

The Central Texas Workforce Intermediary Initiative:

Final Project Report

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Table of Contents

Acknowledgements.....	i
Introduction.....	1
Workforce Intermediaries: A New Approach.....	1
Origins of the Central Texas Initiative.....	2
Report Organization.....	3
The Initiative in Brief: Distinctive Features	4
Vision.....	4
Partners	5
Purpose and Focus	7
Aligned-Funding Model.....	9
Expected Results	10
Accomplishments.....	11
Outputs.....	11
Outcomes & Impacts.....	12
The Bigger Picture	17
Major Challenges and Opportunities	19
Challenges.....	19
Opportunities.....	20
Concluding Observations.....	21
References.....	22
Appendix A. Planned Tasks and Timelines.....	25

INTRODUCTION

This is the final report of the Central Texas Workforce Intermediary Initiative (CTWII), an innovative project funded by the Rockefeller Foundation with other monetary and in-kind support from a number of partners and supporters. It describes the initiative, its origins and distinctive features, and its accomplishments.

Workforce Intermediaries: A New Approach

In February 2003, the American Assembly of Columbia University convened a group of sixty-odd workforce development policy leaders at Arden House, the Harriman Estate, in New York led by Bob Giloth of the Annie E. Casey Foundation, Betsy Biemann of the Rockefeller Foundation and John Colborn of the Ford Foundation. Over three very cold days, this group toiled day and night to examine pressing workforce policy issues and ultimately craft a statement on the emerging workforce intermediary concept (American Assembly, 2003).¹ This effort helped to launch the pilot Investing in Workforce Intermediaries (IWI) Initiative in mid-2004 of which the Central Texas effort was an integral part.

The structure and activities of workforce intermediaries vary widely, but they distinguish themselves among the larger field of labor market intermediaries (Giloth, 2004, p. 7):

- Through their *dual-customer focus*, addressing the needs of both employers and workers;
- By *coordinating services that go beyond job-matching* to enhance the capacity of both workers and employers;
- By *integrating funding streams, services, and information services*;
- By *generating ideas and innovative approaches*; and
- *Serving a variety of functions.*

Major workforce intermediary goals include expanding the reach of local workforce development systems to serve more employers and workers, developing innovative policies,

¹ One of the authors of this report, Dr. Chris King, participated in this 102nd American Assembly.

improving coordination and decreasing duplication, and promoting promising practices.

Workforce intermediaries engage in four major areas of activity:

- Engaging key stakeholders and resources. Recruiting business and jobseeker participants, winning the support of community leaders, forging partnerships, and securing funding.
- Providing and brokering services. Workforce intermediaries and their partners provide a comprehensive array of services to employers and jobseekers including job training, human resource technical assistance, and social services supports.
- Promoting policies. Ensuring that public policies at the regional, state, and national level are complimentary to the goals of intermediary initiatives.
- Managing quality. Workforce intermediaries also engage in strategic planning and service delivery design, measurement and evaluation, and adaptive practices in order to achieve continuous improvements.

Workforce intermediary activities can be coordinated by a wide variety of organizations including employer organizations (e.g., chambers of commerce, trade associations), labor-management partnerships, community colleges, one-stop centers, community-based organizations, and even placement firms (see Prince and Mills, 2003). While some workforce investment boards (WIBs) — e.g., the Boston Private Industry Council — take on workforce intermediary functions, the vast majority does not (Kazis, 2004). WIBs and workforce intermediaries "represent two different but complementary and synergistic forms of integration."

Origins of the Central Texas Initiative

In July 2004, a group of key stakeholders came together in Austin to meet with Betsy Biemann of the Rockefeller Foundation, John Colborn of the Ford Foundation, and Jerry Rubin of Boston-based Jobs for the Future. In collaboration with Bob Giloth of the Annie E. Casey Foundation, these foundations and Jobs for the Future were interested in promoting the growth of local "workforce intermediaries" — organizations with a dual customer focus on employers and workers that create pathways for disadvantaged and other underemployed persons into career opportunities in demand by regional employers — in a number of communities across the nation. Their trip to Austin was prompted by their interest in the

potential of two Central Texas non-profit organizations, Capital IDEA and Capital Area Training Foundation (CATF, now Skillpoint Alliance), to play broader and deeper intermediary roles in the Central Texas workforce system.

Following this meeting, CATF and Capital IDEA worked closely with the Ray Marshall Center for the Study of Human Resources at the Lyndon B. Johnson School of Public Affairs at The University of Texas at Austin to develop a proposal for what became the *Central Texas Workforce Intermediary Initiative*. The funders agreed to provide a planning grant to support the development of a "design and funding plan for a uniquely Central Texas workforce intermediary initiative, based in its own set of institutions, traditions, and context." The Rockefeller Foundation served as the initiative's primary supporter, starting with the planning grant that began in late 2004.

Over the next two years, the Central Texas initiative proceeded from a planning grant (October 2004 – September 2005) into a pilot phase (October 2005 – September 2006), after which foundation funding for the initiative ceased. The planned operational phase (October 2006 – September 2007) was not carried out. However, as discussed later in this report, the original CTWII partners continue to collaborate on related policy and program efforts on education, workforce and economic development across the Central Texas region, just not under the auspices of the Central Texas Workforce Intermediary Initiative.

