

# **INTEGRATING HUMAN RESOURCE PROGRAMS**

## **Recent Experiences of Five States**

First of Three Reports on  
a Human Investment System for Texas

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# I.

## INTEGRATING HUMAN RESOURCES PROGRAMS: EXPERIENCES OF FIVE STATES

### Introduction

Under an Interagency Agreement between the Texas Department of Commerce and The University of Texas at Austin, researchers at the Center for the Study of Human Resources have been providing on-going technical support for the development of the Human Investment System (HIS) -- an integrated approach for planning and delivering human resources programs designed to improve the efficiency and effectiveness of services and to increase the productivity of the Texas workforce.<sup>1</sup> One element of the research supporting the HIS initiative was a comprehensive review of similar program integration efforts in other states. From a preliminary round of interviews with knowledgeable national and state officials, 23 states were identified as having recently launched initiatives to integrate their human resource programs. After further review, five states -- Indiana, Maryland, Michigan, New Jersey and New York -- were chosen for more in-depth analysis.

Two major considerations guided the selection of these particular states for further study. First, we wanted to analyze the experiences of those states recognized by the experts as having exemplary program integration efforts well underway, especially in the areas of education, job training and employment that are directly related to workforce development. Second, we wanted to make sure that our list included at least one state with a similar state government structure and one of comparable size and complexity with Texas. At the time they were chosen, three of the five ---Michigan, Maryland and New Jersey -- easily met the "exemplary programs" criteria. While Indiana and New York were on everyone's list of states with significant initiatives in progress, neither was considered among the leaders by any of the experts interviewed. Indiana is profiled here because it represents a case of attempting to integrate human resource programs in a constitutionally

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<sup>1</sup> The terms human resources or workforce development are often used interchangeably in reference to education, job training and employment programs designed to enhance an individual's productivity and employability.

"weak-governor state" where executive power is dispersed among a number of separate boards and commissions -- an environment similar to Texas. New York is included because it is a large industrial state with an urban-rural population mix similar to that of Texas. Together, they satisfy the second criteria.

Though they have chosen different approaches and are at different stages in implementation process, each of the five states has focused on integrating program management functions (e.g., planning, evaluation and management information systems) and program services (e.g., intake, eligibility determination and assessment) primarily in the areas of education, job training and employment. And in all of the states, the initiative for program integration came from the highest levels in the executive branch of state government -- either directly from the Governor, individual members of the Governor's cabinet or the State Job Training Coordinating Council.

## **State Profiles**

Each of the following profiles adheres to the same general format. Following an abstract which highlights the state's approach to program integration and its progress to date, a more detailed report summarizes the characteristics of the various program integration efforts, the major barriers encountered and a general assessment of the success of the state's effort. The information for the profiles is drawn from numerous interviews with state and local officials in each of the states, documents and written reports from the states and lengthy discussions with other researchers studying program integration activities in these and other states with similar initiatives.

These profiles can serve as advance reading for State of Texas officials participating in symposia or workshops on program integration efforts. They are, in essence, status reports of on-going efforts that are always changing. Nevertheless, they provide a useful starting point for examining the experiences of other states and gleaning those lessons of most importance to the development and implementation of a Human Investment System for Texas.

## II. INTEGRATING HUMAN RESOURCE PROGRAMS: THE MICHIGAN EXPERIENCE

### **Background**

In the latter part of the 1980's, Michigan, not unlike a number of other states at the time, went through a period of retrenchment: the State's economy declined due, in large part, to foreign competition; federal resources for social programs were scarce and the State's budget felt the pinch. In this environment of fiscal restraint state leaders began looking for more efficient and effective ways of providing services to residents of the state, and, at the same time, making Michigan industries more competitive in domestic and international markets. As part of this effort, they discovered that the education, job training and employment services for workforce development in the state were provided through a confusing maze of separate programs and delivery systems. Some 70 programs administered by a number of separate state agencies were spending more than \$900 million a year. These programs were planned, and for the most part, implemented as categorical programs addressing specific needs of various segments of the State's population. Though many had similar missions and goals, there was no consistent integrating policy or overall strategy setting the general direction for these disparate programs, and there were no common measures of performance that could be used to evaluate results.

Governor Blanchard's response to this situation was to create the Cabinet Council on Human Investment. This Council was made up of key members of the Governor's staff -- including the director of the Office for Job Training -- the State Treasurer, the Chairman of the Michigan Job Training Coordinating Council (MJTCC) and the directors of eight state agencies, most of whom were directly involved in planning and delivering human resource programs. The Council was directed to formulate a strategy for developing a skilled workforce capable of making Michigan more competitive in the high-tech global economy. To carry out its responsibilities, the Council was authorized to involve other state leaders as well as selected representatives from business and organized labor through the creation of special task forces as needed.

Two important reports from Council Task Forces helped shape the human investment initiative in Michigan. The first report, "Countdown 2000: Michigan's Action Plan for a Competitive Workforce," produced by the Task Force on Adult Literacy, concluded that 80% of the Michigan workforce for the year 2000 was already out of school and in the labor force, and that a majority of these workers lacked the skills necessary to make Michigan industries competitive in the global economy. The second report by the Council's Employability Task Force, "Jobs: A Michigan Employability Profile," identified the skills Michigan workers would need for successful employment in the State's rapidly changing economy.

In addition to the work of the Cabinet Council, the Governor also directed the MJTCC to make the development of an "efficient, coherent, user-friendly job training system" its main priority for 1988. Building on the work of the Cabinet Council, and after much research, analysis and deliberation of its own, the MJTCC produced a report in March 1989 entitled, "Creating a Human Investment System." This document provided the conceptual basis for the Michigan Opportunity System.

In his January, 1988, State of the State Address, Governor Blanchard proposed the creation of a Michigan Human Investment System (which has since become known as the Michigan Opportunity System) and announced the development of the Michigan Opportunity Card which would serve as the management tool to bring together all of the elements of the proposed program delivery system. In August, 1988, the Governor issued an Executive Order establishing the Michigan Human Investment Fund to function as the state-level entity overseeing the development and implementation of the new system.

## **The Michigan Opportunity System**

The Michigan Opportunity System is essentially a workforce development system to address the entire spectrum of human needs associated with making residents of the state more productive and economically self-sufficient. The System is designed to be customer demand driven (not supply or program driven), user friendly, responsive to the needs of business, outcome oriented, coherent, and resource efficient.

There are two major, interrelated components of the System: the Michigan Human Investment Fund functioning at the state-level and 25 Core Groups operating in designated

sub-state areas across the state. Human resource agencies are expected to work through this state-local structure to design an efficient and effective local delivery system. The initial focus in Michigan is on integrating planning and delivery for all of the different job training and employment programs operating in the state. Ultimately, however, the system will be expanded to include child care, transportation, health services, drug rehabilitation and other support services related to developing human resources.

The Human Investment Fund -- the state level vehicle for interagency planning and implementation -- functions as a "neutral change agent" that transcends the bureaucratic boundaries of the existing state human resources agencies. It is not a funding source, as the name implies, or a superagency, but a joint venture in cooperation and consensus building among the State's human resource agencies.

The Fund's fourteen member Board of Directors includes the Chairman of the MJTCC, the Employment Security Commissioner, the directors of four state agencies -- Commerce, Labor, Education and Social Services -- and representatives of business, organized labor, and education and training providers in the state. By design a number of the Fund's Board members are from the Governor's Cabinet Council on Human Investment.

The Board of Directors and the Executive Director of the Fund are appointed by the Governor, who also designates one of the members as Chairman. The Board oversees the development of an integrated system for managing and expanding the State's human investment resources and makes recommendations to the Governor. A Policy Advisory Committee, comprised of representatives designated by each of the board members, works closely with the Executive Director and the staff of the Fund to facilitate program integration among state and local human resources agencies.

Approximately \$1 million a year is appropriated to support the Fund's state office staff and to develop and test the hardware and software for the statewide automation system -- one of the key elements in the System.

The 25 Core Groups at the local level are an outgrowth of the joint planning process mandated by the Michigan Job Training Coordinating Council in the Governor's Coordination and Special Services Plan. These groups are local counterparts to the Human Investment Fund and are responsible for planning the integration of human service

programs across state and local agencies, with their initial efforts focused on job training and employment services. Membership of the local Core Groups reflect that of the Private Industry Councils (PICs) mandated under the Job Training Partnership Act (JTPA). At a minimum, the Core Groups are required to have representation from the JTPA program, secondary and post-secondary education, the Michigan Employment Security Commission, the Department of Social Services, local community-based organizations, local economic development agencies, including Community Growth Alliances established by the Department of Commerce, private sector employers, and organized labor. The sub-state areas for the Core Groups are either individual or combinations of individual Service Delivery Areas (SDAs) created under JTPA.

Core Groups in each of the local areas are encouraged to include as many developmental and participant support services in their human investment delivery systems as possible. Services are to be provided in a logical sequence reflecting the needs of individual clients and their eligibility for various programs. As designed, "core services" available to clients entering the system anywhere in the state include: common intake, eligibility determination and assessment; the development of a Personal Plan of Action (PPA); and appropriate referral to local service providers based on the PPA. Typically, the referrals are for education, job training and employment services to enhance self-sufficiency and support services (i.e., child care, health and transportation) necessary for participating in the various programs. Service providers in the areas volunteer to be points of entry to the System based on guidelines established by the Core Group.

The program delivery system is supported by an integrated management information system with a common data base; common terminology and definitions; common reporting requirements which track services provided, outcomes achieved and the associated costs; and common performance measures for program accountability.

As originally conceived, the success of the Michigan Opportunity System was ultimately linked to an application of modern technology. The Michigan Opportunity Card, a "smart card," similar to the common credit card, would provide almost immediate access to the human investment system for all residents of the state. The Card, with a microchip containing client information that can be accessed by a personal computer linked to a card reader, would, in effect, place demand for services in the hands of the individual client, streamline access to available services from a number of different program funding

sources, and, eventually, provide the basis for common performance and accountability measures.

In addition to the Card, the System also includes the Michigan Opportunity Directory, a network of automated kiosks for local job training and employment information available to all residents. The Directory has emerged as a tangible precursor while the more problematic Opportunity Card is being developed. The System also operates a statewide hotline, which provides information about education and job training services and employment opportunities on a regional and state basis.

### **Program Integration Efforts**

Michigan policy makers have deliberately chosen an ambitious strategy of building an integrated workforce development system based on voluntary cooperation among the key human resource agencies at the state and local level. The emphasis is on "system development," -- integrating all of the job training, employment and support service programs in the state related to workforce development -- not better coordination or a series of incremental changes between or within individual programs and agencies. The prospect of the Opportunity Card -- promising cost savings to the agencies and easier access to services for clients -- provides much of the incentive for voluntary cooperation among the agencies participating in the development of the system.

