of Youth Councils if they are no longer required after WIA reauthorization. However, we would urge DCEO to strengthen this language, and *require* that local areas continue to have Youth Councils. With the growing emphasis on serving youth, especially out of school youth, it is imperative that each LWIA has a coordinating body that is designated to oversee and inform this service provision.

3) *Recertification of training providers.* It is important to CJC that state certified training providers offer high quality services to customers. However, the requirement that training providers be recertified every year and that they seek separate certification for each LWIA in which to provide services puts an undue burden on these providers. The state should consider other options for training certification, such as lengthening the certification time period to two years and allowing providers to submit one application for recertification in multiple LWIAs. Additionally, CJC recommends developing a thorough customer evaluation process to enable customers to provide ongoing feedback about the quality of services they receive through state certified training providers.

4) *Service delivery through faith based organizations.* CJC supports DCEO's acknowledgment of the important role that faith based organizations play in the provision of services to those most at risk. However, we recommend that there be measures in place to ensure that these organizations do not discriminate based on religion (as defined within the WIA legislation). Additionally, there needs to be a procedure whereby individuals who experience discrimination can file a grievance report. We are excited about the Northeast Development Region's pilot project and stress the importance of connecting the faith based organizations in the five identified communities to the rest of the WIA system and its resources (p. 165). We also encourage DCEO to seek supplemental funding to support this initiative, as the current \$500,000 DOL grant will not be sufficient to launch a statewide effort of this sort.

5) *Technical assistance throughout the WIA system.* CJC supports DCEO's commitment to provide technical assistance to Local Boards, Board staff, One-Stop operators, One-Stop partners, and eligible providers. We would encourage DCEO to include all these stakeholders in the needs assessment process to ensure that the state is well informed about technical assistance needs.

Clarifications and Suggestions

The balance of our comments focus on parts of the plan where we thought language might be modified or added to clarify or strengthen the content.

III. State Governance Structure, IWIB Task Forces

- ⌚ Page 28: CJC encourages the IWIB to prioritize CNA shortages and job quality issues. This is an important industry in light of the number of entry-level jobs, Illinois' aging population and the high costs of institutional care.

IV. Economic and Labor Market Analysis

- ⌚ Page 43: There is text missing from the bottom half of this page.

VIII. Administration and Oversight of Local Workforce Investment Systems

- ⌚ Page 121: We agree with the decision to conduct SWOT analyses to determine how to best serve people with disabilities. This sort of comprehensive analysis would also be valuable in developing strategies to serve other special populations (including the homeless, formerly incarcerated, and public benefits recipients). We would also recommend that members of each community be involved in the evaluation process.

IX. Service Delivery, Integration of WIA Youth Services in One-Stops

- ⌚ Page 122: We support the state's effort to thoroughly examine best practice models for integrating youth into One-Stops. CJC could help DCEO identify these best practice models.

X. State Administration, Technology Infrastructure

- ⌚ Page 169: Will the Automated Compliance Monitoring System be deployed in July 2007? If so, how and when will Local Workforce Boards and contractors be taught how to use the system? Will this replace IWDS? If not, how will the two systems interact?

Illinois' ability to attract and retain prosperous industries with high quality jobs for 21st century economic competitiveness hinges on delivering a skilled workforce. Consistent with the design of the WIA system, we urge DCEO to inform, support, and invest in local efforts to provide a continuum of services for those most in need of vocational skills or employment in their area economies. At the same time, Illinois must develop a vision that fully integrates economic and workforce development, maximizes current investments and best practices, and appropriates new funds to ensure Illinois' children and all of its working age adults can contribute to their state's economic vitality and world-class status. As you know, CJC thinks this work is imperative, and has partnered with the Center for Tax and Budget Accountability and the Sargent Shriver National Center on Poverty Law to pursue this vision through the Illinois Works for the Future campaign.

As always, CJC is interested in working with the Governor and DCEO to improve the WIA system, as well as develop an integrated workforce and economic development

system that benefits everyone in Illinois. Toward this end, we hope to resume quarterly discussions with DCEO staff.

I can be reached at 312-252-0460 x330 or bob@cj.net should you want to talk about or respond to any of the comments included in this letter.

Sincerely,

Robert E. Wordlaw

Executive Director

cc: Jack Lavin, Director

Therese McMahon, Deputy Director of Workforce Development

Illinois Workforce Investment Board Members

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April 27, 2007

Mr. Mike Baker
Department of Commerce and Economic Opportunity
Via email Michael.Baker@Illinois.gov

Dear Mr. Baker:

The following comments on the Strategic Five Year State Plan For Title I of the Workforce Investment Act of 1998 (WIA) and the Wagner-Peyser Act are offered on behalf of AFSCME Council 31, a union representing workers in state and local government throughout Illinois. I am also a member of the Illinois Workforce Investment Board (IWIB) and will add my own comments about the extremely unorthodox process that led to the adoption of the plan.

I. USDOL Should Reject the Request for a One-Stop Center Waiver

The U.S. Department of Labor should reject the State's request for a waiver of the requirement that Local Workforce Investment Areas maintain at least one comprehensive One-Stop, fully staffed by each of the partners specified by the Workforce Investment Act (WIA). (Appendix G, page 2.)

Part of the State's rationale for this change is that it "supports the overall state objective of encouraging greater reliance on technology rather than physical facilities as a means of accessing career transition services." (P. 95) The state's plan notes that the redesigned One-Stop "emphasizes information and referral over staff relocation strategies." (P. 86)

This proposal appears simply to be an effort to replace trained counseling staff at One-Stop centers with on-line, web-based services. It is a slippery slope leading to poorly staffed and administered One-Stops. We are opposed to this because:

- State employees who have retired or left state service have not been replaced. As a result, every state agency is facing a crisis of understaffing, including those who are partners in the One-Stops. These agencies will be all too likely to remove their staff from One-Stops and shed the concomitant financial commitments borne by One-Stop partners. One-Stops and the clients they serve will suffer.
- The technology option – eliminating trained staff and providing the public with access to the Illinois workNet system – will not come close to providing the services offered by trained counselors.

