



Written Testimony of Chris Hart IV

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Introduction

Chairwoman Foxx, Ranking Member Hinojosa, and other distinguished members of this Subcommittee:

I am Chris Hart IV and I have the privilege of serving as the president and CEO of Workforce Florida Inc., the Statewide Workforce Investment Board for the nation's fourth most-populous state. Workforce Florida's mission is to develop the state's business climate by designing and implementing strategies that help Floridians enter, remain and advance in the workforce becoming more highly skilled and successful, benefiting Florida business and the entire state. While I have served as Workforce Florida's president since November 2007, I have been fortunate throughout my career to hold other executive, appointed and elected positions in Florida that similarly have greatly influenced my testimony today. I have served as the interim director of the Governor's Office of Tourism, Trade and Economic Development; senior vice president of external affairs and investor relations at Enterprise Florida Inc. (the public-private partnership that is the principal statewide economic development organization); co-founder of a Tampa Bay-based software and classified advertising small business; a member of the inaugural Workforce Florida Board of Directors; and a member of the Florida House of Representatives.

I am honored to join you today to offer testimony in support of reauthorization of the Workforce Investment Act (WIA) and, particularly, the Supporting Knowledge and Investing in Lifelong Skills (SKILLS) Act. The proposed SKILLS Act, at its very core, is about maintaining our nation's global economic leadership and accelerating economic progress for Americans by focusing on jobs and a modern talent delivery system that produces skilled and knowledgeable workers. The Act equips states to better attract, retain and create jobs by serving three primary customers: businesses, workers and job seekers. In 1998, WIA provided Florida with the opportunity to build a modern workforce system, now, 15 years later, new reauthorization legislation is vitally needed to better position our state and nation by supporting those who create jobs — entrepreneurs and businesses — with a skilled and competitive workforce. Given the rapid and profound changes in our nation's economy, brought forward by the Great Recession, innovation and increased global competition, action is necessary. Our nation must better anticipate and respond to the needs of business, educate and train workers in market-relevant skills and competencies, help job seekers enter and advance in the workforce, and empower state and regional leaders to be problem solvers, creative and resource-efficient.

I commend this Subcommittee and the House leadership for making the continued transformation of our nation's workforce development system into one that is increasingly flexible, responsive and innovative a leading priority. The talent supply challenges confronting our nation at home and the global competition abroad require that we leverage and maximize resources ensuring the most efficient and effective use of our public workforce investment to address the talent needs of employers today and tomorrow, bolstering growth and sustainability of jobs and our economy. To assist your efforts, my remarks today focus on three primary areas:

- Further streamlining and better integrating federal programs as well as eliminating bureaucratic barriers to market-driven employment and training services.
- Enhancing opportunities for flexibility for state and regional leadership, with an emphasis on performance, to further transform workforce investment to address existing and emerging economic needs.
- Strengthening talent development by cultivating strategic partnerships, especially with education, to improve lifelong learning.

A Roadmap for Innovation

When I was in the Florida House of Representatives in 2000, I sponsored the Workforce Innovation Act. Our goals in Florida — then and today — reflect many of the primary objectives of the SKILLS Act.

First, you want to consolidate the existing job training programs that support similar activities (work readiness, training and placement) into a single workforce investment system. Connecting job seekers with employers and helping Americans get to work remains a clear and central focus of the Act.

You also want to take a market-driven approach to talent development designed to prepare individuals seeking employment for the jobs of today — and the jobs of tomorrow — whether that person currently relies on the social safety net, is seeking skills upgrade training or looking to advance within an emerging industry.

The SKILLS Act also rightly focuses on creating a talent supply system with the funding flexibility to partner with businesses to ensure they can design training and education opportunities for new and

existing employees giving workers the ability to sharpen their skills, increase their productivity and earning potential, and advance their careers.

With our nation at a crossroad, Florida's experience — forged by more than a decade of business-led, public and private collaboration to drive market-relevant strategies and workforce investment — offers a roadmap for preparing job seekers, workers and businesses to compete and advance in an increasingly knowledge-based economy.

Streamlining, Integrating Programs and Services – Florida as a leader

Florida boldly seized the opportunity created by WIA for a customer-focused and business-directed workforce development system with its enactment of the Workforce Innovation Act of 2000. An overarching priority was restructuring the fractured system we had then to create a more integrated and comprehensive system — nimble enough to respond to local and statewide demands, economic shifts and strategic priorities with clear and consistent business involvement, strong state leadership and local decision-making.

