

# **Council for Labor & Economic Growth Boards of Excellence Initiative Recommendation June 14, 2010**

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## **Recommendation**

The Michigan Council for Labor & Economic Growth (CLEG) recommends that the State of Michigan adopt Attributes of Excellence and implement the Boards of Excellence initiative to recognize and reward high performing local Workforce Development Boards (WBDs) in our state.

## **Background**

One of the functions of the State Workforce Board under the federal Workforce Investment Act (WIA) is to assist the Governor in the development and continuous improvement of a statewide workforce investment system. System excellence is crucial in the current economic climate in order to respond to the changing needs of Michigan's employers and workers. It is essential to ensure that all system partners at both the state and local level work in the most effective and efficient way possible to deliver services to the Michigan residents and businesses who need them.

CLEG's *Maximizing System Effectiveness and Innovation (MSEI)* committee is the body charged with focusing on continuous improvement responsibilities on behalf of the full Council. As part of this work, they developed the *Workforce Boards of Excellence Initiative*, the purpose of which is to:

- Encourage a consistent level of quality service to businesses and job seekers across all of Michigan's 25 workforce development areas;
- Build the capacity of the workforce system to respond to the changing needs of Michigan's employers and job seekers; and
- Forge closer relationships between CLEG, local workforce board members, and other local leaders to drive workforce innovation.

In developing Attributes of Excellence, CLEG's MSEI Committee conducted research of similar initiatives from other states, reviewed and analyzed guidance from nationally recognized workforce development organizations, and invited and incorporated input through a series of stakeholder meetings held statewide. Invitees to these meetings included a broad spectrum of workforce development partners and stakeholders, including representatives from CLEG, the Michigan Works! Association, local Michigan Works! Agency (MWA) leadership and staff, local Workforce Development Board (WDB) members, local Education Advisory Group (EAG) members, and local Chief Elected Officials (CEOs). The MSEI committee and CLEG staff used the research and stakeholder feedback to define five Attributes of Excellence:

- Alignment with State Workforce Strategy
- Strategic Planning and Implementation

- Fiscal Oversight and Resource Development
- Accountability and Measurement of Results
- Board Engagement

High performing boards will meet and exceed federal and state statutory requirements and excel in these five areas of activity. Local CEOs and WDBs work together and in partnership to ensure that workforce development needs in a local workforce area are met, and that local workforce service goals are achieved. However, each local WDB will operate and execute its responsibilities within its own unique and locally defined structure<sup>1</sup>. The following recommended guidance and Attributes of Excellence recognize, and are the result of, this combination of federal, state, and local policy and context.

## Key Themes to Guide Policy and Implementation

Workforce development stakeholders across the state clearly endorse continuous improvement of the workforce system and the highest possible quality of service to their customer base. A few questions were raised about the voluntary nature of the initiative and how this frame would achieve the goal of overall system improvement. However, stakeholders generally agreed that boards' focus on quality and continuous improvement coupled with technical assistance, sharing of promising practices, and the inevitable peer pressure to be considered among the best, would come together to ensure broad participation.

Several stakeholder meeting participants voiced their appreciation for the process used by the committee to seek input and its commitment to using the feedback in the decision-making process. There was overall support for the attribute categories and the evidence indicators presented at the stakeholder meetings, but participants expressed a desire for more guidance or clarity in some of the sections. CLEG staff have revised the attributes and evidence indicators in response to this feedback.

The MSEI Committee understands that a CLEG recommendation to move forward with the BOE Initiative will require the Department of Energy, Labor & Economic Growth–Bureau of Workforce Transformation (DELEG-BWT) and CLEG leadership and staff to work through relevant details of policy and implementation. In so doing, Committee members urge them to consider and be guided by the following key themes that emerged from the process:

- ❖ **Intentionally share state workforce strategy:** There was overwhelming feedback that the State workforce strategy must be clearly articulated and aligned across the various state agencies and communicated to local areas, in order to plan for (and measure) alignment. Additionally, participants discussed the importance of local strategies and requested the opportunity to weigh in on the development of future state workforce strategy.

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<sup>1</sup> The WIA defines those responsibility areas that are individually vested in either the local Chief Elected Official (CEO) or WDB. Broadly, local CEOs make appointments to their area WDBs and are partners with the Boards in the oversight of their local Michigan Works! systems. The day-to-day work is carried out in each local area by an administrative entity, which can be structured as a unit of local government or as a non profit organization or entity, and will vary across the system.