AFSCME-Continued

I served on the workNet task force that guided the development and implementation of the system. The workNet system was never intended to be anything more than a supplement to the One Stop centers. It was definitely not designed to replace the vital services that job seekers and businesses receive from fully staffed One Stop centers.

The State's plan to utilize community agencies as "affiliate sites" for workNet will result in placing vital services to job seekers and businesses in the hands of organizations that will not have the capacity, resources or expertise to provide job seeking and training counseling services.

Many One Stop customers do not have computer access or the ability to use a system like workNet. In the absence of comprehensive, fully staffed One-Stops, it is likely that those **most** in need of help will end up without services.

Even if it were good policy conceptually, the Illinois workNet is unprepared for the demands that will be put on the system if this waiver is approved. It is still a work in progress. It does not have a Spanish version and has not even been rolled out to all Local Workforce Investment Areas for trial.

The existing federal standard – that each Local Workforce Investment Area support at least one comprehensive, fully staffed One-Stop -- is the minimum requirement necessary to ensure that the State of Illinois provides quality services to the citizens of Illinois. The request for this waiver should be denied.
II. The Plan Should be Modified to Eliminate the WIA Title I Minimum Training Requirement

We are also concerned that "DCEO intends to phase in a minimum training expenditure requirement for adult and dislocated worker local allocations" (P. xi) starting this July. In the explanatory fact sheet distributed to IWIB members, DCEO states that 1) the agency does "not know how much of the local allotment is expended on training" and that 2) this amount is too low. How can DCEO set a standard without even knowing the true magnitude of current expenditures?

Money sent to Local Workforce Investment Areas is used for a variety of purposes, including operating One-Stop centers, providing business services, and providing job seeker services. Not all customers want or need training. Local boards are in the best position to determine the proper mix of services.

The actual training expenditure requirements that are planned are shrouded in mystery. The DCEO explanatory fact sheet simply states that "the required level of spending would be established in consultation with the IWIB." This raises two concerns:

Local Workforce Investment Areas, who have the greatest stake in the decision

and who are the most knowledgeable about local needs, will be left out.

DCEO's handling of the IWIB board in the preparation and review of the Five Year State Plan does not inspire confidence. The entire document was presented as a fait accompli. (See below) DCEO has apparently already made some key decisions with respect to minimum training requirements (e.g., rejecting career counseling costs as training). Furthermore, the minimum training requirement begins this July, making IWIB input difficult and local planning impossible.

The WIA Title I minimum training requirement should not be approved.

III. The Five Year State Plan Approval Process Was Not Conducted in Good Faith

DCEO's handling of the Five Year State Plan deprived citizens of the State of Illinois of adequate time to review and comment on the plan:

1. I received the 185 page plan on March 8th at 3:44 p.m. via email, less than one week before the March 15 IWIB meeting. This was the first opportunity to look at the mammoth plan in detail; no opportunity for serious input had been previously provided.
2. At the IWIB meeting, a number of participants raised concerns about the two elements discussed above (One-Stop waiver and minimum staffing requirement). As a result, the IWIB voted to remove these issues from the plan and to establish a task force to look at these issues in detail.
3. A month passed. The task force would have been the forum to carefully review all competing views and forge a consensus that the entire IWIB could support. The task force was never convened.
4. Instead, on Friday, April 13th at 6:59 p.m. I received an email announcing a "special meeting" to be held Wednesday, April 18th. Most IWIB members probably opened the email Monday, since it was sent after hours on a weekend. This effectively provided **two days notice** of a meeting of critical importance to the IWIB. Given the short notice, I was unable to attend. The meeting notice included an agenda that actually listed as key action items "Motion to rescind vote of 03/15/07 with respect to the amendment of the Governor's State Plan mailed to IWIB members prior to the 03/15/07 meeting" and "Motion to rescind vote of 03/15/07 with respect to the approval of the State Plan."
5. In other words, rather than work through a collaborative process (the task force), the agency called a meeting on extraordinarily short notice to press for a rescission of the previous vote. It was essentially the only item on the

agenda. (Attached)

6. The public then **had only 10 days – from April 18th to April 28th – to review the 185 page plan and provide comments.** This is a disservice to the citizens of Illinois, as was the entire review process.

Thank you for the opportunity to comment.



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Parkland College
Ruth Ann Evans, Dean Adult and Workforce Education
2400 West Bradley, Champaign, Illinois 61821

My comments regard page xi of the Executive Summary:

1) Waiver---Comprehensive One Stop

Since the local one-stop in Champaign works exceedingly well, partners cooperate, and provide a myriad of employment and training resources for the residents of East Central Illinois, I encourage the continuation of such physical structures but support the concept of a virtual one-stop, Illinois workNet, to provide access to the more rural areas of the Parkland's district.

2) Waiver---Individual Training Account

Encourage collaborate efforts between Title 1 providers and community colleges to "stretch: training dollars;

Develop a strategic plan that incorporates community colleges as providers of WIA intensive services, allowing broader access to resources for community residents;

Encourage classroom training options;

Encourage Title 1 incumbent workers waivers, so more underemployed residents of the district can receive access to training.

Ruth Ann Evans
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Mr. Baker:

My comments are not about particular parts of the plan but are general comments about the Comprehensive One-Stop Waiver and the overall emphasis on training. I am a member of LWIB 16, officially representing Adult Education & Literacy. I also am a dean at Illinois Central College and work closely with program certifications for LWIA 15 and 16.