We are proud of the success resulting from our efforts to optimize both the federal and state landmark laws, which has contributed to Florida's track record of recognition as a national model for innovation. Among recent accolades influenced by our state's strong workforce system outcomes, Florida ranks:

- No. 1 for its talent pipeline in the third annual *Enterprising States* report by the U.S. Chamber of Commerce and the National Chamber Foundation. *Enterprising States* highlights initiatives and strategies that all 50 states are employing to remain competitive, restore jobs and drive economic growth.
- No. 2 in an annual *Best States for Business* survey by *Chief Executive* magazine, which examines feedback from more than 500 CEOs to assess how each state fares on factors, including workforce quality, that are most essential for a business-friendly environment.

- In the Top-3 for five consecutive years in CNBC's annual *America's Top States for Business*, which examines 10 different categories to measure each state's ability to attract business including workforce quality and availability.

In Florida, the 24 regional workforce boards direct nearly 100 One-Stop Career Centers that connect job seekers, workers and businesses with employment and training services. Consistent with federal law, Florida's One-Stop Career Centers provide access to services offered by nearly a dozen state agencies that determine eligibility for and provide:

- Adult Job Placement and Training
- Unemployment Insurance
- Vocational Rehabilitation Services
- Transitional Services to Assist Job Seekers with Moving from Welfare to Work
- Veterans Employment and Training

Florida's system successfully uses the One-Stop model effectively and encourages regional workforce boards to access other resources or partner with other programs to make services available to job seekers, workers and businesses. These services or programs are co-located both physically and through website linkages.

Through local decision-making and, in some cases, state policy, many of Florida's One-Stop Career Centers already offer access to resources or programs the SKILLS Act proposes to consolidate, supported by a single Workforce Investment Fund. Under the Act, special populations will continue to be served by the One-Stop Career Centers, as the state and regional plans must detail the strategies for continuing such services.

This consolidation of programs and funding should result in a reduction of the administrative burden currently imposed on One-Stop Career Center staff by eliminating cost allocations between programs as well as tracking and reporting redundancies. Efficiencies created through this universal approach empower those closest to the customers to determine the most effective services needed to achieve the best outcomes.

It is our hope this Act also would clarify a federal policy that has hindered our state's flexibility to deliver services and further reduce administrative costs. While there is no direct federal statutory mandate in the Wagner-Peyser Act requiring state merit staff to deliver services, the U.S. Department of Labor has denied Florida's waiver requests from this regulation since 2007. This requirement has limited Florida's ability to cross-train staff across programs, removing from our purview management decisions best left to the state and local levels.

Flexibility Linked with Performance

The workforce system envisioned in the SKILLS Act strengthens the link between employment and training. We agree that in order to shrink the gap between skills demanded and skills supplied, we must have market-relevant training and education; however, Florida asks that the Subcommittee strongly consider allowing for the greatest amount of flexibility with how this training is delivered.

The SKILLS Act requires regional workforce boards to reserve a percentage of funds for training activities. Florida imposes a similar requirement on regional workforce boards, although the amount of the reserve is set by law, with the ability to reduce the reserve if circumstances warrant. From Florida's experience, the reserve requirement reinforces the state's commitment to training our workforce to meet market needs, as long as the type of training is not limited. Qualified training in Florida ranges from classroom and Internet-based training to On-the-Job Training and customized training delivered by businesses.

The SKILLS Act calls for unified planning and common shared goals, it focuses on performance over process and continuous evaluation of systems and procedures in an effort to become more efficient and effective with each passing year. Florida agrees.

Even as we work to link job seekers to employment and businesses to a pipeline of work-ready talent, as well as making training available to close the skills gap, Florida has and continues to underscore the importance of performance and outcomes. In addition to tracking and reporting federally required common measures such as entered employment, average earnings and youth placement or education and skills training gains, Florida continues to place an intense focus on the development of other

management and performance measurement tools — with more current data — that allow our state to drive stronger outcomes and track progress on shared state and local goals.