#### **Integrated Planning and Budgeting**

As designed, the Michigan Opportunity System is characterized by integrated policy development and program planning on both horizontal and vertical planes. The more traditional categorical planning and delivery systems that function vertically in the State's human resource agencies are now supplemented by horizontal linkages among agencies through their membership on the Fund's Board of Directors at the state level and on each of the 25 local Core Groups. This interagency, intergovernmental structure and a formal operating agreement, signed by each of the agency members of the Fund's Board, provide the framework for the System. The agreement -- representing a strong commitment to integrated planning and program delivery -- includes the mission, guiding principles, goals and objectives for the new Opportunity System.

Though there is no single plan guiding the activities of all of the participating agencies, there is constant policy and planning feedback within and among the state agencies making up the System. The Fund's Board meets quarterly, while standing committees (which include representatives from the local Core Groups) meet monthly or bi-monthly. The Core Groups meet monthly, and all of the local groups meet together every quarter.

Under the Michigan structure each of the participating state agencies retains control over its own budget. There has been no move to consolidate funding or integrate the budgets of these agencies. With the development of the common intake, eligibility determination and assessment process and the full implementation of the Opportunity Card, the Michigan system will result in a reallocation of resources and agency budgets to reflect the needs and preferences of the clients. Over time clients with the authority to choose their own services and armed with information about the best providers will change the nature of the delivery system. In advance of the Opportunity Card, some voluntary reallocation of resources has already occurred in a number of local areas where Core Group planners and program administrators have made program adjustments to meet client needs and reduce wasteful duplicative services.

#### *Common Intake, Eligibility Determination and Assessment*

The Michigan Opportunity System has successfully developed a procedure and a format for a statewide common intake, initial assessment, eligibility determination, and referral system. As designed, this system -- currently operating in a number of sub-state areas -- centralizes the front-end services for a number of human resource programs including: adult education, job training (JTPA), vocational education, vocational rehabilitation, employment services, the JOBS program under welfare reform and other state-funded job training programs. In addition to the basic services -- intake, education, job training and employment -- support services such as child care, transportation and health care may also be available. The exact mix of services for any given client varies depending on client needs and resource availability in the area.

While the Fund played a strong role in designing the statewide intake system, the development of the local program delivery system, including the location of the points of entry to program services, is a local decision made by the Core Groups in each of the 25

sub-state areas. Typically, local service providers volunteer to provide intake services within guidelines set by each Core Group.

### *Case Management*

In the Michigan System the Personal Plan of Action, developed with the client at intake, is the initial service plan for the individual and the basis for case management. Three different approaches to multi-agency case management are currently being explored primarily for "hard to serve" clients needing a number of different services: 1) Interagency Case Management where agencies collectively decide, through case conferences, who to enroll, what services will be provided, and in what sequence; 2) the Single Case Manager approach where the participating agencies jointly designate one person to identify the client's needs and develop a sequence of services to be provided; and, 3) a Multi-agency Steering Committee where a group of agency representatives advise the primary project contractors on client needs and services.

### *Management Information*

Information technologies play a critical, yet unattained role in providing timely and accurate information for the Opportunity System. As designed, all service providers in an area will be linked to each other and to a central database by computer. This automated system will have a number of interrelated components: client records, employment and training matching, referral/reservation, career and service information, the Opportunity Card and management information. The Opportunity Card component -- viewed as an agent of client access, choice and information security -- includes the ability to issue as well as read and modify information contained on the Card. The management information component will generate data for program or agency managers on client demographics, system utilization, agency participation, service duplication and other indicators of overall system effectiveness.

The automated information management system offering joint access to common client data based on common, system-wide definitions is being explored in pilot projects in five areas of the state. These automation pilots, which actually began in 1990, are testing an integrated information and communication system based on personal computer interface and the Opportunity Card carried by the client. This information system is being developed

and implemented incrementally, and is proving to take much longer than originally anticipated.

As of September 1990, the most technologically advanced pilot was capable of sharing client records and making automated referrals among a limited number of participating agencies. There was no computer interface with other service provider systems, no central database, incomplete provisions for the Card and no data aggregation for performance measures or administrative reporting.

The State's Attorney General is being kept abreast of system design activities to insure that the confidentiality rights of clients are protected; however, a final ruling by his Office on this sensitive issue will not be forthcoming until the system design is completed.

### *Program Evaluation*

Preliminary goals, objectives and the corresponding measures for assessing program performance for the Michigan Opportunity System have been developed for the job training and employment programs related to workforce development; however, as yet, nothing has been quantified. Further work on the evaluation system awaits the development of the automated information system.

## **Barriers to Program Integration**

### *Technological Barriers*

The most visible barrier to implementation of the Michigan Opportunity System lies in the application of existing technology to the maze of separate job training and employment programs currently operating in the state. Success of the System, as originally designed, is highly dependent on the development and installation of the automated information system and the Opportunity Card. The Fund has been working with a private contractor on the information system for more than two years, with only limited success. Client data shared in a common format on the computer screens of the local service providers in the five sub-state pilots is the only visible accomplishment from this effort to date.

The Opportunity Card -- the passport for the customer-based, demand-driven system that would link the pieces together in some logical fashion -- is not yet functioning as envisioned. A limited version has been successfully tested with two stand alone programs in the State's community college system. The anticipated performance -- the ability to carry out multiple functions for a number of separate agencies and programs that would save time, energy, and resources for each of the agencies, local service providers and clients -- has not occurred.

In retrospect, it appears that the conceptual design and implementation of the Michigan System relied too heavily on the development and application of "technical systems." to provide the desired levels of program integration. Now it appears that technology alone is incapable of establishing order among the many, relatively independent job training and employment programs in the State.

#### *Administrative/Organizational Barriers*

Bureaucratic and administrative barriers have to a lesser degree impeded the implementation process. Integrated planning and program delivery, based on voluntary interagency cooperation at the state and local level, are essential elements in the design of the Michigan Opportunity System. A policy framework and organizational structure for implementing the System were created at the state level and pushed by the Fund's Board of Directors; however, implementation of the new system through the separate state agencies has been difficult and is proceeding more slowly than anticipated. Agency heads with a strong political allegiance to the Governor tend to be more responsive and flexible than program managers in the bureaucracy.

#### *Institutional Barriers*

Planning and implementation at the local level has varied among the areas. While some Core Groups have actively and successfully pursued the human investment concept, others have adopted a "wait and see" attitude. The variation in implementation among the Core Groups reflects the level of commitment of the local leadership to the human investment initiative, as well as the needs and resources of the local environment.

Public perception of the System may also prove to be a barrier to successful implementation in Michigan. Governor Blanchard's announcement of the Human

Investment System and the merits of the Opportunity Card for client access and for rationalizing the State's human resources delivery system raised expectation in many quarters. Unfortunately, the State has not been able to deliver on its promises in a timely fashion. As yet, the much heralded automated information management system has not streamlined paperwork, significantly improved interagency communication, or supported program measurement and evaluation across the participating agencies. Furthermore, the fanfare promoting the limited technological accomplishments to date have added to the creeping perception of the Opportunity System as one "giant intake system." Much of the initial momentum supporting the development of the System may be lost.

While an enormous amount of energy has already been directed to the challenge, it is now clear that building the Michigan Opportunity System will take much longer than originally anticipated. A new Governor, with a much different philosophy of government, was inaugurated in January. These realities immediately raise questions about the future of the initiative. The Opportunity System was closely identified with the Blanchard Administration, and there was little institutional support for the effort beyond the Governor's Office, the Executive Order and key members of the Fund's Board of Directors, all of whom serve at the pleasure of the Governor. Early indications are that the Human Investment Fund at the state level will be dismantled, and little is known about the likelihood of the new Governor supporting the Opportunity System or initiating a new approach to program integration. However, the momentum for some form of program coordination is likely to continue at the local level for some time in the future.

### **Lessons from the Michigan Experience**

The success of the Michigan Opportunity System, as presently designed and implemented, primarily depends on three key ingredients: strong leadership by the Governor; voluntary cooperation from the participating state agencies and the 25 local Core Groups; and the use of modern technology to link client information and the services of a large number of separate federal and state programs. Despite an enormous effort and a high degree of state and local cooperation, the Blanchard administration left office in January with the system only partially implemented. The objectives are yet to be achieved, and the future of the human investment initiative under the new Governor is uncertain at best. There are, however, a number of valuable lessons to be learned from the Michigan experience.

1) Major program integration efforts similar to the one undertaken in Michigan may easily take as long as a decade for full implementation. With that kind of timeframe any such effort must be guided by consistent vision, long-range goals and a clear implementation strategy that includes intermediate objectives for assessing performance and marking progress at regular intervals along the way. Michigan policymakers initially overstated what could realistically be accomplished during Governor Blanchard's term in office. While this is a common occurrence in the development and promotion of most public sector initiatives, it inevitably raises unrealistic expectations, thereby setting the stage for a perception of project failure.

2) There are definite limits to the progress that can be made toward program integration through voluntary cooperation, even in "strong Governor" states like Michigan where the state agency executives are members of the Governor's cabinet and serving at his pleasure. Incentives such as potential cost savings and improving clients' access to services -- while important -- are not sufficient motivators to overcome the inertia of the separate state bureaucracies. A state statute that clearly outlines the goals, establishes the structure of the state-local system, mandates the planning and design process and requires agencies to participate is a likely prerequisite for building an efficient and effective integrated human resource delivery system.

3) While the strong support and leadership of the Governor is critical to the success of any program integration initiative, alone it is not likely to be sufficient. The base of support must be broader, including the key members of the legislature and influential representatives from the private sector.

4) Technology alone cannot organize and integrate disparate state agencies, programs and services related to workforce development. The systems design work supporting the technology must be done before the modern technology is applied -- preliminary work that is difficult and time consuming, but absolutely essential for success.

5) Developing and maintaining a process should not be confused with achieving program or system goals. Under the Michigan approach a major investment was made in the process -- creating and maintaining mechanisms that promote voluntary cooperation and keep the major players at the table. In some cases, this attention to process appeared to be more important than achieving the desired outcome. The hard decisions about program

goals and the design of the delivery system, including the elimination of inefficient or duplicative programs need to be made at the beginning and used to guide the process.

6) A human investment system cannot be effectively developed and implemented solely by state government. It needs to be done through a "top down-bottom's up" process that actively involves representatives of the private sector; the participating state agencies and their local counterparts; local planning entities and the service providers throughout the state. To be successful, the expertise and political support of each of these groups must be harnessed and effectively directed to both system and program goals.

### **III.**

## **INTEGRATING HUMAN RESOURCE PROGRAMS: THE NEW JERSEY EXPERIENCE**

### **Background**

Early in 1987, Governor Kean convened a Task Force on Employment Policy to develop a more streamlined employment and training system that would address the present and future labor market needs of New Jersey. Members of the Task Force included the Governor's Chief of Policy and Planning, the Commissioners of five state agencies -- the Department's of Labor, Commerce and Economic Development, Human Services, Education and Community Affairs -- the Chancellor for Higher Education and the Chairman of the State Job Training Coordinating Council (SJTCC). The Governor challenged the Task Force to actively involve the State's business community in designing a delivery system that would accessible to all citizens of the state.