I believe that the request for the Comprehensive One-Stop Waiver is justified as long as LWIBs are able to make decisions regarding service delivery in their area based on the needs of the population and employers in that area. Each area has unique needs and, in some cases, each county within an area has needs very different from the other counties in that same area. LWIBs know best what is needed within their areas and should be given the flexibility to make decisions based on those needs.

I also believe strongly in the emphasis on training. The economic health of our state and country depends on a well-trained workforce, and it is common knowledge that workers need education and training beyond high school or the GED. It is imperative that WIA Title I programs focus on and expend a significant portion of their funding on training through ITAs, contracts with training providers, and/or OJT. Community colleges and Adult Education programs stand ready to prepare workers with sound, accredited training programs.

If you have any questions of me or need clarification of anything I have stated, my contact information is below. Thank you for the opportunity to comment on the State Plan.

Kay Sutton

Kay Sutton
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Cathy Bizarri, CWDP
Manager, Program Services
Partners in Job Training & Placement

Michael, I would not like to see the two items - one stop and training dollars requirement re-entered into the state plan because our one stops are needed. They are a valuable resource to the customers. My staff who assist these customers are the biggest resource these customers have. Just the other day, a customer said, " I have the internet and computer at home and do a lot of job searching on my own, but once a week I like to come in here for assistance- someone to review my resume and give me feedback." Without one stops, our customers who don't own a computer or have an internet connection would really suffer.

Concerning the training dollars. WIA is not JTPA. The whole premise of WIA was a bigger picture than just training. WIA is to help businesses and provide job seeking service to the general population. Yet now we talk about training and how important that is. Many of our low income customers have Pell and MAP grants to help with college, they may also receive food stamps and live in subsidized housing. Therefore the need is not as great as for our dislocated workers. However, the dislocated workers generally needs to return to the workforce quickly and cannot remain in the classroom for an extended amount of time. We need to fund our one stops so they can locate employment and tailor their resumes to better market themselves to new employment opportunities.

I am a teacher by trade. I believe in training and education. I don't believe it is the solution for all or even most of our customers. I feel that I and my career advisors can best determine if training is the most appropriate course of action for our customers.

Our Businesses are the real losers if more money is directed to tuition dollars. Even now money used to provide resources to business must be diverted from the existing adults. Since WIA, we have worked very hard to get out of the JTPA mindset and put emphasis on job seekers and getting business to grow and prosper (so our training completers would have business to work for.) We have to have strong businesses to have strong communities.

Thank you for your time. Please do not take our one-stops away or require minimum training dollar amounts.

CAT White
Creative Images Center
726 S. Oakwood Ave
Geneseo, IL 61254

My name is Catherine White

I am a small business owner and partner in a small printing corporation.
In the past I have been both a dislocated homemaker and unemployed due to a company closing.

Why aren't you talking to our local boards?

Why aren't you talking to our local business?

No one is listening. Take the cotton out of the ears and listen!

The people who need the one stops the most do not have computers or they don't have the money to be online.
Hasn't anyone noticed being online is not free?! You hit us with the GRT and now when people loose jobs how do they get help.
And people will be loosing jobs because I know of 4 of our client that will be moving to other states if the GRT happens and these are not small businesses.

Illinois is becoming know for being anti-business.

I am getting fed-up with no one in the State and the Gov. not listening - I am letting my representatives know and I am also ready to start going to the media.

April 25, 2007

TO: Mike Baker
FROM: Chuck Stewart
RE: Comments on State Workforce Plan

As an individual that has worked in the workforce development system for over 20 years, as the former president of the Illinois Workforce Partnership (IWP), and as a former member of the Illinois Workforce Investment Board (IWIB), I am pleased to submit comments of the State Workforce Development Plan.

I am commenting on three aspects of the plan. They are Communication and Process, the Minimum Training Requirement, and the One-Stop Waiver request.

Communication and Process

The executive summary of the state plan clearly states, “Generally, the content of the State Plan must meet specific information requirements defined in statutes and demonstrate compliance with requirements of the WIA . . .”

Due to the secretive and non-inclusive manner in which staff of the Department of Commerce and Economic Opportunity (DCEO) developed the plan as well as the questionable process used by the Illinois Workforce Investment Board to approve the more contentious parts of the plan, I believe that the Plan may not in compliance with the requirements of WIA. Even if technically in compliance, the Plan is not in compliance with the spirit of WIA.

The WIA regulations at CFR 661.220 state the following:

Section (a) “The planning guidelines set forth the information necessary to document the State’s vision, goals, strategies, policies and measures for the workforce system (*that were arrived at through the collaboration of the Governor, chief elected officials, business, and other parties*), . . .” (Italics added)

Section (d) “The opportunity for public comment must include an opportunity for comments of *business, representatives of labor organizations, and chief elected officials*, and must be in consistent with the requirement, at WIA section 111(g) . . .” (Italics added)

WIA Section 111(g) reads: “The State board shall make available to the public, on a regular basis through open meetings, information regarding the activities of the State board, *including information regarding the State plan prior to the submission of the plan . . .*” (Italics added)

Pages 35 and 36 of the State Plan describe the creation of the Local Workforce Investment Board (LWIB) Leadership Association. One of the stated purposes of the Association is to “reinforce the State’s vision for creating a demand driven workforce”. The Plan also states that, “*The state continues to work with private sector business men and women to ensure their vision is an integral part of the State’s workforce development system.*” (Italics added)

Page 41 of the Plan concerns itself with communication: It reads in part “The establishment and evolution of the LWIB Leadership Association creates yet another vehicle for communication. *The Governor and state economic and workforce development agencies may discuss issues, policies, and new initiatives with representatives of all the local workforce investment boards (LWIBs) together on a regular basis.* (Italics added)

Another paragraph reads: “Meeting with the Illinois Workforce Partnership (IWP) is another important means of communication between the state and local system. The IWP represents both the LWIBs and agencies responsible for the administration of WIA programs. The state agency responsible for WIA administration meets with the IWP on a monthly basis. These meetings are used to assess local technical assistance needs, *review and comment on proposed policies and procedures*, and generally discuss any aspect of the program.” (Italics added)

As a one note of clarification, the IWP also represents the interests of the chief elected officials. And in fact are appointed jointly by the chief elected official and local WIB chair.