One example is the Daily and Monthly Job Placement Reports, which were created by the Florida Department of Economic Opportunity, in conjunction with Workforce Florida, to support system measurement, management and service improvements aimed at helping Floridians find jobs. These reports were launched in November 2011 in response to Governor Rick Scott's call for improved performance measurements to support economic recovery and growth. Regional workforce boards are assigned a ranking based on their job-placement performance, taking into account a number of factors. Those factors include the number of job seekers who gain employment after being assisted by a One-Stop Career Center or via the Employ Florida Marketplace job-matching website at EmployFlorida.com, Florida's comprehensive labor exchange tool; the number of available job openings in each region; and the number of people receiving unemployment compensation, known in Florida as reemployment assistance benefits, who find employment after receiving workforce services. An individual who receives employment and training assistance through a One-Stop Career Center or the Employ Florida Marketplace and finds a job within 180 days is deemed a placement and may be reported by a regional workforce board.

Last year, Florida's regional workforce boards assisted more than 426,000 people who found jobs including more than 111,000 people who had received unemployment compensation — or reemployment assistance — payments. The statewide goal for 2013 is 600,000 placements.

Our relentless focus on job placements, at both the state and local levels, continues to invigorate our efforts to connect job seekers and employers and to generate creative solutions. In the Tampa Bay-area, the Pasco Hernando Workforce Board, frequently ranked among the Top 10 boards for job placements, has found success through the board's focus on continuous enhancements to customer service and its Monday-Saturday Employment Support Center, a call center that links job seekers with employers seeking to hire. Polk Works, the regional workforce board that serves Polk County in Central Florida, has launched a *Race to Place* initiative, which is gaining momentum, new employer partners and communitywide support for its goal of assisting 10,000 Polk County residents with finding a job by June 30, 2013.

Additionally, Florida has worked closely with the public and private sectors to identify statewide workforce and economic indicators. These indicators are vetted with regional and statewide collaborative partners. This work has led to better integrated strategies in workforce, education and economic development. Today, independent strategic plans across state and local entities are built using common measures. In Florida's State Strategic Workforce Plan, strategic goals are aligned with federal programmatic requirements, common measures and priorities of the Governor and Florida Legislature. Performance reporting systems and dashboards serve as tools to measure progress and align partnerships among regional workforce boards, educational entities and the Florida Chamber of Commerce.

The regional workforce boards, and the communities they serve, represent a significant competitive advantage as we strive to grow Florida's economy.

The SKILLS Act proposes important changes that facilitate regional alignment of markets and resources rather than forcing the acceptance of the status quo. It also strengthens the authority of governors to designate the boundaries of workforce areas.

With Florida's shared vision, mission, strategic planning and common goals, Workforce Florida is now collaborating with the Florida College System, the State University System, the Florida Department of Transportation, Regional Planning Councils, Enterprise Florida and the Florida Chamber of Commerce at a level necessitating the review of relationships, policies, procedures, project management protocols and, yes, geographical boundaries in order to build the nation's most efficient and effective state system.

The flexibility in state and local board appointments is another welcome change proposed in the SKILLS Act – and increasing the business representation will only improve our alignment with market needs. In Florida, we have found that volunteer board members who come from businesses of all sizes and stages bring with them a wealth of experience that help us shape policies with a keen focus on reducing red tape, forging strategic partnerships, measuring return on investment and pursuing greater efficiencies.

The proposed funding level of 15 percent for the Governor's Reserve would enable Florida to continue to invest in innovative initiatives that respond to statewide economic development priorities and

address the workforce needs of special populations such as at-risk youth, individuals with disabilities, veterans and other workers with challenges to employment.

Strengthening Talent Development and Lifelong Learning through Partnerships

Today, businesses — and their jobs — go where the talent is. Creating a modern and responsive national talent development system that supports job creation and retention is possible only if we continue to remove barriers allowing state and local workforce entities and educational systems to leverage resources and better align priorities, services and programs. In doing so, a strong focus must remain on engaging workers at every stage of their career.

In Florida and across the nation, traditional silos that impede the development and implementation of seamless talent solutions aimed at maximizing the assets of workforce and education partners as a true, talent supply and delivery system are stifling our competitiveness. The SKILLS Act addresses critical areas for improving talent development and service delivery by providing enhanced opportunities to more effectively confront skills gap challenges by, among other things, facilitating greater collaboration with community colleges, building basic literacy and math skills into employment activities and encouraging stronger alignment of regional resources among workforce, education, economic development and industry.

All three areas remain major priorities for Florida where we have a strategic focus on addressing the challenges of getting Floridians back to work, while also advancing opportunities to diversify our state's economy through a more highly skilled and competitive workforce for sectors targeted for economic development such as homeland security and defense, logistics and distribution, and aviation and aerospace, along with infrastructure industries like transportation, water resources, energy, broadband and healthcare.