- ❖ **Acknowledge the importance of local control and differences in local structures:** There is a continued desire from those at the local level to maintain a balance between state guidance and the ability of local areas to control the work that they do. Similarly, each local area is very different in terms of structure, size, and governance, and these differences dictate the need for flexibility regarding the materials required as “proof” that an area has met the requirements for a specific category or indicator.
- ❖ **Acknowledge the role of the chief elected officials:** Chief Elected Officials appoint board members and are sometimes the fiscal agent with respect to workforce funding. Local boards should not be asked to be solely responsible for oversight of a system governed by a public-private partnership.
- ❖ **Establish a financial reward for achieving boards of excellence certification:** Although not all stakeholder feedback indicated the need for financial awards for achieving excellence status (some actually said money shouldn’t be given to boards for doing what they should already be doing), there was general agreement that monetary incentives would help make the initiative a success, and worth the effort required to submit an application.
- ❖ **Be mindful of the workload associated with the application process:** Workloads of local boards/MWA staff are heavy and resources are stretched. Therefore, the less onerous the BOE application process, the better. With no expectation of upfront funding for activities like strategic planning, the ability to use existing information and documentation to show excellence will be most effective and efficient. Also, boards shouldn’t be expected to apply annually; certification should be for a multi-year period (between 2-5 years).
- ❖ **Offer technical assistance and share best practices:** This initiative should include a technical assistance component for boards seeking guidance to achieve BOE status. The initiative should include a mechanism for sharing local best practices with others around the state as part of the TA process and/or in a summary report of what’s being done in areas achieving BOE status.
- ❖ **Give boards more than one opportunity to apply:** Not every board will be ready to apply in 2010 so there should not be a one-time-only application process. Boards should be given the opportunity to receive technical assistance to apply (or re-apply) in a later round.
- ❖ **Clearly communicate directly with the local boards:** Board members and chairs who participated in the stakeholder feedback sessions expressed the desire to have open lines of communication between themselves and state leadership. The current chain of communication from DELEG or CLEG leadership often flows through several levels before reaching local board members, if at all. More direct communication on matters pertaining to local boards would be preferred.

Finally, there was consensus among stakeholders, committee members, and state staff that, it would be helpful to include a Frequently Asked Questions guide within the formal policy to help clarify the goals of the initiative and the process used for its development.

## **Attributes of Excellence and Evidence Indicators**

Following are descriptions of the five attributes of excellence and related evidence indicators. These recommended categories reflect input gathered during the three regional stakeholder meetings and the online feedback tool.

The Evidence Indicators listed after each criterion provide examples of how a board could show they have attained excellence with respect to the relevant attribute. The lists are not exhaustive, and further examples may be added as the policy is developed. Boards may submit additional evidence to present as proof they have achieved excellence with respect to each criterion.

### **1) Alignment with State Workforce Strategy**

**Criterion 1.1: A Board of Excellence has a strategic plan that aligns its work with the goals and objectives of the State's workforce development strategy.**

Current state strategy (No Worker Left Behind) includes:

- Putting workers into post-secondary training to gain skills, credentials and/or certification for in-demand occupations, emerging occupations and entrepreneurial endeavors
- Alignment of Adult Learning programs with more traditional workforce development training for workers with low basic skills
- Expanded services to and engagement with employers to align workforce needs with services provided

#### **Evidence indicators:**

Initiatives that support the goals and objectives of the State's workforce development strategy through DELEG, MEDC, MDE, DHS, and other state agencies are clearly described in the strategic plan.

Specific policies, strategies and initiatives that reflect alignment with state and federal legislation and statute are developed.

The board includes discussion of current state strategy as part of its regular meeting agendas.

### **2) Strategic Planning and Implementation**

**Criterion 2.1: A Board of Excellence has a strategic vision, mission and goals that are evidence-based, address local and regional issues and are guided by clearly defined objectives by which the board measures its progress.**

#### **Evidence indicators:**

The Board has adopted a vision, mission and goals that drive its goals and objectives.

The board's strategic plan is directly related to the board's mission and organizational goals.

The Board's strategic plan drives the workforce policies, services, and strategies of the region and local area.

The Board's strategic plan can be modified to adjust to new or changing circumstances.

**Criterion 2.2: A Board of Excellence has a strategic planning process that includes key community workforce development stakeholders and customers.**

**Evidence indicators:**

The strategic plan includes a comprehensive regional labor market analysis.

The development of the strategic plan is guided by private and public sector input (board members and non-board members) from across the region.

The strategic planning process includes input from the chief elected official and/or the appropriate administrative body.

The strategic plan is developed with input from the provider and partner agencies who will help carry out the plan's objectives.