What the Plan fails to mention is that the LWIB Leadership Association has not met since October of 2006. The members of the Association were never consulted about the contents of the State Plan. Although DCEO staff does meet with the IWP every month, the contents of the plan were never discussed with IWP. Each month IWP submits questions directly to DECO for discussion at our monthly meeting. Questions concerning the State Plan were submitted to DCEO for discussion at the April meeting. DCEO staff did not attend the meeting. This was the first time in my 15-year association with IWP that State staff did not attend a meeting to answer specific questions.

Why did DCEO staff decide not to seek input from either the LWIB Leadership Association or IWP in the development of the State Plan? Since DCEO is not using the organizations they name as a part of their communication system, what mechanisms are being used to see that the State Plan is developed in collaboration with businesses, labor, and chief elected officials? **Will DCEO staff rewrite the State Plan to reflect what is actually occurring (or not) in Illinois related to communication or will they begin to follow their own stated process?**

The process used by the IWIB to approve the State Plan inhibited the opportunity for Illinoisans to comment on the plan. The original State Plan was approved March 15, 2007, and posted on the State of Illinois website for comment. During the March 15th meeting, two controversial provisions were removed from the Plan. The IWIB agreed to form a committee to consider the two provisions. The Plan would be modified at a later date if needed.

On April 14th (A Saturday!) a notice was issued to the IWIB that a special meeting was going to be held on April 18th specifically to vote to add the two controversial provisions back in to the plan. A number of IWIB members were unable to attend the meeting due to other commitments and the new plan was passed. The date for comments was set as April 28th.

This questionable process gave the stakeholders in the workforce development less than ten days to read and respond to a 185 -page plan. Although there is not a mandated minimum amount of days individuals are given to respond to a State Plan CFR 661.220(d) says; “The State Plan must describe the State’s process and timeline for

ensuring a *meaningful* opportunity for public comment.” (Italics added) Ten days is not a meaningful opportunity to comment. Local Boards provide a 30-day comment period to the public. **The Governor is the recipient of WIA funds on behalf of the State. Did the IWIB consider the negative public press this less than meaningful process will produce for the Governor?**

Training Minimum

The Workforce Investment Act established local Workforce Investment Boards and describes their functions. Consider the following excerpts from the Federal Register:

CFR 661.300, Section (b) In partnership with the chief elected official(s), the Local Board sets policy for the portion of the Statewide workforce investment system within the local area.

CFR 661.305(a) WIA section 117(d) specifies that the Local Board is responsible for: (1) Developing the five-year plan (Local Plan) . . . in partnership with the chief elected official. (4) Developing a budget for the purpose of carrying out the duties of the Local Board, subject to the approval of the chief elected official.

The proposed minimum training requirement is poorly conceived, impedes the 26 Local Boards from fulfilling their requirements under WIA, and exposes the lack support for the local workforce development system by DCEO leadership.

Page vi of the Executive Summary of the State Plan indicates that DCEO intends to phase in a minimum training expenditure requirement for adult and dislocated worker allocations. The paragraph also states that the long-term objective is to position WIA Title 1 primarily as a targeted training program.

The minimum training fact sheet that accompanied the most recent IWIB meeting notice states that the phase in will begin this July 1st. It also states, astonishingly, that DCEO does not know how much money is being spent in local areas for training. The fact sheet describes those activities that are considered to be training activities by DCEO. DCEO does not consider career-counseling costs as a training cost. Last, the fact sheet states that the minimum would be developed in consultation with the IWIB, **not with Local Boards.**

I have attempted to develop comments regarding this policy; however, am only able to come up with questions.

What is the minimum percentage of local allocations must be spent on training? Why has DCEO staff chosen to keep this figure a secret from the entire workforce development system?

WIA provides numerous services outside of customer training such as job placement services, business services, assessment, and career counseling. On what basis did DCEO

leadership determine that these other services are no longer important to local communities?

WIA is a performance-based system. If we fail performance Illinois potentially could lose hundreds of thousands of dollars in incentives. What research has been done to determine how positioning WIA Title 1, as a targeted training program will affect our ability to meet performance goals? If research exists, why have Local Boards not been given access to the results?

DCEO and the Illinois Workforce Partnership discussed the amount on local money being spent on training in 2003 after DCEO commissioned a “baseline data report” (Page 22). If DCEO had concerns about the amount of money being spent on training why did they fail to act until over three years later to address it? Is the haste to begin the phase in this July an attempt to force Local Boards to make up for DCEO inactivity?

The fact sheet correctly states that the workforce development system has been criticized by USDOL for not training more individuals. It fails to mention; however, that Illinois has also been criticized for not spending enough of its overall WIA allocation and for being a “one size fits all” system (Mason Bishop, USDOL, as reported in the Argus/Dispatch newspaper). **The United States Department of Labor web site shows Illinois as having an unspent balance of WIA funds of \$142,670.016.00 as of 12/31/06 (reported 03/16/07).** The majority of this balance is held by DCEO. **Why is this money not being spent on training more individuals?** What are the intended uses of these funds if not for training? Since the workforce system is being criticized as a “one size fits all system” why is DCEO attempting to take decisions as to the mix of services away from Local Boards and putting it in the hands of the IWIB? Will that not result in even more of a “one size fits all” system?