Florida's 28 state and community colleges have been and continue to be important allies in modernizing and creating a responsive talent supply and delivery system in our state. These institutions are recognized for being able to respond quickly to marketplace needs and just-in-time training required to keep businesses and their workers competitive. A specific provision in the SKILLS Act that we strongly support allows regional workforce boards to contract with community colleges to provide training to

large groups of participants instead of on an individual basis. This approach, which generates efficiencies, is exemplified through a strong partnership between Workforce Connection — the Florida regional workforce board that serves Citrus, Levy and Marion counties — and Central Florida Community College. Faced with a high unemployment rate of 10 percent on average in 2012 in two of the three counties it serves and 9.5 percent in the other, and a loss of jobs in the manufacturing and financial sectors, Workforce Connection has developed a partnership with its community college to provide training to large groups of participants in common but critical skill areas rather than a more limited, less efficient one-on-one approach to training.

Another noteworthy example of seamless collaboration to meet industry demands is a unique, aligned approach among multiple state colleges to serve businesses creating jobs in manufacturing — a high-value industry essential to innovation. St. Petersburg College is the lead recipient of a \$15 million, multi-year Trade Adjustment Assistance Program grant awarded last fall that will enable 12 state colleges to focus on training resulting in the attainment of industry-recognized credentials and opportunities for On-the-Job Training, internships and job placements facilitated through regional workforce boards. The entire seamless workforce, education and economic development project is under the direct guidance of the Manufacturers Association of Florida and colleges are linked with regional manufacturing associations in their respective communities.

Also in Florida where business is leading the way to improved talent solutions, Workforce Florida has developed Target Industry Cluster Task Forces to provide market perspective on developing a world-class talent delivery system in key sectors. The chief executives, who participate in these task forces, have emphasized that building basic literacy and math skills is a critical need and essential to workplace success. This linkage cannot be overlooked as an underpinning to lifelong employment success. As a key component of the SKILLS Act, the focus on these vital skills signals to business leaders and owners across the nation that these building blocks of basic literacy and math skills are universally viewed as a foundation for improving the skills of our nation's workforce.

The global marketplace is as dynamic as it is diverse and regional economies must continue to develop strategies and talent development solutions that are based on more than the geographic designations of training providers. There must be strong alignment to regional economies and labor markets. The full spectrum of collaborative partners that impact talent solutions must now include industry clusters and

employers and their specific talent needs, including groups of occupations that meet multiple industry sector needs; talent commuting patterns; existence of state colleges and universities, especially research centers; economic development regions and indigenous economic assets (e.g. ports, logistical centers and infrastructure). In Northwest Florida with Workforce Florida's support, a special skilled technician task force is just getting underway. Led by industry executives in construction and energy, the Northwest Florida Skilled Technician Project is facilitating an evaluation of existing regional assets and building on those attributes to create a new regional approach for world-class talent supply for skilled technicians. With economic competitiveness as its primary driver, the task force will gain a deeper understanding of skilled technician workforce needs for Northwest Florida companies in the defense, advanced manufacturing and energy sectors; create an education and training assets inventory informed by a review of supply and demand workforce analytics; and develop short-term and long-term recommendations that transform the region by identifying opportunities for skills improvement. By focusing increased attention on seamless alignment within regional economies and labor markets, the SKILLS Act will foster greater collaboration among workforce, education and economic partners, like those participating in the Northwest Florida Skilled Technician Project, to advance opportunities for businesses, workers and job seekers to be globally competitive.

At the state level, Florida also is aligning talent needs within public and private K-12 and higher education organizational structures supported by increased integrated reporting systems. Mapping core educational standards to higher education curricula and job demands by occupational clusters has gained increased support. Greater attention is placed on accountability of funding allocations to educational providers with the resulting outcomes on job placements. Collaboration among workforce and educational entities continues to grow. Innovative programs based on proven performance to meet Florida's workforce and economic needs have increased. Recognition of industry-recognized licensure and credentials has gained importance in meeting job demands and identifying opportunities to assist employees with job retention and advancement.

In closing, Florida's vision, innovation and action provides a roadmap for what our nation can accomplish through a better integrated talent supply and delivery system. The SKILLS Act will allow our state and others to accelerate innovative, market-responsive strategies for even higher performance and results aimed at improving our nation's talent competitiveness.

Chairwoman Foxx this concludes my remarks. I want to again thank you for the opportunity to testify before this Subcommittee on an issue vitally important to American innovation and commerce. I welcome any questions you may have.