The Task Force's report, released in December of 1987, described the State's existing employment and training system as a large, complex and diffuse network of agencies and programs. A program inventory identified sixty-three different employment and training programs administered by a number of separate state agencies delivering almost \$300 million a year in education, job training and employment services to New Jersey residents. The report also projected a shortage of skilled workers to match the projected labor market demand in a number of areas in the state and stressed the importance of upgrading skills of the workforce for the future prosperity of the state.

The Task Force made a number of recommendations for a more efficient and effective delivery system including: designing a common intake, eligibility determination and assessment process for all employment and training programs; providing a sequence of services to enhance employability of those seeking assistance; and developing comprehensive performance standards across programs and agencies to facilitate evaluation of results. Collectively, these recommendations formed the conceptual base for the development of New Jersey's human investment initiative.

The Task Force also recommended expanding the policy, planning and oversight responsibilities of the State Job Training Coordinating Council (SJTCC) and the 17 local Private Industry Councils (PICs) to include not just JTPA- funded programs, but all education, job training and employment programs administered by the major human resources agencies in the state. Finally, the Task Force recommended a restructuring of the SJTCC as the state-level employment and training commission. Together, the new commission and the PICs would serve to improve state guidance and local delivery of all workforce related human resources programs.

Responding favorably to the Task Force's recommendations, the Governor issued an Executive Order in April of 1988 creating the New Jersey State Employment and Training Commission. In January 1990, the State Legislature passed a law that formally established the Commission and authorized an expanded role for the local PICs.

### **The New Jersey System**

The State Employment and Training Commission is the cornerstone of New Jersey's human investment initiative. Directly accountable to the Governor, the Commission is a policy development body responsible for developing an integrated system providing education, job training and employment services to upgrade the skills of the State's workforce. The Commission is also responsible for developing the annual employment and training plan for the state; advising, assessing and assisting program coordination efforts among the various state agencies; developing a common set of performance standards for evaluating programs; and establishing guidelines for procedures to encourage and enforce compliance with those standards. In addition, the Commission is authorized to enter into agreements with each state department which administers or funds employment and training programs for the purpose of assigning planning, policy guidance, and oversight functions for these programs to the local PICs.

Members of the Commission include the Commissioners of Commerce and Economic Development, Community Affairs, Human Services, Education and Labor, and the Chancellor of Higher Education -- all of whom are ex officio -- one member of the State Senate, one member of the General Assembly (the lower House in New Jersey) and representatives of the private sector, organized labor, community-based organizations and

the general public. The six agency heads on the Commission are members of the Governor's cabinet. The other members are appointed by the Governor, but require Senate confirmation. They serve staggered terms and not more than half of the public or non-governmental members of the Commission may be from the same political party, requirements intended to add balance to the Commission and to provide the opportunity for some continuity from one Governor's administration to the next. The Governor designates one of the public members of the Commission as Chairman.

The Commission has an Executive Director and a small, independent staff funded out of the State's general revenue fund-- approximately \$250,000 annually. These limited staff resources are augmented by JTPA staff from the State Department of Labor and other staff temporarily assigned from one of the other agencies on the Commission.

Responsibility for policy guidance, planning and program oversight for all employment and training programs at the local level is assigned to the 17 Private Industry Councils. Under the new state-local structure in New Jersey, the PICs are the local counterparts to the State Commission although their membership structure continues to reflect federal JTPA requirements (51% of the membership and the chairman from the private sector). PIC authority over non-JTPA funded employment and training programs is the result of formal agreements between the state agencies and the Commission.

### **Program Integration Efforts**

The Kean Administration set in place the conceptual and structural foundations for the development of a human investment system as a private-public partnership for integrating education, job training and employment programs focused on workforce development. Once established, the new Commission concentrated most of its effort on building the new system and developing procedures for program integration and chose an incremental approach coordinating human resource programs among the various state agencies. The Commission developed program coordination guidelines, reviewed program coordination efforts of its member agencies, contracted with Rutgers University for assistance in developing program evaluation tools and carried out its normal JTPA responsibilities. Using the coordination guidelines, the State Commission reviewed and made recommendations on several employment and training initiatives including a continuum of services for at-risk youth, the state welfare reform project and a significant

administrative effort to integrate the planning and delivery of JTPA and Employment Service programs, both located in the State Department of Labor. This latter initiative, known as Jobs New Jersey(JNJ), was the most visible coordination effort by the Kean Commission and is discussed in some detail later in this report.

The human investment system survived the recent change of Governors in New Jersey. Building on the efforts of the previous administration, the new Governor, his State Policy Director, the Commission and the new Executive Director are all committed to an ambitious agenda and are moving forward on the human investment system with a sense of urgency.

The core of the Commission's first year agenda under Governor Florio was the development of a vision which would guide decisions about the nature and scope of the New Jersey human investment initiative for the coming years. In addition to renewing its commitment to an integrated delivery system for education, job training and employment programs, the Commission undertook two major new initiatives: 1) the development of a single state plan for all education, job training and employment programs delivered by the six agency members of the Commission; and 2) an administrative restructuring of the existing program planning and service delivery systems in each of the State's human resource agencies.

The authority for the development of a single state plan for all programs related to workforce development was included in the state legislation creating the Commission. Rather than immediately exercising its authority, however, the original Commission chose a less aggressive approach by attempting to coordinate the separate plans of each of the human resource agencies in the state. The Commission's option to assume a stronger planning role surfaced again early in the Florio Administration in the Occupational Education Task Force's report, "White Paper on Occupational Education." As proposed by the Task Force, the single state plan would include common goals, objectives and performance standards for all education, job training and employment programs. It would function as the strategic plan, guiding the operational planning activities of each of the of six agencies and serving as the baseline document for evaluating agency performance. The objectives set by the Commission would drive the human investment system and all available resources -- federal and state -- in each of the agencies would be committed accordingly. The state plan would have a local analogue in each of the state's 17 sub-state service delivery areas.

The second initiative from the Commission recommends an administrative restructuring of the state's human resource agencies as proposed in the recent report, "The Future: The Workforce Readiness System in New Jersey." This report recommends that the six state agencies managing education, job training and employment programs be divided into "producer" and "consumer" agencies. As proposed, the 64 workforce development programs are to be consolidated under 15 administrative umbrellas located in the three "producer" agencies -- Labor, Education and Higher Education. Under the proposal, some programs will be relocated, some will be eliminated and others with similar purposes will be consolidated. Three "consumer" agencies -- Commerce and Economic Development, Community Affairs, and Human Services--will support the direct delivery of services through referrals of their clients to "producer" agency programs; provide essential support services to clients of the "producer" agencies; participate in the state planning process; and serve as guarantors of program quality.

This proposed restructuring is designed to maximize quality service and minimize the confusion, fragmentation and needless duplication by simplifying decision-making and program delivery. The theory behind the model holds that producer and consumer agencies are bound by common interests. Communication between the employment, education, and training system and the social services and economic development communities is essential to render the quality services to the clients they are all striving to serve.

A number of other worthy program integration activities are also on the Commission's agenda: establishing a comprehensive strategy for at-risk youth; creating the Institute for Employment and Training Staff Development to support the system integration efforts; designing a program planning model that incorporates the performance evaluation methodology previously developed by Rutgers; and developing a new strategy for business participation in Commission initiatives.

It is too early to evaluate the effectiveness of the current Commission's focus on refining the policy development, planning and implementation process for human resource programs. However, a brief analysis of the Jobs New Jersey (JNJ) concept -- a major program coordination initiative which complied with the Commission's coordination guidelines and contained many program integration characteristics -- illustrates the incremental approach and limited success of the employment and training initiatives initially pursued by the Kean administration.

### *Integrated Planning and Budgeting*

The Jobs New Jersey initiative was an attempt to integrate similar programs through an administrative reorganization. Three separate divisions in the State Department of Labor -- Employment and Training (the JTPA program), the Employment Service and Vocational Rehabilitation -- were placed under the authority of the Assistant Commissioner for Human Resources. The immediate priority of this administrative realignment was better coordination between the JTPA and Employment Service programs. The two divisions were required to work with the local PICs to develop a single job training and employment plan for each of the 17 sub-state areas to be approved by the Commissioner of Labor, and subsequently, be certified by the State Commission. Under JNJ, however, resources of the two programs were not pooled; each retained control of its own budget and staff. Recent Commission proposals under Governor Florio -- a single human resources plan and agency restructuring -- represent a far more ambitious undertakings.

### *Common Intake, Eligibility Determination and Assessment*

JNJ was designed to allow an individual to make an application for job training services or register with employment service at both JTPA and Employment Service offices throughout the state. The specific design and degree of implementation of the JNJ concept varies in each of the SDAs. A common intake form for determining eligibility and assessing needs has been developed. This form also fulfills federal and state requirements that clients register with the Employment Service as a condition for eligibility or receipt of other program services, such as welfare or Unemployment Insurance. JNJ recognizes the benefit of a single point of contact for both job applicants and employers, but at this time has deferred the issue of colocation, citing the difficulties presented by staff relocations and prior leasing arrangements.

### *Case Management*

Development of an integrated case management procedure is recognized in New Jersey as a desirable system characteristic of an integrated human resources delivery system and the concept is supported by the Commission's coordination criteria. This approach to case management, however, has not yet been adequately addressed in the implementation of the JNJ concept.

### Management Information

By design, applicant characteristics, job matching data and registration information can be jointly accessed by either JTPA or ES staff through the Department of Labor's automated information system. In actuality, the JTPA administrating entity has access to the Employment Service mainframe, but reciprocal access to JTPA data by the Employment Service is not currently operational.

### Program Evaluation

Preliminary measures of joint performance in JNJ have been discussed, but not implemented. Consequently, the separate legislative and administrative reporting requirements and performance standards that existed for JTPA prior to the integrating efforts of JNJ have been retained. As yet, no outcomes-based performance standards have been developed and implemented for Employment Service programs.

While Jobs New Jersey represents progress in program planning and coordination, it also reflects the Kean administration's incremental approach to program integration. This initiative involved cooperative planning and delivery between two programs with similar missions, administered by separate divisions within a single state agency. It was an effort that could have been undertaken without creating the State Commission, developing interagency coordination criteria or expanding the role of the local PICs. The more aggressive efforts proposed by Governor Florio, involving multiple programs and state agencies, will be a much more challenging undertaking.

## **Barriers to Program Integration**

### Administrative/Organizational Barriers

As outlined in state law, the PIC -- as a local labor market board responsive to state level coordination of all education, job training and employment related to workforce development -- is an essential component of New Jersey's human investment initiative. However, the PICs have not responded to their expanded role as originally anticipated. Uneven progress at the local level reflects not only differences in leadership abilities and

management styles of the various PICs, but also the lack of aggressive leadership by the State Commission in the last years of the Kean Administration. In addition to their planning and oversight responsibilities, 11 of the 17 PICs also function as the administrative entity for JTPA. In several cases, this combination of responsibilities has caused the PICs to move slowly to assume their expanded role for planning and overseeing non-JTPA funded education, job training and employment programs authorized in state legislation.