Both the Congress and USDOL recognized the importance of counseling to the success of our customers. As such they recognize the cost of case management/career counseling as a training cost under WIA. Why is DCEO using a more restrictive definition of training? Why is 100% of the cost of a training contract that includes counseling services considered training by DCEO while the counseling provided by my staff not considered a training cost? DCEO refers to case management and career transition services as “important pre-requisites for successful training.” How does that statement relate to the decision not to define these important services as a training cost?

It is all but impossible for Local Boards to adequately plan for the fiscal year that begins July 1, 2007.

Local Boards are currently preparing their own 5-year job training plans. This includes a 30-day comment period to ensure a meaningful and open public decision making process. **As of today, DCEO has not released the local allocations to the 26 Local Boards.**

DCEO will not submit its State Plan and waiver requests to USDOL until May 1st. Even if everything goes smoothly, it is doubtful that approval or denial of the plan will be completed prior to June 1st. The IWIB is forming a task force to determine how to phase

in the minimum training requirement whatever it is. Assuming the IWIB will want to do a competent job on this project, and considering the scope of the issue, I cannot imagine they will complete their work for at least 60 days. After the committee is done working on their recommendations a final policy will need to go to the full IWIB for approval and then DCEO staff will need to develop written guidelines.

The IWIB has determined that it is not necessary to obtain input from Local Boards before phasing in a one size fits all minimum training requirement. How will the IWIB know whether it has set so high of a standard that Local Boards will not be forced to close One-Stop Centers, lay off staff, and cancel contracts just to meet the standard?

DCEO leadership is completely unrealistic if it believes that any Local Board can responsibly plan without knowing its budget; without knowing how much money will need to be directed into training; knowing what policies and procedures will be implemented in relation to these policies; and without knowing whether it can safely enter into new or even continue any current contractual agreements. This is especially so considering that it will probably be Fall before all information needed by Local Boards to plan will be available to them.

Elimination of the Requirement for Comprehensive One-Stop Center in Each Local Area

Page 23 of the Plan provides an honest assessment of the failure of previous administrations to fully integrate services in One-Stop Centers. Most important, it describes the State's lack of a unified vision for workforce development across all partner agencies.

Unfortunately, not only are DCEO leadership and the IWIB not addressing the lack of a unified vision for workforce development in Illinois; they are advocating for a system without co-located partners. They are advocating for a system that reverts to the abandoned Job Training Partnership Act model that accepts a simple referral to another agency as adequate service. They are also attempting to develop an impersonal Internet based system that will leave our hardest to serve out of the workforce development loop altogether.

Page 86 of the Plan outlines the new Governor's vision. It includes the following statements: **"The system emphasizes access to career transition services via the Internet."** and **"The system emphasizes information and referral over staff relocation strategies."**

Although the Plan does state that there will continue to be centers it also states the following: **Individual partners will be free to work out with the other partners the locations that make the most sense for their communities."** And **"Under this model, financing of career centers will become the shared responsibility of the partners who choose to provide a center at a particular location."** In other words, rather than developing a Statewide vision for workforce development in which all partners are expected to play a key role in financing the system, participation is strictly voluntary. In

short, the door will open for all State agency partners to leave the current One-Stop Centers and they will do so.

What is the most troubling aspect to this proposed change is the reason for it. **Rather than recommending a change that will bring about significant quality improvement to the system, the driving force is to reduce the cost of the current system.**

Consider the following statements from the Plan:

Page vii – We are committed to maintaining a high level of service to the citizens of Illinois, and we believe there are less expansive methods of service delivery than those currently in use.

Page viii – Illinois workNet is an effective and cost efficient strategy to create greater access to these services.

Page ix – However, there are also two significant disadvantages of One-Stop centers: 1) customers have to walk in the door to receive services, and 2) the centers are expensive to maintain

This waiver will allow Illinois to pursue more cost effective methods of service delivery.

Page 24 – Reduce Costs: As the population served in Illinois grows the cost-to-serve each person must decline dramatically to be affordable. Illinois workNet enables the state to serve this growing population at a significantly reduced cost.

One-Stop Centers are often expensive to operate. Quality services; however, are not cheap. The One-Stop Centers regularly serve non-readers, people with limited English-speaking skills, ex-offenders, and welfare recipients with little or no work history. These people cannot and will not use an Internet based delivery system and so will be essentially excluded from services under this plan.

A recent study by the Pew Hispanic Center stated that 44% of Latinos in America do not use the Internet. Only 29% have Internet access in their homes. Despite higher unemployment rates and school drop out rates for Latinos and African-Americans in our State, there is not a single word in the State Plan that identifies any special efforts by DCEO to assist these two groups in reversing these trends. **The decision to move away from One-Stop services to an Internet based system knowing the adverse effect it will have on our hardest to serve customers is at best misguided and at worst potentially racist.**

My last point concerns itself with DCEO plans to use libraries, community-based organizations, and other entities to provide access to Illinois workNet. One-Stop Centers maintain highly trained, competent individuals to provide a wide array of services to our customers. Many of these employees are members of unions such as AFSCME. **Any attempt to replace current workers with untrained individuals that are not familiar with the workforce development system will result in a reduction of the overall quality of service our customer deserve.**

Thank you for the opportunity to comment on the State Plan.

As a member of a local workforce investment board I am disappointed that the Department of Commerce and Economic Opportunity chose not to seek input from local boards in the development of the State Plan.

Local

boards have a legal responsibility to form plans and budgets for their areas. They are also the entities that will be responsible for implementing any changes to the workforce system called for by the plan. As stakeholders we should have been included early in this process.

I ask that any future committees and workgroups formed because of this plan have strong local representation on them.

Thank you.