**Criterion 2.3: A Board of Excellence's strategic plan is related to the community's overall economic and workforce development strategies.**

**Evidence indicators:**

A Board of Excellence can show how the strategic plan is aligned with the vision and priorities of regional business and economic development partners.

A Board of Excellence can demonstrate how education and training programs address skill needs of employers in the local area.

The Board's partnerships with community stakeholders support the strategic plan.

**Criterion 2.4: A Board of Excellence communicates progress to stakeholders and partners on the achievement of strategic objectives.**

**Evidence indicators:**

The Board documents information sharing or has a public relations plan.

The Board uses a variety of tools to communicate and share information (e.g., public relations plan, website with links to strategic plan and other relevant information/data).

The Board reviews and approves an annual report that includes information about the region's activities and financial performance.

**Criterion 2.5: A Board of Excellence seeks out and builds collaboration with business, economic development, education and other key partners to align labor force supply with business demand.**

**Evidence indicators:**

Sectoral strategies (eg; energy, health care, construction, etc.) are being developed in the region.

The Board can show (through joint grant applications, joint retention visits, etc.) that education and training programs address the identified skills needs of area employers.

The Board has collaborative relationships with key partners that are reflected in regional partnerships.

### **3) Fiscal Oversight and Resource Development**

**Criterion 3.1: A Board of Excellence maintains sound fiscal practices, with its financial resources aligned to the goals identified in the strategic plan.**

**Evidence indicators:**

There is evidence that the Board is apprised of the options for allocating funds, such as WIA funding, in accord with its strategic plan.

The Board has reviewed and approved a balanced annual budget that reflects the goals established in its strategic plan.

The Board has established internal controls to assure that actual spending is in compliance with the approved budget.

The Board has established a process to review state and local monitoring and single audit reports to ensure appropriate action is taken to resolve any findings or issues raised in the reports.

There is a written revenue plan, or a similar document, which describes strategies to increase or leverage resources, and includes goals and progress measures aligned to strategic plan.

**Criterion 3.2: A Board of Excellence generates and leverages funds and resources in addition to the annual federal and state allocations.**

**Evidence indicators:**

There is evidence that the Board actively seeks out additional funding through grant awards, private donations and in-kind contributions to meet strategic objectives.

There is evidence that the Board leverages partnerships with employers, state and private partners to capitalize on funding opportunities.

The Board directs the investments and resources under its control.

**Criterion 3.3: The Board of Excellence has mapped the region's resource infrastructure to align with its strategic objectives.**

**Evidence indicators:**

The Board has developed an asset map or other documentation to identify resources, both those provided internally, as well as through external partnerships, that are necessary to achieve the goals established in its strategic plan.

#### **4) Accountability and Measurement of Results**

**Criterion 4.1: A Board of Excellence measures its effectiveness in meeting stated goals and objectives.**

**Evidence indicators:**

There is a Performance Management Plan, continuous improvement plan, or other evidence of a process for measuring achievement of stated goals and objectives.

The results of strategic board-led initiatives are tracked through collection and analysis of outcomes data (e.g., Return on Investment report, progress reports, etc.).

The Board seeks public recognition for achievement of goals (media coverage, testimonials from community partners).

The Board members engage with members from other workforce development boards to share promising practices.

**Criterion 4.2: A Board of Excellence has a plan and process for continuous review and improvement of its performance and the performance of the local workforce system.**

**Evidence indicators:**

The Board requires the Michigan Works! Agency to have a continuous improvement plan that aligns with the local strategic plan.

The Board establishes measures of performance for the Michigan Works! Agency that are separate from, but compatible with, the WIA title I performance standards.

The Board has in place a system to evaluate the performance of staff.

The Board requires and then tracks and analyzes job seeker and business customer use and satisfaction reports.

The Board takes action to mitigate Board or system weakness or poor performance (progress reports, corrective action plans).

The Board identifies high quality training providers based on high employment outcomes and meaningful credentials.

#### **5) Board Engagement**

**Criterion 5.1: A Board of Excellence continually and methodically analyzes engagement of its members and actively generates membership commitment to the work of the board.**

**Evidence indicators:**

The Board membership reflects alignment with the strategic objectives of the local area.

There is a formal orientation provided to new Board members.

The Board has adopted procedures to ensure active participation of Board members in Board activities.

The Board implements a self-assessment or evaluation on a regular basis.

**Criterion 5.2: A Board of Excellence has a plan to manage the work and business of the board.**

**Evidence indicators:**

There is evidence that the Board uses a method to assess compliance with its strategic plan.

The board has instituted policies and practices to ensure continuous improvement.