### **Institutional Barriers**

Another major barrier to implementing the human investment system in New Jersey is related to the timing of the initiative and the nature of the political process. The State Commission was created late in Governor Kean's second term and an "interim" Executive Director was not named until January of 1989 -- eight months after the Governor issued the Executive Order creating the Commission. This delay likely reflects a "wait and see" attitude commonly associated with a pending election.

### **Lessons from the New Jersey Experience**

The New Jersey human investment initiative began in 1987 with Governor Kean's appointment of the Task Force on Employment Policy. Over the past four years significant progress has been made in bringing the State's employment and training community closer together. State legislation creating the State Employment and Training Commission and enhancing the role of the local PICs has established a state-local structure for integrated planning and service delivery, an essential prerequisite for success.

A fully functioning, integrated education, training and employment system is not yet a reality in New Jersey; however, the concept recently survived a major test -- a change of administrations in Trenton. The new Governor, his staff and members of the State Commission are aggressively pursuing implementation of the initiative. While it is still too early to evaluate the results of the New Jersey effort, there are a number of lessons that may be beneficial to similar efforts contemplated by other states.

1) Any successful effort to integrate program management functions and delivery systems across state agencies is likely to come from above any one of the agencies

involved. The Governor and key state leaders must provide strong direction and sustained support if the initiative is to survive. State leaders must provide and consistently articulate a clear vision of the new system and what can be accomplished and commit the resources to bring the vision to reality; otherwise research studies and task force recommendations will never be implemented.

2) Program integration efforts involving multiple programs administered by separate state agencies are much easier to conceptualize than to implement. They are tedious, long-term undertakings to be initiated as early as possible in a Governor's first term in office.

3) If the State's human investment initiative is driven by the Governor, it is important to build in enough continuity to guarantee the survival of the concept through the inevitable transition from one administration to the next. In New Jersey, the State's long association with Rutgers University; setting the structure of the new system in State law; and balancing the membership of the Commission have provided the necessary continuity.

4) The private sector must be actively involved in planning and designing the new system. Private perspectives on planning, program accountability and designing systems that are responsive to market forces represent important contributions to public sector thinking.

5) Program integration cannot be accomplished solely out of the statehouse. There is a critical local component. The key role for state government is to establish the conceptual framework and environment that supports local planning -- setting the statewide goals and objectives, developing uniform performance standards across programs and evaluating the results of local planning and program delivery. The success of New Jersey effort depends largely on the PICs assuming their new and expanded role as planning and oversight bodies for all education, job training and employment programs, and not just those funded by JTPA. If the PICs do not respond to the challenge, an alternative local planning and oversight body must be created to serve this function.

6) Currently, workforce development is broadly recognized as critical for economic survival and as such provides a useful vehicle for promoting program integration initiatives, particularly in the area of education, job training and employment.

**7) Incremental program integration efforts that focus on developing interagency coordination criteria and reviewing state agency plans may not be as effective as those that require integrated planning and the development of a single state plan guiding local program delivery.**

**8) A strong staff training and development effort that clearly and consistently communicates the mission and goals of program integration is an essential ingredient for success of any such initiative.**

#### **IV.**

### **INTEGRATING HUMAN RESOURCES PROGRAMS: THE MARYLAND EXPERIENCE**

#### **Background**

In 1987, Donald Schaefer, the long time mayor of Baltimore, became Governor of Maryland. As mayor of Baltimore, the Governor had overseen one of the country's more successful local employment and training programs so it was a policy area that he understood and appreciated. Few were surprised when the new Governor chose the State's employment and training programs and the Maryland State Job Training Coordinating Council (SJTCC) as the change agents for the State's other human resource programs.

Early on in his term the Governor directed the SJTCC to do an in-depth study of workforce development programs in the State and to recommend improvements for the service delivery system. Maryland, like other states, has a large number of human resource development programs with similar goals being administered by a number of separate state agencies. These programs, while individually sound, are neither planned nor operated in a unified or coordinated way, and the services they provided to clients are often fragmented, confusing and difficult to access.

After reviewing programs in the major human resource agencies--the Departments of Economic & Employment Development, Education, Human Resources, Social Services, Housing & Community Development, and Juvenile Services--the SJTCC noted that while each agency and program had policies, plans, resources and performance measures, there was no central review system or focal point for the overall coordination of the employment and training system. To address this need, the SJTCC adopted three basic coordination responsibilities to facilitate the development of a unified workforce investment strategy:

- monitoring and evaluating the State's workforce investment agencies, including the Departments of Economic and Employment Development, Human Resources and Education;

- developing for submission to the Governor unified workforce plans and program initiatives for the workforce investment agencies and programs in the system; and
- developing and disseminating information in support of this mission.

In response to their mission, the SJTCC identified and prioritized the State's workforce development problems and developed program initiatives to address them. This effort was, in effect, the genesis of the State's Workforce Investment System.

### **The Maryland System**

Once program initiatives are identified, the Maryland approach to building an integrated workforce investment system is to bring together the appropriate members of the employment and training system as management teams at both the state and local levels to develop their part of the overall program initiative as outlined by the SJTCC. The concept is one of "shared operations," i.e., specific programs are jointly planned and implemented by all appropriate agencies in the delivery system.

At the state level, members of the Governor's cabinet are organized into ad hoc interagency management teams for developing policy and planning for new programs. This interagency approach allows a new program to start up quickly and to avoid possible conflicts between existing administrative structures and systems. In addition to key agency personnel (some of whom are considered vital to the initiative and are required to participate), the management teams include representatives of the local service delivery system. Each team names a lead state agency and develops local implementation plans including designation of the local lead agency and the requirements for local participation. Management teams are supported by staff from the SJTCC in an effort to provide neutral, objective policy and program recommendations for the various program initiatives.

Any agency required to participate in an interagency plan for a specific initiative has veto power over the final plan. This power was given to the participating agencies to make participation meaningful and negotiations binding. In at least one case Maryland had trouble with a federal agency over this issue. The U. S. Department of Health and Human Services initially would not allow this veto power over the welfare JOBS plan by other

agencies, such as the State Education Agency. Eventually, however, it did allow that JOBS interagency plans had to have other agency concurrence.

The same basic approach is used at the local level for joint planning and for establishing a local management structure that can respond to planning guidelines and application procedures issued by the state agency in charge of implementing a new program initiative. The planning guidelines for local implementation are issued by the lead state agency. The designated local lead agency is responsible for assembling the local management team (sometimes called a management committee) which also consists of "required members" and other local organizations and state agencies.

There have been six state initiatives that have used the above approach to integrated planning and program operations:

- the Triple E program (Extended Elementary Education), a pre-kindergarten education initiative;
- Maryland's Tomorrow, a high school drop-out prevention program;
- Project Independence, a welfare employment and training program;
- Literacy Works, an adult education program;
- the Family Development Centers, a demonstration program only, addressing family services in public housing; and,
- the Partnership for Workforce Quality, a program to upgrade the basic skills of current employees.

Four of these initiatives have a state level management team, a state level agency or an entity responsible for planning and implementation, a local management team or committee, and a local agency responsible for organizing the committee and satisfying the state's planning requirements. The local structure is not the same for all the initiatives. Local responsibility for Project Independence and Maryland's Tomorrow lies with the Private Industry Councils (PICs), the local agency for the Job Training Partnership Act (JTPA). For Literacy Works, the chief local elected official has the authority to designate the local entity in each area. He may select the PIC, the Adult Basic Education agency, a community college or some other agency. Triple E is managed by the local education agency (LEA). The other two--the Partnership for Workforce Quality and the Family Development Centers--are state level projects led by the SJTCC and the state JTPA agency,

the Department of Economic and Employment Development. As such, they do not have a local lead agency and management team.

There is acceptable variation at the local level in the degree and depth of program coordination. Program integration is not required to implement the initiatives; rather, there is a range of coordination steps that can be used. Policy makers in Maryland have found that integrated planning is much easier to design and implement than integrated operations so the planning requirements coming from the state are more exacting than the operational ones. The local areas are thus on their own to integrate operations to a degree that is desirable and acceptable.

The geographic basis for planning also varies by initiative. Maryland's Local Education Agencies (LEA) are coterminous with its 24 counties. Within the 12 PIC service delivery areas (SDA), six consist of a single jurisdiction (city or county) and six are multijurisdictional. Counties have been the basic service unit for the initiatives that have local components. Some local plans for implementing a given initiative have been on an SDA basis, some on a county basis. Again, the local management team will determine whether a plan will integrate or coordinate services over an area larger than a county.

The above described methodology for developing program initiatives uses integrated planning at the state and local levels and cross-cutting services to increase the potential for service delivery integration. Maryland has learned from its efforts in staffing and organizing the interagency planning and implementation of the initiatives that agencies can work together and barriers to agency and program coordination can be overcome. Using this experience in implementing the initiatives, the State has conceived and defined a Workforce Investment System to unite the initiatives and the State's other human resource programs through a single mission of workforce preparation and economic self-sufficiency, a single set of policies and goals, and the same joint planning and coordinated operations approach learned from the initiatives.

The State has adopted a two-tiered organization of the State's human resource programs (the initiatives and the state's existing programs) in order to define the Workforce Investment System. The first tier is comprised of early intervention, support and prevention activities, and includes the following types of programs:

Pre-Natal Care  
Alcohol/Substance Abuse Treatment  
Child Care  
Juvenile Services  
Health Services

Teen Pregnancy Prevention  
Pre-Kindergarten Activities  
Income Support  
Special Education  
Social Services

This tier is the support backbone of the State's Workforce Investment System. While these services cannot be measured in terms of self-sufficiency outcomes, they are considered a part of the total system and are planned to complement the activities and goals of the programs in the second tier.

The second tier of programs share a common focus and can be measured in terms of workforce preparation and self-sufficiency outcomes. This tier consists of programs that provide basic and remedial education, vocational education, and employment and training services leading to self-sufficiency. The following programs are defined as part of this second tier:

Job Training Partnership Program  
Partnership for Workforce Quality  
Md. Apprenticeship & Training Program  
Public Adult & Basic Education  
Vocational Rehabilitation  
Secondary Vocational Education

Project Independence(the JOBS program)  
Md. Industrial Training Program  
Job Service  
Literacy Works  
Maryland's Tomorrow  
Public Post Secondary Voc. Ed.

While both tiers of the Workforce Investment System are essential, it is this second tier that can be organized as a comprehensive, unified service delivery system, focusing on the same goals, working toward the same outcomes, and evaluated by similar accountability standards.