Gerald Jones

Workforce Investment Board of Rock Island, Henry, and Mercer Counties

Gerald Jones, Executive Director

The Martin Luther King Jr. Community Center 630 - Martin Luther King Drive Rock Island, IL 61201

Phone: (309) 732 - 2999

Fax: (309) 732 - 2991

jones.gerald@rigov.org

Mr. Baker:

As a member of the LWIA 13 Workforce Development Board, I would like to express concern that apparently representatives from the local boards were not consulted in the formulating and development of the State's New Workforce Plan. It is our understanding that it is the responsibility of the local workforce development boards to make decisions regarding local plans and local spending. Local boards were established originally because of the differences in areas across this large, diverse, and great State, that it was felt they would know the needs of their area, and be better able to implement programs needed in their respective areas.

In the future, we feel it is important that the local boards be talked to and consulted before a statewide plan is implemented.

Thank-you for your consideration in this matter.

Sincerely,

Pat Parsons, Manager

Illinois Department of Employment Security

4703 16 Street, Suite F

Moline, Illinois 61265

309-764-8731 ext. 104
309-764-0156 fax
Patricia.Parsons@illinois.gov

Mr. Baker,

I am the owner of machine shop and a member of the Rock Island, Henry, and Mercer County Workforce Development Board. I am very concerned about the contents of the proposed State Plan. As a board member I expect to have the opportunity to provide input and feedback on the development of this type of plan.

The most concerning aspect to me is the possibility of eliminating One Stop Centers. I frequently hire through the Moline center and have had the opportunity to teach several groups of clients of the Center about what I am looking for in a job candidate and what things influence my decision to hire or not hire.

Please request an extension for the submission so that this important plan can be thoroughly reviewed.

Thank you very much,

Stephanie Acri
Evans Manufacturing - President
(309) 787-3882

Michael Wendt
Wendt Funeral Home
Moline, Illinois
Workforce Investment Board
Rock Island, Henry and Mercer Counties

As a long time member of the workforce Investment Board and it's predecessors. I feel that the local boards should be given a voice in the State's Plan.

This has always been done in the past and needs to be done in our new plan. Please reconsider the existing plan and confer with the local WIBs on a new plan.

After all it is the responsibility of the local WIBs to implement the State Plan.

As Vice Chair of the Workforce Development Board of Rock Island, Henry, and Mercer Counties, I want to comment on the proposed State Workforce Development Plan. The decision not to seek local board involvement in developing the state plan was not in the best interest of the State of Illinois and the customers we serve locally. Local boards have the responsibility to make plans that will increase the economic vitality of our regions. We are responsible for implementing whatever workforce plans are developed. As key stakeholders, all 26 local boards should have been encouraged to participate actively in the development of the plan.

I strongly urge you to actively seek out local support and participation on all workgroups related to this plan. This should begin by calling a meeting of the LWIB Leadership Association and explaining the role you envision local boards playing in this ongoing process.

**Thank you.
Don**

Donald R. DeDobbelaere

**Project Manager - Deere Production System
Global Learning & Development, Deere & Company
Phone: 309-765-5194
Fax: 309-749-0014
E-mail: DeDobbelaereDonaldR@JohnDeere.com**

Friday, April 27, 2007

Mr. Michael Baker
STATE OF ILLINOIS
By e-mail to: michael.baker@illinois.gov

Subject: State Workforce Plan

Dear Mr. Baker:

Members of Local Workforce Investment Boards need to be consulted about the State Workforce Plan.

I am a member of the WORKFORCE DEVELOPMENT BOARD OF ROCK ISLAND, HENRY AND MERCER COUNTIES - W. I. A. 13. I also chair the Joint Services Committee and One Stop Governing Board.

1. Throughout this great state, the Local Boards have a federal mandate to create local job training plans.
2. Local Boards set local budgets. The state should not determine local budget line items or percentages.
3. Each local One Stop, in each area, is very important and should not be replaced with internet-based virtual centers.

It is a concern and a disappointment that the professionals at the Department of Commerce and Economic Opportunity did not seek significant input from Local Boards in the development of the State Workforce Plan.

Local Boards are the entities that will be responsible for implementing the system defined by the plan. Local Board Members are stakeholders who should have been included early in this process.

I request that future committees and workgroups, for the State Workforce Plan, include strong local representation.

Thank you for your service to our STATE OF ILLINOIS. Together, we can continue the current excellent system for the benefit of our great employers and our great workers.

Sincerely,

Mark E. Lohman
President
LOHMAN BROTHERS CORPORATION

Lohman@Lohman.bz

(309) 944-5646

Post Office Box 23
Geneseo, Illinois 61254-0023

April 27, 2007

Mr. Michael Baker
Illinois Department of Commerce and Economic Opportunity
Bureau of Workforce Development

RE: State of Illinois Workforce Investment Act State Plan

Dear Mr. Baker:

The Vermilion County Workforce Investment Board welcome the opportunity to partner in finding ways to redesign the workforce system to meet current and anticipated needs of Illinois citizens and residents.

Section 189 of the Workforce Investment Act provides the authority to the Secretary of Labor to grant waivers following the Governor's "consultation with appropriate local elected officials and notice and an opportunity to comment on such request has been provided to the local board." Further the statute states that waivers may not be granted with respect to the allocation of funds to local areas, or with respect to the establishment and functions of local areas and local boards. Finally, the statute tells us that waivers need to "improve the statewide workforce system" and state the "actions that the State or local area, as appropriate, has undertaken to remove State or local statutory or regulatory barriers."

We believe the intent of the waivers under the WIA is clearly to provide states and localities with a mechanism to set aside a statutory requirement that would impede their ability to deliver workforce services to their constituencies in an effective and efficient way. It was not intended that the waivers be used to create barriers to the delivery of services or to intrude upon roles and functions clearly delineated in the legislation as designated to the local level.

Based upon the statutory language and intent regarding waiver requests, we believe the following waiver request in the state's plan does not meet the established guidelines and should be deleted from the plan.

Waiver of the WIA requirement for a comprehensive One-Stop Center in each Local Workforce Investment Area. (Executive Summary, Waiver request, page xiii)

The state plan implies that soon it will no longer be necessary to access a physical One-Stop Center. However, there is no correlation between access to technology and the ability to analyze and process the information which will be available.