To implement this approach to the Workforce Investment System, the Governor through the JTPA-required Coordination and Special Services Plan, has established state-wide coordination criteria for planning and operations. Workforce Investment System joint planning must consist of an ongoing collaborative, developmental effort by all the players in the system. The outcome will be a unified resource utilization plan that identifies who will be served, what services will be provided, and the organizations responsible for the services. At a minimum, programs (second tier only) in the Maryland Workforce

Investment System must demonstrate a collaborative planning process. State and local agencies and organizations that are a part of the Workforce Investment System must submit a Coordination Plan to the Governor and provide evidence of compliance with this criterion.

For coordination and integration of operations, the second tier programs are expected to coordinate operations so as to eliminate duplication. The goal of this criterion is to specifically foster the integration of intake and assessment, and the coordination of education, training, placement activities, and information systems of the various State and local programs that are a part of the Workforce Investment System. Programs that are a part of the second tier of the System must provide evidence of compliance with this criterion.

As one incentive to meet these criteria, 50% of the JTPA 6% incentive funds not used for technical assistance will be paid out to the SDAs in reward for how well JTPA coordinates with the other human resource programs. The SJTCC has developed a checklist and organized interagency teams to monitor on-site the extent and quality of coordination at the local level.

## **Program Integration Efforts**

### **Integrated Planning and Budgeting**

The State has implemented integrated planning between the major state agencies through their participation in the six state-wide program initiatives that cut across the traditional service delivery systems. Joint planning is required at both the state and local levels for each initiative. A lead agency is designated at both levels to lead management teams which are made up from "required" state agencies, participating state agencies, and other state and local organizations. The management teams have the responsibility of developing the policies and implementation guidelines and, finally, at the local level, implementing the program. The key state agencies, those required to participate, must concur on all plans.

Local planning for many of the initiatives addresses resources from a number of different agencies and funding sources. This integrated approach to planning the use of the

resources has led in some cases to the integrated budgeting of those resources, though not necessarily to the integrated funding of program operations.

The state's goal is to expand this integrated planning and operations approach beyond the state-wide program initiatives to also include the on-going, regular programs such as adult education and voc-ed. Achieving this goal is likely to be well received by such local agencies as the PICs who are seeing their responsibilities for a unified JTPA plan being frustrated by the division of the program into a number of categorical state-wide initiatives.

#### *Common Intake, Eligibility Determination and Assessment*

Common intake functions are a high priority for the State in its efforts to reduce program duplication and to make the employment and training system more accessible. Beginning this year, each area will have to address such issues in an annual Coordination Plan.

For the new initiatives, the intake functions have remained with the lead agency with little integration taking place. There has been some coordination in sequencing clients from one service to another as described above for Project Independence.

Eligibility determination by caseworkers, rather than by specialized eligibility workers, is being evaluated by the State in some of the six integrated programs. Preliminary results indicate that the detailed knowledge required is unreasonable for those also doing case management. Thus, eligibility determination and case management are expected to remain separate.

#### *Case Management*

In the operation of the Family Development Centers, the concept of case management is vitally important. Because a number of different service providers are simultaneously assisting the different members of a family, one agency is given the case management responsibility. Upcoming program evaluation of the Centers by the SJTCC will help determine the future policy for case management.

For Project Independence, the local areas have varied their approaches. The Department of Social Services (DSS) is responsible for an initial assessment before referral to education or JTPA for further assessment and services. Some DSS staff will case manage the client throughout their participation; in other places, education or JTPA will case manage. JTPA is responsible for all follow-up with participants after their employment.

### Management Information

The SJTCC originally recommended the development of a state-wide, interagency information system to replace the programs' and agencies' existing systems. This proposed system would track all individuals in the workforce development system and would be accessible to all service providers. After study, this type of information management system was rejected because it was too expensive.

One example of integrated use of information is the joint use of quarterly wage data from the Unemployment Insurance system. This data on individual earnings by industry is used to measure post-program success of participants in employment and training programs. Another example is the use of the JTPA MIS, after augmentation, to handle the data and reporting requirements for the state welfare JOBS program, Project Independence. Otherwise, the MIS responsibilities for the state-wide initiatives remain with the lead agency without any true integration of other program activity.

### Program Evaluation

In order for the state to evaluate the results of integrated programs, the SJTCC is going through a process of establishing common definitions for measurable outcomes that would be applicable to all direct service providers (the second tier) in the workforce development system. Progress and outcome definitions and measures are being taken from current standards for the JTPA, Employment Service and education systems, and then applied, as appropriate, to the new initiatives and other employment and training programs in the system. This will allow the SJTCC to monitor across programs as well as individual programs in depth.

## Barriers to Program Integration

### State/Local

The goal of integrating data bases so as to be accessible to all members of the delivery system encountered difficulty due to the incompatibility of objectives, definitions, reporting requirements, and hardware of their individual systems. Some programs and agencies have centralized state systems and others have local-based systems which makes system integration almost impossible. Many systems also have different file structures. For example, AFDC and JTPA organize information by participant identifier but the data for the state education system may be filed by campus or activity, thus making it difficult for independent school districts to access participant records by social security number or other identifier. A feasibility study for an integrated interagency data system by the SJTCC determined that a new one would have to be created rather than attempting to link incompatible existing systems. However, policy makers have postponed developing such a system due to costs.

Early on in Maryland there was an attempt to integrate the ES and JTPA at the local level under the supervision of the PICs. Though the ES, UI and JTPA programs are administered by the same department, the integration effort was postponed due to complications arising from the budgeting of UI funds for ES administrative costs. Also, in an attempt to integrate data systems between the ES and JTPA, the personnel of each agency were asked to collect data which is not directly related to their agency. ES personnel were reluctant to take on the new task of collecting JTPA data, thus making the integration of data systems and joint determination of eligibility difficult.

The establishment of effective interagency management teams at the local level, as with any goal involving voluntary integration efforts, depends upon all partners feeling that they or their agency will benefit as a result of their participation. Integrated planning was new to some members of the delivery system. The new approach was usually accepted and the give-and-take required of integrated planning was present. When local players come to an impasse in the planning process, the management from the appropriate state agencies sometimes has to intervene to resolve the issue. However, as operational issues have come up there has been less cooperation between the agencies and less integration of the service delivery system.

The issue of confidentiality of records of participants arose in attempting to integrate the adult literacy programs. In Maryland, some adult literacy programs are operated by the public library system. It was found that state law prohibited the distribution of the names of users of the library system, so the establishment of a data base that was accessible to all system members had to be located in another agency.

### *Federal Barriers*

A number of federal barriers have been encountered by Maryland in its attempts to integrate human resource programs.

Maryland found federal inflexibility on the specific goals and objectives such as eligibility, target groups, service priorities, kinds of services allowed, and performance standards. Federal agencies drew the distinction between requirements found in the law and those found in federal rule making. The agencies differed greatly in their willingness to negotiate or change federal rules.

One federal agency, Health and Human Services, resisted a management team participant's right to have veto power over the JOBS plan for AFDC recipients of the Maryland IV-A agency. Other federal agencies may also want to be able to hold only their corresponding state agency responsible and not the whole state. A Governor could challenge this issue by creating a new human resource agency that encompassed all the programs to be in a Human Investment System.

In summary, federal agencies, despite their rhetoric, provide limited support to state efforts in program and service integration. Programs and their bureaucracies are focused on one program and one piece of legislation; there is little federal leadership to assist the states in many of their efforts.

## **Lessons from the Maryland Experience**

The attempts in Maryland to integrate employment and training programs have demonstrated an approach where state agencies share responsibilities for new program initiatives while the identity and boundaries of the individual agencies in the service delivery system are maintained. Initially, Maryland favored a strategy of widescale restructuring or reorganization of state government but this was met with such resistance from agencies, programs and employee groups that the idea was rejected. The strategy then shifted to integrated planning and implementation of six new statewide initiatives by the existing agencies. The basic policies and methodologies of integrated planning and program operations have been developed through implementing the new initiatives at both the state and local levels. Through the use of ad hoc interagency management teams, the state and local service delivery system members plan and administer initiatives that are responsive to the needs of Maryland's workers and employers.

The Governor, the SJTCC, the state agencies and the local service delivery system have learned much about other programs, clients services, and each other from implementing the six program initiatives. The strategy now is to build on the initiative experience and extend the integration efforts to regular on-going human resources programs. This will be done through coordination requirements and joint accountability for program outcomes enforced by the SJTCC and Governor. Some of the lessons to be learned from the Maryland experience include:

- 1) The leadership of the Governor has been vital to the Maryland design as has been the effort of the SJTCC and the employment and training community which he entrusted to be the change agent. However, without state legislation the process is wholly dependent on the authority of the Governor's office and the authority he gives to the SJTCC. Since the integration task in Maryland is a long one it will always be vulnerable to a change in the governorship and an inevitable shift in priorities.

- 2) The JTPA system has proven to be the best suited state-local delivery system for serving as the change agent for an integrated human resource delivery system. JTPA is headed by the Governor, has a broad-based state advisory board, and a private sector-based local service delivery system. In addition, JTPA is relatively well funded, the funds are flexible and its mission encompasses those of most other human resource programs.

3) Maryland has shown that it is useful to distinguish between programs and services that can be measured in terms of economic self-sufficiency outcomes, such as job training, and those that cannot, such as income support, when designing an integrated system. This distinction allows the state to develop separate sets of goals, one where cooperation and coordination are emphasized and another where workforce preparation and economic self-sufficiency are appropriate. Two sets of criteria will help make the state's intentions clear, help reduce unnecessary resistance and conflicts from the agencies and programs, and focus the Workforce Investment System on its economic self-sufficiency mission.

4) Statewide initiatives, for rather narrow purposes, can help agencies and programs develop knowledge and a working familiarity with other programs and delivery systems. However, it remains to be seen whether this activity is sufficient to be a base for the integration or a high degree of coordination of an agency's basic functions and staff with another.

5) Maryland is attempting to show that JTPA's 6% performance incentive funds can be effectively used to help insure that local coordination efforts are pursued. The state has allocated half of the 6% incentive funds for meeting the state coordination criteria. Compliance will be monitored on-site by the SJTCC. This effort is worth following to see if financial incentives are able to overcome the natural turf protection instincts of the agencies and actually produce real program integration.

**V.**  
**INTEGRATING HUMAN RESOURCE PROGRAMS:**  
**THE INDIANA EXPERIENCE**

**Background**

Until the mid-1980's, the major employment and training programs in Indiana were administered by two separate state agencies: the Office of Occupational Development administered the Job Training Partnership Act (JTPA) program and the Employment Security Division administered the Employment Service (ES) and the Unemployment Insurance (UI) programs for the State. In a 1985 report on the State's economy, the Governor and the Indiana Office of Legislative Services pointed out the extra costs associated with having two separate administrations operating programs with highly similar missions and recommended that the programs be integrated. On July 1, 1987, the two agencies were merged through legislation that created the Indiana Department of Employment and Training Services (IDETS). In addition, this legislation consolidated the administrations of the JTPA and ES programs at the state level and assigned local management of the combined programs to the 17 JTPA Private Industry Councils (PICs). Unemployment Insurance continues to be administered as a separate state-local program by IDETS.

The objective of the Indiana system is a single, unified local system in each service delivery area (SDA) for the delivery of JTPA, ES and similar services to employers and job seekers. The system may take slightly different forms in the SDAs with state and PIC employees in different configurations. The State's test for a unified system is that the clients, Indiana job seekers and employers, see it as a unified system with no unnecessary duplication, no competing services and clear points of contact. Services financed by ES and JTPA and related programs under the control of IDETS are delivered from shared facilities. There is a single intake procedure for all job seekers.

The U. S. Department of Labor assisted in the integration effort by providing funds for technical assistance and the hiring of consultants. In advance of the actual integration of the two programs at the local level, one PIC was selected as a pilot site to help identify issues that would be encountered in the state-wide integration. The seventeen PICs

continue to work toward system integration; to date over half of the local areas have state-approved unified service plans for the ES and JTPA resources available to their sub-state areas.

## **The Indiana System**

By creating the Indiana Department of Employment and Training Services (IDETS) through the merger of two state agencies, the Indiana policymakers established one state agency to be responsible for nearly all the employment and training programs operated by the state. These programs include JTPA, the Employment Service, the Trade Adjustment Act and Unemployment Insurance which are all administratively located in IDETS, and programs that are contracted to IDETS by other state departments. Under Executive Order, the Governor has delegated the authority legislated to him under the Wagner-Peyser Act and the Job Training Partnership Act to the Lieutenant Governor. The Lieutenant Governor oversees IDETS.

The Indiana Department of Employment and Training Services administrative roles and responsibilities are defined in a manner which improves coordination and the efficient administration of employment and training programs. IDETS establishes parameters, verifies system outcomes, evaluates performance, and determines policies and guidelines for the conduct of local programs and to ensure fiscal integrity. In addition, IDETS provides staff support to the Unemployment Insurance Board in its capacity as a policy-making body for UI, and to the Indiana Job Training Coordinating Council in its capacity as the advisory council for the administration of both the JTPA and the ES programs.

Programs assigned to IDETS through interagency contracts include:

Carl Perkins Vocational Education Act--IDETS administers four sections of the post-secondary funds; Sex Equity Education, Career Information Delivery System, Adult Training and Single Parents/Homemakers programs.

Indiana Manpower Placement and Comprehensive Training (IMPACT)--IMPACT is the Food Stamp Employment and Training program. IDETS provides employment and training services through its local service delivery system to food stamp recipients by a contractual financial agreement with the Department of Public Welfare.

Job Opportunities and Basic Skills--JOBS is being combined with the Food Stamp Employment and Training program under the IMPACT program. IDETS is entering into a contractual financial agreement with the Department of Public Welfare for the provision of services to AFDC recipients through the Private Industry Councils. JOBS will provide or supplement many essential services such as child care and extended medicaid for AFDC recipients receiving JTPA services.

Other Programs--IDETS is also responsible for implementing several other related programs either through the PICs or IDETS local offices including; the Targeted Jobs Tax Credit (TJTC) program, the Trade Adjustment Act (TAA) program, Bureau of Labor Statistics agreements for labor market information services, the Indiana Occupational Information Coordination Committee programs and work and labor certification for UI and migrant programs.

The major intent of the Indiana design is to have one system at the local level for the delivery of employment and training services to employers needing qualified workers and workers needing training. The JTPA-created Private Industry Councils are designated as the planning and administering agencies for the employment and training programs in the local area. Of all the programs under the PICs, the JTPA and ES programs are to be colocated and must use common intake procedures and forms. Each PIC will design its own intake procedures for the other programs, though colocation is expected.

PICs serve as the board of directors and final authority for employment and training decisions at the local level, thereby ensuring the involvement of the private sector in planning and program operations. PICs have the authority to select program operators for all training services and are not required to continue existing service delivery systems or contractors. Wagner-Peyser dedicated federal funds continue to be used for staff of the Employment Service and Unemployment Insurance Programs. Most of the staff located at the local employment and training offices are persons paid through JTPA, the Employment Service and the Unemployment Insurance Program.

IDETS contracts with the PICs to administer the resources of the ES and JTPA. This single, consolidated contract specifies the services to be provided, the cost of those services, the anticipated outcomes and the general administrative conditions that will apply. The PICs are responsible for directing the use of both JTPA and ES resources for their service delivery area within state established parameters and statutory requirements. The

PICs role is not limited to selected populations but has been expanded to the general population. Services offered through the PICs are to be designed to benefit all Indiana citizens. PICs have the authority to define local needs, to determine what services will be provided and to choose the deliverers of those services. As the employment and training system evolves, the PICs will likely have increased involvement with other human resource programs.

The PIC-IDETS contract incorporates the PIC's Unified Local Employment and Training Plan. This Plan describes the local arrangements for the organization and delivery of employment and training services, basically the ES labor exchange and JTPA services at the local level. In the PICs' Unified Local Employment and Training Plan, the basic services of JTPA and ES must be provided on a non-duplicative basis. This includes for JTPA--marketing, intake, assessment (including testing and vocational and personal counseling), referral to outside resources, Employability Development Plans, training, support and follow-up services, LMI and employer workshops and seminars. For ES the basic services include--job listings, qualifying job applicants, job matching, providing qualified job applicants to employers, mass recruitment, job analysis, AA/EEO planning, TJTC vouchering, UI work test, state merit testing, and the Job Service resume system.

A work agreement between each PIC and IDETS is also developed as part of the Unified Local Plan. These agreements provide for colocation and single intake functions and job assignment, supervision and related issues of personnel management. The labor exchange functions of the ES as required by the Wagner-Peyser Act are provided by state employees as part of the state government's responsibility. In accordance with an Indiana State Plan (which incorporates the Governor's Coordination and Special Services Plan for JTPA and the Wagner-Peyser Plan of Service) and the Unified Local Plans, the PICs decide what specific mix of services is needed in the SDA.

To develop the mix of services, the PICs have the authority to deploy JTPA and ES funds and PIC and state personnel as long as it is consistent with the Unified Local Plan. However, for state employees, hirings, firings and performance evaluations must be provided by other state employees. The work agreement spells out clearly how these functions will be handled by IDETS in close coordination with the PICs. Thus, as designed, the unified delivery system has two personnel systems. One is a personnel system based on merit for PIC employees. The other is the State Merit System for the employees of IDETS (including ES employees).

The Unemployment Insurance and veterans programs (DVOP and LVER) are administrated directly by IDETS. However, UI and the veterans programs are considered part of the employment and training system and are thus part of the unified local planning. UI and veterans programs are not offered at all local intake offices but are being consolidated into a smaller number of "hub" offices. IDETS is planning to locate all these "hub" offices in some of those same facilities that house the PIC-managed JTPA and ES services. While Employment Service personnel report operationally to the PIC and administratively to IDETS, the Unemployment Insurance Program and Veteran's Program personnel report operationally and administratively to IDETS (but are located in the PIC employment and training office facilities).

## **Program Integration Efforts**

### **Integrated Planning and Budgeting**

At the state level, one plan is developed for the job training and employment system, the "Indiana State Plan for the Employment and Training System." The State Plan establishes the funding levels for all of IDETS programs and activities, the system's goals, objectives and implementing strategies, state and local roles and responsibilities and the planning guidelines for the PIC development of their Unified Local Employment and Training Plan. The State Plan, which is the Lt. Governor's responsibility and is reviewed and approved by the State Job Training Coordinating Council (SJTCC), serves as the Governor's Coordination and Special Services Plan and the Wagner-Peyser State Plan of Service.

At the local level, a single plan, the Unified Local Employment and Training Plan, developed by each Private Industry Council, guides local program activities, specifically JTPA and ES operations and coordination procedures for the other IDETS programs. The Plan must be approved by IDETS before it will execute the local JTPA and the ES contracts.

IDETS has focused almost exclusively on the huge task of integrating the JTPA and ES programs and staffs at both the state and local levels. It is unclear at this time in what way and how far local integration will proceed with programs that are contracted to IDETS

from other agencies such as JOBS, Food Stamp E&T and Voc-Ed. To date, there have been only state-level goal statements concerning program coordination, not planning and operational requirements as there are for JTPA and ES.

#### *Common Intake, Eligibility Determination and Assessment*

It is state policy that intake/assessment/referral services for the ES and JTPA programs be delivered from shared facilities using single intake procedures and forms. At this time, ten of the seventeen PICs have colocated services and most of these PICs have already developed a single intake and eligibility determination form. UI and veterans programs are operated directly by the state and are being consolidated into a smaller number of "hub" offices across the state. These offices will be located at facilities which also house the PIC-managed JTPA and ES services. At this time, the other decentralized IDETS programs are not required but are encouraged to use the same intake facilities for the sake of worker and employer convenience.

#### *Case Management*

Case management is not a focal point of program integration in Indiana. However, two separate efforts to implement integrated case management can be cited. In five local service delivery areas, IDETS is currently funding PIC demonstration projects for dislocated workers in which a case manager assists the client with the Economic Dislocation and Worker Adjustment Assistance (EDWAA) under Title III of JTPA, Employment Service, Unemployment Insurance and Trade Adjustment Assistance programs. IDETS is also allocating resources for the training of personnel of the PICs in the use of case management.

#### *Management Information*

Prior to the creation of IDETS, the information systems of both the JTPA and the Employment Service programs were already being maintained by a single state agency - the Employment Security Division. Under IDETS, both databases are still separately maintained but information from each is now available to the local PIC personnel. With this change the number of staff using the two systems has increased from 400 to 1300, resulting in more job matching and training information being accessible for more clients. Currently, there are no plans to integrate the two systems.

### Program Evaluation

At this time, evaluations of all programs under the IDETS umbrella with the exception of UI ARE the responsibility of the State Job Training Coordinating Council and are thus integrated to the extent that one agency oversees them all. Process and outcome-based measures are currently determined on a program-by-program or project-by-project basis and are the responsibility of the PICs, IDETS or contractors as appropriate.

Performance measures and planned outcomes for ES services are being implemented for the first time this program year. Under the current plan, the ES performance measures will become part of an integrated system standards approach for the entire Indiana employment and training system.

Indiana had an evaluation series called "Return on Investments" for the JTPA system and a customer satisfaction survey for the ES. Now that the programs have been merged these evaluation efforts will also address the success of the integration.

### **Barriers to Program Integration**

#### Administrative/Organizational Barriers

Consolidating separate but related programs and administering a new agency can be difficult in any situation, but the merger in Indiana created even greater challenges. There were a number of administrative barriers to be overcome.

A great deal of time was spent by management of the new agency on the operational details of local program integration, for example, leases of office space, colocation of staff, and integrating equipment. Delays in the colocation of services and integration of staff were created by having to wait for the expiration of leases and by a budget shortfall resulting in reduced allocations for both JTPA and ES.