Conceptualizing services is very different from delivering those services. No one would suggest a classroom without a teacher. Our experience in implementing the establishment of the One-Stop system indicates that both employers and job seekers need and want personal assistance in accessing workforce services. We agree that some individuals need more or less interventions; however individuals who come to the One-Stop Centers do so because electronic assistance is not sufficient to meet their needs. The law already provides for affiliate and satellite systems which can be electronic where local areas determine that the need exists to establish such centers.

In an age where the workforce is a key element of every economic development strategy providing less services to job seekers and employers sends a wrong message. It says that job seekers and employers are no longer important enough to receive personalized services. We do not believe this is the message the state or local elected officials want to send to their residents and citizens.

The other part of the State Plan that we would like to comment on, is regarding DCEO's intention to require minimum training expenditures for adult and dislocated worker local allocations. (Executive Summary, Investment Priorities, page vi)

Previous employment and training programs dating back to 1973 all contained minimum training set-asides or had funding streams that were dedicated to training. After twenty seven (27) years, of trying to meet the country's workforce needs through rigid and intractable pieces of legislation the Congress enacted a flexible bill called the Workforce Investment Act (WIA) of 1998. We urge the state not to seek to impose rigid set-asides which would return the workforce system to being a clumsy and unresponsive system and which would create a barrier in the determination of the type and mix of services which is a responsibility reserved to the local boards and local elected officials as described below:

- (3) Minimum training set-asides would interfere with local formula allocations which are established under the WIA without restrictions other than a 10% administrative cap.
- (4) Minimum training set-asides would interfere with "establishment and functions of local areas and local boards." It is a function of local boards to approve a budget.

In setting a budget local boards would make decisions regarding the types and mix of services and investments in core, intensive and training services. This is clearly an area which the statute, states is not subject to waiver.

By seeking to restrict the use of the funds allocated to local areas, the state will be creating artificial barriers that will likely have unintended results. For example, the research tell us that during periods of low unemployment workers seek out jobs not training and use workforce services to assist them in moving up a wage ladder. Conversely during periods of high unemployment workers seek out ways to obtain additional skills in order to be more competitive in the labor market.

The current structure of the WIA allows for local areas to follow the natural ebb and flow of supply and demand and to move available resources to meet the local need.

The current economic situation as of March, is the lowest unemployment rate in Illinois with its largest month over month percentage point drop in 30 years and below the national rate of 4.4%. We suggest now more than ever, is when a “flexible” system is needed to address the changing demands of our economy.

In reviewing further comments that have been submitted to the State, the VCWIB also have concerns with how the State has handled the communication and process with the development and approval process of the State Plan. We are attaching the comments submitted to you as well from Mr. Chuck Stewart, because his concerns are our concerns as well.

We thank the state for the opportunity to present these comments.

Respectfully submitted,

Peggy Kunze, Chair
Vermilion County Workforce Investment Board

Comments received after the deadline:

Mr. Baker – I had an incorrect email address for you last week – here are my comments again which were sent on Friday –

Dear Mr. Baker and members of the Department of Commerce and Economic Opportunity:

I am writing to comment on the lack of input from the local workforce investment boards regarding the proposed State Plan. In addition, as a professional in the area of career transition services, I will also share some professional observations on the potential obstacles I see in the State’s plan for the future.

First, as a member of a local workforce investment board I am disappointed that the Department of Commerce and Economic Opportunity chose not to seek input from local boards in the development of the State Plan. Local boards have a legal responsibility to form plans and budgets for their areas. They know their communities and their needs. They are also the entities that will be responsible for implementing any changes to the workforce system called for by the plan. As stakeholders we should have been included in this process with actual input and fully-engaged dialogue. This did not happen.

Secondly, as an experienced career transition professional, it appears that the eventual goal is to provide services in an increasingly virtual platform. I can tell you from experience that this delivery model will fail for a vast majority of our customers – your taxpayers. I have watched organizations spend millions of dollars implementing virtual delivery for services. After a period of frustration, angry and disappointed users (workers), and problems they never anticipated, these same organizations make additional investments in again getting people involved with people. They are forced to reverse the systems because the targeted individuals do not have the knowledge, skills, or ability, as well as the critical access to technology necessary for this type of delivery to succeed. The workforce you will be targeting with virtual and on-line services is a target market that does not need your assistance in the first place. They are already technology savvy with access to resources and will conduct and complete a job search with little to no assistance from a State funded career center. On the other hand, the displaced employees most in need of critical services involving training for today’s job market, resume writing, job search skills, interviewing training, and access to resources are the same group that currently do not work in positions that require or provide training in using technology or the Internet. This target population will not be able to locate, coordinate, and utilize the resources available to them in their time of crisis if they must access them on-line or have to travel a great distance to speak with someone. Transportation and technology access is not available to a large part of this lower skilled sector of the population and forcing services this direction will only increase the feelings of isolation. Our One-Stop system has created an easy and economical delivery system for numerous social, educational, and employment resources in one location. Forcing a more virtual system with fewer caring, professional staff in a community we will create a much larger population of disenfranchised workers, bitter about their situation with no one to reach out to and no way to improve their situation.

In conclusion, the current plan appears to be narrowly focused without input from those working on the front lines in the communities with your target clients and your taxpayers. It is also a plan that will give businesses increased incentive to take their jobs out of Illinois to communities where they can work with Workforce Development Centers in a personal, mutually beneficial relationship. That does not happen over a computer line from a 100 miles away, it is about face-to-face relationships working to train and support our current and future employees, keeping and growing jobs here in Illinois.