The human resource and morale issues were equally important, but a limited amount of time was available to management personnel with which to deal with the personnel problems. Management lacked experience in dealing with the agency integration and the resulting human resource problems. Top management at both IDETS and the PICs

have had to become agents of change as they dealt with the emotional feelings of some personnel who viewed the integration as something akin to a hostile takeover.

The integration of the programs led to significant costs in the management of information and data. New equipment had to be purchased in order to manage the increased number of staff who needed access to the other agency's information system. New telephone lines and equipment for data transmission were required, and the costs of training increased as the number of staff using the Employment Service and JTPA data systems increased from 400 to 1300 persons.

### *Institutional and Legal Barriers*

There were a number of institutional and legal barriers to the consolidation of the two employment and training agencies in the delivery system at both the state and local levels. These barriers could be broadly classified as personnel or human resource problems. At the time of the merger in 1987, Employment Service staff were covered by the State Merit System and reported to the Indiana Employment Security Division. With the creation of IDETS, state Employment Service and Unemployment Insurance staff were placed in the new Department, and the local Employment Service staff were placed under the operational administration of the PICs. Significant problems occurred as a result of this policy decision.

The original intention to place UI employees under the administrative supervision of the PICs created a question of conflict of interest because the PIC boards contain private sector employers who might have an interest in the outcome of Unemployment Insurance decisions. As this issue and others were examined by the state agencies and employees organizations, there was a delay in the integration of the local programs. A solution was reached in which all staff of the Employment Service and Unemployment Insurance Programs were retained in the state merit system, the Unemployment Insurance personnel continued reporting to IDETS for day-to-day program operations and the operational planning at the local level would be done as if the Employment Service personnel were employees of the PICs.

JTPA and Employment Service staff at both the state and local levels, but especially the Employment Service personnel at the local level, resisted the merger. In effect, the reorganization could be described as a forced blending of two different bureaucratic

cultures. Employment Service employees had historically seen themselves as primarily serving employers. Under IDETS, their mission has changed to primarily serving the needs of the job seeker. At the local level, the Employment Service personnel and the employees of the local PICs (which in Indiana are non-profit corporations in most cases) were colocated and put into one organizational chart for operational purposes. Because state agency staff were being forced to report operationally to the PICs, these state employees were concerned about a loss of power, status, and authority. Questions about the hiring, firing, promotion and evaluations of staff also arose.

The Social Security Act of 1935 and other federal law and regulation require that each state must have a "merit system" for the personnel of the ES and UI systems in order for the state to have a certified program and be eligible to receive federal funding. The PICs would almost certainly not meet this requirement.

State analysis has shown that insufficient time was spent explaining the change to agency personnel and involving them in the planning of the program integration. In an institutional transformation of this significance, people do not mind change as much if they feel that they are a part of the process. Because many personnel did not feel a sense of ownership of the integration, they did not want the new structure to work.

Because employees of the State Merit System at the local level were operationally integrated with non-State Merit System employees in an administering agency that was not a state agency (the PIC), legal questions arose and litigation was threatened. Issues included the legal authority of the state ES board over the PICs, state rule making procedures, subcontracting former state now local services, lay-offs, separation of UI and ES staff as a dilution of union membership, the veteran's preference requirements in the Wagner-Peyser Act and the status of staff of the veteran programs.

## **Lessons from the Indiana Experience**

The focus of the attempts in Indiana to integrate employment and training programs can be characterized as one of restructuring the basic delivery system at both the state and local level. By the creation of a new state agency responsible for the planning and administration of all employment and training activities, the state chose an organizational approach to program integration. The implementation of program integration at the local service delivery area was initiated by placing the Employment Service programs and staff under the administration of the Private Industry Councils and continues now with the additional assignment of the Food Stamps Employment and Training program, the AFDC JOBS program and other state initiatives to the PICs' responsibilities. One result of this strategy is the decentralization of authority from the state agency level to the local (PIC) level. With an emphasis upon the PIC to colocate all their employment and training services and to develop a single intake procedure, the system has the potential to be more convenient and accessible to the public (job seekers and employers). However, the consolidation and colocation of the JTPA and Employment Service staffs at the PIC level, with its mixture of Merit System and non-Merit System staff reporting both to the Department and the PIC, appears from a management standpoint to be a hybrid system that holds the potential for inefficiency and/or conflict in the future.

In summary, the state of Indiana has accomplished several things that provide lessons for others.

1) If a consensus can be reached at the state level on a program integration strategy, comprehensive legislation addressing state/local issues for a human investment system can be passed. This is the most effective and efficient way to implement an integrated system. Such legislation provides the blueprint and establishes the authority for both the state and local levels.

2) It is easier to build an integrated delivery system with programs located in the same state agency. The state then has available to it a uniform, comprehensive service delivery system that makes broad policy implementation possible, while allowing the local level to make the service mix, delivery system design and service provider decisions.

3) Local integration of human resource programs can be most efficiently implemented by selecting one entity to be in charge and responsible for integrating all

targeted programs. This entity would sign contracts with state agencies specifying resources and performance requirements and guaranteeing to the state a non-duplicated and colocated service delivery system.

4) Agency and program integration does not kill people. It can make people feel nervous, anxious and angry, but they adjust and settle into new jobs, new environments and new challenges. Integrating program and agencies involves bringing people with diverse values, interests and program exposure into a cohesive organization. This takes an incredible amount of time and preparation for success. People must feel that they are an important part of what is happening. It is a wise investment to spend time and resources working with affected staff to allay fears and emphasize the positive aspects of the proposed integration effort.

5) Transition for personnel working for an agency or program that is being integrated can be made much easier if the new emerging entity is given a new name, identity and even a new logo. This indicates no winners or losers and helps to erase divisions of the past. Erasing past identities helps eliminate the perception of an advantage for those working for the old agency into which new programs are being integrated. It avoids the "us" versus "them" dualism.

## VI. INTEGRATING HUMAN RESOURCE PROGRAMS: THE NEW YORK EXPERIENCE

### Background

In 1988, New York's State Job Training Coordinating Council published the first Catalog of Workforce Preparation Programs--1987-88. The catalog contained brief descriptions of 103 state and federal job training and employment programs operating in the state with annual funding of over one billion dollars. Publication of the catalog served as a catalyst for further activities. A number of state officials renewed their interest in a better coordinated, more efficient and more effective program delivery system; the State Council initiated a study of the state's workforce preparation system to develop a blueprint for planned change for the next five years; and the State Legislature passed the Workforce Preparation Evaluation Act. The Act was designed to increase program accountability and move the state toward a rational, system wide decision-making process for planning and delivering employment and training services. It called for annual evaluations by the responsible agency of all workforce preparation programs as well as the annual submission to the State Council of all evaluation plans and evaluation reports.

### The New York System

There are three major components of New York's effort to create an integrated workforce preparation system:

- the Workforce Preparation Evaluation Act (WPEA) that requires the coordination of the planning and evaluation activities of 85 programs in 15 state agencies;
- the State Council's blueprint document called Creating a Vision: The Workforce Preparation System of the Future issued in early 1990, that provides an incremental, five year plan for creating a unified Workforce Preparation System;
- and,

- the Human Resources Subcabinet, an executive-level body comprised of the commissioners of the lead agencies of the Workforce Preparation System, including, Labor, Education, Social Services, Economic Development, the State Council and the chancellors of the State University and the City University of New York, was established to administer and coordinate workforce preparation policy.

The Workforce Preparation Evaluation Act was signed by Governor Cuomo in 1988. Among other things, it requires that all workforce preparation programs administered by state agencies be evaluated annually by the individual agencies. Annual program and evaluation plans, as well as evaluation reports, are to be submitted to the State Council each year by the agencies. The State Council is then required to submit a unified summary of the evaluation reports, accompanied with recommendations, to the Governor and the Legislature.

In addition, the WPEA identified 85 of the 103 programs categorized by the State Council in its original catalog as workforce preparation programs--those whose primary objectives are job placement, training or job readiness. The remaining 18 programs were considered to deliver related activities which do not "directly" affect workforce preparation.

There are three separate items submitted annually to the State Council by the administering agencies for each of the programs: a Program Plan in a format prescribed by the State Council; an Evaluation Plan which is really a component of the Program Plan and contains all relevant current information, including information on program objectives, performance and effectiveness measures, and budget information; and, an Evaluation Report which includes all program data and analysis to compare plan versus actual, evaluations and audits and monitoring information.

A summary of the submitted Program Plans is published as the Catalog of Workforce Preparation and Related Programs. The detailed Program and Evaluation Plans are stored on computer files by the State Council and made available to the public through several data base management systems.

At the same time the WPEA was passed, the State Council began a study of the complete employment and training system in the state. The purpose of the study was to develop a plan for changes to the system over a 5 year period. In February, 1990, the State

Council issued Creating a Vision: The Workforce Preparation System--a strategic plan for developing and implementing the New York version of an integrated human resource system. The report includes 19 findings and 59 recommendations which detail plans for changing the employment and training system. The recommendations take into account that the integration of planning and evaluation functions are addressed by the WPEA and so focus on issues of integrating program operations and of administrative systems development.

The 59 recommendations are grouped into 8 basic subjects. The first set of recommendations is for the creation of a "smart-card," called the GATEWAY card that can serve as an identification and information storing card for citizens to use to gain access to programs in the Workforce Preparation System for which they are eligible. This card is based on the Michigan Opportunity Card and, like it, will be dependent on yet to emerge technologies and anticipated cost reductions.

The second set of recommendations calls for basic skills competency measures to be part of the curriculums of all skills training programs, and for having secondary schools funds to flow wherever a young person is attending approved remedial activities. Such remedial activities would include year round and after school remediation from the Workforce Preparation System.

A third area is client advocacy where recommendations would require in-depth assessment, competency-based client performance evaluation, case management in one-stop centers, and a massive effort to design and implement a support service safety net.

The fourth set of recommendations addresses creating the unified Workforce Preparation System. The State Council here notes that under the present employment and training system, policy-making responsibilities and authority is diffused among the various state agencies and programs. To coordinate the integration of services and policy making and development, the State Council recommends the establishment of a Human Resource Subcabinet responsible to the Governor.

The final four areas addressed by the State Council in its recommendations are:

- system operations where recommendations address program contracting and funding differences among the various programs, programmatic competition, and the need for a professionals' training institute;
- information systems where the State Council recommends a statewide information system and greater state technical assistance;
- targeting of funds is recommended to all socio-economic segments of the population as well as those who are job ready, those not job ready and those already employed; and,
- recommendations on the integration of economic development with the Workforce Preparation System at both the state and local levels.

In his 1990 State of the State message, the Governor responded to the State Council's effort by creating a Human Resource Subcabinet made up of representatives from the Lt. Governor's Office, the State Council, the Departments of Labor, Education, Social Services, and Economic Development, the State University of New York, and City University of New York. The Subcabinet is chaired and staffed by the Governor's Director of State Operations.

The Subcabinet created a number of committees to develop implementation plans for some of the State Council recommendations. The Subcabinet has also initiated four local demonstration projects that will address five of the State Council recommended goals for a collaborative and coordinated approach to local service delivery: to achieve economic self-sufficiency as a result of the services provided by the state; to respond to the client's needs; to use an identification card for the client to eliminate duplicative eligibility determination; to use case management to help clients utilize the system; and, to improve the services delivered to the client.

The four local demonstration sites are currently being selected using criteria that will focus on different types of local service delivery systems. Each individual project will test all of the above goals, but the implementation strategy in each area will vary. With the exception of the four demonstrations, the 85 programs making up the Workforce Preparation System are currently operating in much the same way as they have in the past.

## **Program Integration Efforts**

### **Integrated Planning and Budgeting**

Integrated planning at both the state and local levels has been one of the major objectives of the strategy to create the Workforce Preparation System. At the state level, the state passed the Workforce Preparation Evaluation Act (WPEA) in 1988. The WPEA requires that all workforce preparation programs administered by state agencies be evaluated annually by the state agencies. Annual program and evaluation plans as well as evaluation reports, are to be submitted to the State Council each year. The State Council is then required to compile a unified summary of the evaluation reports to be submitted, along with recommendations, to the Governor and the Legislature.

The State Council's implementation of the WPEA has created program catalogs and data bases of program and evaluation information. These documents have given many people, both in and out of government, easy access to program descriptions because of the summaries published in one place at one time in the same format. Manageable information about the programs reveals the categorization and duplication in the various programs, as well as many opportunities for program and function coordination and integration.

The State Council is continuing to refine its state agency planning formats and instructions and reporting requirements for complying with the WPEA. The State Council is also offering technical assistance to some agencies in defining individual program objectives and is sponsoring meetings between agencies to try to arrive at common definitions and terminologies.

The Governor, in response to a State Council recommendation, created a Human Resource Subcabinet to aid in the development of the Workforce Preparation System by centralizing system policy making and implementation decision making. The Subcabinet has included in its workplan the development of a common method of state program planning and implementation, including budget review. To facilitate coordination and integration, each agency is to identify those parts of its budget request that deal with job training and related programs. The Subcabinet then reviews the various budget requests and makes recommendations for increased efficiency, coordination and integration so as to eliminate duplication and competition among state and local entities.

The Subcabinet strategy for integrating local planning is two-fold. First is the implementation of demonstration projects to test some goals of the Workforce Preparation System. Funding of four demonstration projects at the local level has required the establishment of interagency planning committees and collaborative planning by key agencies at the local level (human service, employment and training, employment service, school districts, community colleges, health, and community-based agencies). The specific members of the local planning committees vary according to the circumstances within each demonstration area. Secondly, joint request for proposals (RFPs) have been initiated by state agencies to allocate some state human resource funds with the express intent of fostering integrated planning by allowing only those service providers who developed their proposals through a local integrated planning process to respond to the RFP.

#### *Common Intake, Eligibility Determination and Assessment*

Several New York state agencies, prior to the planning for the Workforce Preparation System, took steps to consolidate programs and services within their agencies in order to create "one-stop shopping" centers. These include the Department of Labor's Community Service Centers, the Department of Social Services' Comprehensive Employment Opportunity Support Centers (CEOSC), and the State Education Department's Adult Centers for Comprehensive Educational Support Services (ACCESS).

The State Council, in its study, acknowledges that these consolidation efforts are important and necessary steps in the direction of increased program coordination and integration across agency lines. However, the State Council does not feel that these efforts will be sufficient for their Workforce Preparation System. They propose in the blueprint document that Assessment/Counseling Centers be set up on a regional and local basis to insure quality and uniform assessment for clients referred by participating service providers. The Centers would replace the other centers or be added where necessary. The State Council places much emphasis on quality assessment and the sharing of assessment information with subsequent service providers.

The State is also encouraging that one-stop integrated intake and eligibility determination systems be used in the four Workforce Preparation System demonstrations with each demonstration project exploring methods to better integrate the intake process.

### Case Management

The four local demonstration projects will test the use of joint case management . Client information will be shared among the participating agencies and one of the local service providers (e.g. JTPA, education or welfare) will be assigned case management responsibility. The case manager will work with the other service providers in tracking the participant through a sequence of services. The assignment of the responsibility for the case management to one of the local service providers will depend upon the client's individual and family situation. It is expected that the Department of Social Services will be given responsibility for case management of AFDC recipients in training or education, but the assignment of responsibility for other clients will be decided in each demonstration project. The focus on case management stems from the State Council finding that case management is necessary for the client to effectively utilize the continuum of services being offered when an integrated service delivery strategy involving several agencies is used.

### Management Information

Two of the State Council goals for the Workforce Preparation System are to design a common data base or management information system, available and accessible to all parties involved in the Workforce Preparation System, and the development of a uniform method of data dissemination. The GATEWAY card is to be a part of this, if it proves feasible.

Another goal is to explore the linking of the information systems of different agencies at the local service delivery area. Each of the four demonstration projects is being asked to increase the sharing of information between all service providers.

### Program Evaluation

The Workforce Preparation Evaluation Act noted that the huge number of programs and agencies involved in an enormous array of services for differing populations was very difficult to assess without a systematic, comprehensive evaluation process. The WPEA states, "Such evaluation activity will increase accountability of the state's agencies, encourage program planning, and identify opportunities to enhance program effectiveness." Thus the WPEA requires that all workforce preparation programs administered by state

agencies be evaluated annually by the state agencies and that annual program and evaluation plans and evaluation reports be submitted to the State Council each year.

The State Council is now working to develop the capacity in each agency to evaluate program impacts and to use the information in future program planning. They are also creating an integrated system of evaluation and planning that crosses program and agency lines and evaluates the system as a whole. Many issues have to be faced in order to do this including: developing management information systems, finding common definitions and terminology, educating and reorganizing agencies, and refining the definitions of evaluation components to gain integration.

Additionally, the State Council is looking at the concept of evaluating "clusters" of programs each year, i.e., evaluating at-risk youth programs one year, employment and training programs the next year, instead of annual evaluations of individual programs each year.

## **Barriers to Program Integration**

### **Administrative/Organizational Barriers**

The State Council's research and study in preparation for publishing Creating a Vision and its experience in implementing the WPEA have identified a number of barriers including:

- One year contracts and different planning cycles required by the different federal agencies make more comprehensive programming and integrated planning by state agencies difficult.
- Restrictions attached to various funding sources and the increasing number of categorical programs make it very difficult to develop innovative programs and to create a unified delivery system.
- There is no statewide management information system to support the needs of the Workforce Preparation System and no comprehensive mechanism to track programs or

clients receiving program services. Further, some agencies are reluctant to have program results known by persons outside the agency.

- There is a lack of funds available to explore the technological requirements of the sharing of databases by the different state agencies and the service providers at the local level.

- The issue of confidentiality of client records is used by some service providers as an excuse to keep from exploring the possibility of sharing non-confidential data.

- The lack of common definitions, performance standards and program information hinders the development of an integrated evaluation system. Further, many program designs do not consider outcomes that can be measured, making program evaluation difficult because necessary data is never collected. Agency philosophy and outlook will need to be changed to develop an internal evaluation capability. Then an integrated statewide evaluation system can be developed. Moving agencies to results-oriented, outcome-based performance measures, rather than process measures, will be very difficult.

- The authority and responsibility for management, in an integrated system, must be assigned among the different service providers. The criteria for assignment of these functions has been difficult to define and implement.

- State agencies and local programs do not see the mutual benefits that come as a result of integrated planning.

- A lack of professionalism and high turnover of workforce preparation personnel at both the state and local levels has made it difficult to implement, provide technical assistance and maintain the integration efforts in some agencies and in some areas. Moreover, there is no state level mechanism for training workforce preparation personnel for the future.

## **Lessons From the New York Experience**

The integration of human service programs in New York has largely taken place at the state level with little activity on the local level. The overall attempt is to better serve the client by offering programs through a strategy of integrating program planning and

evaluation and centralizing program authority at the state level and integrating program functions at the local level. State policy makers have rejected the integration approach that calls for reorganization or restructuring of state human resource agencies. The initiative in New York focuses on improving cooperation between existing programs and services rather than combining agencies or creating new organizations. In order to better integrate services, attempts to date have centered on developing a blueprint to guide and coordinate the program integration effort, centralizing authority for the Workforce Preparation System in the Human Resource Subcabinet, integrating planning and evaluation at the state level and on demonstrating the benefits of program integration at the local service delivery level. The State of New York has demonstrated several instructive strategies in its attempts to integrate programs within the human resource delivery system. Among the key lessons are the following:

1) The Workforce Preparation Evaluation Act has required the state agencies to review their program reporting, to define individual program objectives, and to establish a program plan which includes an evaluation component by which these objectives could be measured. This level of required participation would not occur without detailed and explicit state legislation and without the State Council, to whom the authority is given in the Act, to nurture and ease the integration along.

2) A set plan of action for the integration effort eliminates delays, on-going policy and turf disputes and keeps the effort on track though the players may change. To be effective, workforce preparation and economic development programs should be planned and implemented from a single viewpoint. The State Council's blueprint document, Creating a Vision: The Workforce Preparation System of the Future, has served the state well by establishing accepted goals, means and plans for reaching an integrated system within five years.

3) To aid in developing the Workforce Preparation System an executive level body, the Human Resource Subcabinet for the State of New York, is a necessary mechanism for ensuring the effective coordination and administration of a comprehensive workforce preparation policy. The establishment of a centralized process may be the most effective way to develop and implement the system. Preferably this structure would have a policy making and decision making body composed of all the stakeholders and another body, independent of the stakeholders, to oversee the implementation of the integration process.

4) Staff in those agencies included in an integrated human resource system will have to be reeducated and provided significant levels of technical assistance to be able to participate in a state-level integrated planning and evaluation system. Efforts to integrate planning and evaluation functions across programs must recognize and accommodate long-standing and well-entrenched differences. Such efforts cannot automatically assume that programs have similar (if any) philosophies, policies, objectives, program data and notions of accountability.

5) The state-level integration of planning and evaluation functions requires a statewide management information system (MIS) or a way of linking the agencies' MIS's to allow agencies reasonable access to each other's population, economic, program and client information. There must also be agreements between agencies on definitions, terminology, data collection and verification and on activity time-frames if cross-program information is to be used.

6) Heavy reliance on technological innovations or cost reductions for computer hardware can prevent major goals for program integration from being met. A large part of New York's strategy for integrating the various MIS's at the local level is to use the GATEWAY card. However, since the technology seems not to be available at a reasonable cost, New York does not have a viable alternative to a technological shortfall for one of its key needs.

7) A state's strategy for creating an integrated human resource delivery system must also include a strategy for local program integration. State activities will go for naught if there is not a logical and timely progression to integrating program services at the local level where the clients and services come together.