Sincerely,
Workforce Investment Act Board member

Heidi Schultz
Partner
Management Resource Group
8320 78th Avenue West
Milan, IL 61264
309-781-1421
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April 30, 2007

Michael Baker
Manager, Planning Unit
DCEO Workforce Development
620 East Adams St, 5th Floor
Springfield IL 62701
Michael.Baker@illinois.gov

Dear Mr. Baker,

I would like to offer a few of my comments regarding the State Workforce Development Plan.

Service Integration Strategies, Page vii

Based on my 27 years of experience in the workforce system, it is my opinion that making changes that would replace knowledgeable, caring staff with Internet based services would be harmful to a very large portion of the unemployed population in Illinois. I'm in favor of improving Internet based services, but do not feel it is beneficial for everyone. If a person doesn't know how to use a computer, or if they do not understand the website information, they are *excluded* from much needed services. This holds true for both clients and businesses. To make good career decisions for those who have lost their job, you need to establish a rapport and take into account the personal situation for each client; this is one example where counseling is beneficial and can not be accomplished by the Internet. Counseling is a very important part of the process when a worker loses a job, a spouse is forced out of the household and back into the work force or someone wants to upgrade their job skills – again, the Internet can not replace counseling services. Workers and businesses can choose to go to libraries, but they do not receive “assistance” from library staff, only the use of their equipment. This is not enough. One-Stop Centers are necessary so a person can walk into a center and receive services. You can't replace the quality of these services with a website.

Capacity Building, Page xv – 6th paragraph

“The state also supports capacity building among local workforce investment boards, businesses and service providers through the use of Technical Assistance grant funds to pilot specific projects identified as promising practices. The first pilot project is a web based job matching tool that designs job seekers and business.” The JobFit System? What happened to all the time and money that has been spent on Illinois Skills Match (ISM)? It's my opinion that this money could be put to better use, such as providing training to individuals.

Legality of Recent Meetings

I'm question the manner in which the recent IWIB Meetings were scheduled regarding the State Plan and the lack of communication with IWP. Was this legal?

I am also the president of AFSCME Local #3372 and am very concerned about the possibility of additional job losses. I also question how library staff can replace union workers when we currently have union members who are laid off.

Thank you for allowing my comments.

Sincerely,

Christine Baker
1124 – 8th Avenue
Silvis IL 61282
Christinebaker44@yahoo.com

Attachment J – State Planning Process

The process to update the State Plan was necessarily abbreviated due to the limited time between the release of federal planning guidance and the due date for submitting the plan to the Department of Labor (DOL).

On December 14, 2007, DCEO staff presented a briefing to the Illinois Workforce Investment Board (IWIB). The IWIB briefing notified the members that while no planning guidance for the development of the plan had yet been provided. DCEO anticipated a due date of April 1, 2007 in which case, DCEO and the Department of Employment Security (IDES) were going to start the process of putting together a draft of the State Plan. After a discussion on the process and the expected due date, the IWIB decided not to create a task force devoted to the review of the State Plan. The IWIB members were informed that they would have a draft plan to review prior to their next meeting in March 2007 and they would need to take action on the plan in order to meet the anticipated deadline of April 1, 2007.

On January 4, 2007, DCEO presented a similar briefing on the development of the State Plan to the IWP Policy Committee at their monthly meeting. DCEO asked the Policy Committee to share this information to the full IWP membership.

DOL issued planning guidance for updating the state plans on January 25, 2007. As expected, the due date was April 1, 2007. On April 6, DOL issued a revision to the planning guidance that extended the due date to May 1, 2007. The planning guidance challenged states to consider innovative changes meant to improve service delivery and outcomes for participants in the workforce system

On February 9, DCEO Bureau of Workforce Development senior staff discussed the State Plan with the IWP president. This discussion included an overview of the governor's priorities and vision and how that would be reflected in the State Plan. The draft plan was sent by DCEO to the IWP president for comments by members on February 23. DCEO received comments back from IWP on March 5. IWP comments on the draft plan centered on concerns about the comprehensive one-stop waiver and the establishment of a minimum level of training expenditures.

A completed draft of the State Plan was sent to members of the IWIB on March 8, 2007. On March 15, the draft plan was presented to the IWIB and a vote was taken to approve the State Plan with text related to the comprehensive one-stop waiver request and establishing a minimum level for training expenditures removed. It also established a task force to study these items as well.

However, at members' request, the IWIB held a special meeting on April 18, 2007, to reconsider the issues raised in the March 15 meeting. At this meeting the IWIB voted to restore the language on the comprehensive one-stop waiver request and to establish a minimum level for training expenditures. At the April 18 meeting, the IWIB established

a task force to advise the board on implementation issues related to the comprehensive one-stop waiver and the establishment of a minimum level for training expenditures. The task force will include representatives from the private sector, workforce professionals and state agency leaders. The first meeting of the task force is scheduled in early May 2007.

A public comment period of ten days was established which gave the maximum allowable time for comment on the State Plan prior to the May 1, 2007 deadline for submitting the plan to DOL.

Attachment K

Illinois Strategic Five-Year State Plan List of Substantive Changes

- Identified progress of our regional sector-strategy, the Critical Skill Shortage Initiative
- Identified how our talent development efforts are shifting to demands of the marketplace, and will emphasize training by establishing a required minimum amount of funds to be earmarked for training
- Identified how our online web application, Illinois workNet™, has progressed beyond the concept phase to rollout across much of the State in an effort to integrate and streamline service delivery
- Described efforts to serve Youth through innovative pilot projects
- Described efforts underway to improve accountability and control of programs and funds
- Described planned implementation of system reforms
- New Waiver Requests
 - Exemption from requirement for a *comprehensive* One-Stop Career Center in each LWIA
 - Early adoption of WIA common measures
 - Exemption from Individual Training Accounts and customer choice requirements
 - Exemption from the procurement of youth services
- Proposed performance targets for WIA and Wagner-Peyser funds.
- Updated LMI data