Report Organization

The report is organized into five sections. The second section describes and discusses the distinctive features of the Central Texas Workforce Intermediary Initiative. The third section summarizes its major accomplishments, discussing implementation/process and outcomes, as well as broader results. The fourth section then examines the challenges and opportunities associated with the initiative. The final section offers concluding observations.

THE INITIATIVE IN BRIEF: DISTINCTIVE FEATURES

The Central Texas Initiative differed in key respects from the ones that emerged in the other five pilot Investing in Workforce Intermediary (IWI) Initiative sites — Baltimore, Boston, New York, San Francisco, and the Commonwealth of Pennsylvania — which began planning their efforts in late 2004 and early 2005. (The primary differentiating features of the Central Texas effort were: first, it was building its work on the foundation of strong intermediary-like operations of several mature workforce organizations, including two non-profits and the local WIB; and, second, for this and related reasons, it pursued an approach that can be characterized as an “aligned-funding” rather than a “funders-collaborative” model.)

Vision

Central Texas is a vibrant community with a strong, diversified economy, founded on a versatile and talented workforce. It is no accident that the Greater Austin Chamber of Commerce has adopted as its slogan, “Austin, the human capital.” The vision established for CTWII was:

The Central Texas region will serve as a hub for the state economy and a world model in attracting and retaining business by supporting and developing the highest standards in its regional workforce.

This was to be achieved through a collaboration of public and private enterprises dedicated to meeting workforce needs and to creating opportunities for growth and self-sufficiency for all members of this diverse and growing community.

Central Texas is fortunate to have a robust, dynamic, and unique set of workforce institutions that are the envy of communities across the nation. The region has been recognized for:

- *Unusually high levels of public and private support for workforce services, especially from Travis County, the City of Austin, and the Greater Austin Chamber of Commerce. Few other communities in the nation can say that local tax revenues and business membership fees support workforce services.*
- *Its conscious pursuit of cluster- and sector-based approaches to workforce development, as reflected in the policies and practices of Workforce Solutions -*

Capital Area² (formerly *WorkSource* – the Greater Austin Workforce Investment Board), Austin Community College’s Employer Advisory Committees, the Greater Austin Chamber and its support of Skillpoint Alliance with various Industry Steering Committees (including the Health Industry Steering Committee), and Capital IDEA’s targeted support for individuals pursuing high-skill, high-wage healthcare, accounting, and technology professions.

- *The high level of grass-roots action and public concern over skills gaps and income disparities*, as evidenced by Capital IDEA and Austin Interfaith, as well as the Mayor’s Austin Equity Commission 2001 *Improving the Odds* report, which garnered widespread attention upon its release and continues to be the focus of public policy discourse in the community.
- *The resources of the University of Texas at Austin*, a major research institution serving more than 48,000 students, 2,700 faculty and 17,000 staff members. Key among these resources is the Ray Marshall Center, an organized research unit of the Lyndon B. Johnson School of Public Affairs, which has more than three decades of experience with education, workforce and economic development, including applied public policy research, program evaluations, and serving in an advisory role in regional workforce development initiatives.

Partners

CTWII began in late 2004 as a means for bringing together the existing Central Texas workforce community in order to more strategically align their efforts. Initially, leaders from Skillpoint Alliance, Capital IDEA, Austin Community College, *Workforce Solutions*-Capital Area, Travis County’s Health and Human Services Department, and the Ray Marshall Center at the University of Texas, met to outline regional goals and identify areas for possible collaboration. These six organizations formed the core partnership of the Central Texas initiative. Brief descriptions of each partner organization follow.

Skillpoint Alliance. Skillpoint Alliance is a workforce intermediary that grew out of the Capital Area Training Foundation, an organization created by the Greater Austin

² The HISC is now housed at *Workforce Solutions*.

Chamber of Commerce. Skillpoint works to build partnerships among industry, education and the community, leading to college and career success for Central Texans, while meeting employers' needs for a qualified workforce. Among its program offerings Skillpoint operates Construction Gateway, which enables individuals who are ex-offenders, homeless, unemployed or underemployed to receive construction training, creating opportunity and a second chance. Other programs include Community Technology Training Centers, Educator Professional Development, Pathways College and Career Fair, and the Technology and Education Executive Council.

Capital IDEA. Capital IDEA lifts working families out of poverty by sponsoring educational services that lead to life-long financial independence. Capital IDEA serves the community by acting as a bridge, connecting committee, yet underemployed people to employers in need of highly skilled workers. Created through the efforts of Austin Interfaith and the Central Texas business community, Capital IDEA funds qualified participants' tuition, books and childcare, and works with them to find employment with good salaries, benefits and opportunity for career growth. Capital IDEA works with workforce partners to identify new career-driven curriculum needed to properly educate the next generation of workers. Capital IDEA participants train for careers in nursing, wireless technologies, accounting, and other high-skill, high-wage fields.

Austin Community College. Austin Community College provides access to high-quality education at affordable tuition rates. ACC offers university transfer curricula, technical certificate programs, two-year associate degrees, foundation skills and English as a Second Language courses, and a highly diverse continuing education program.

Travis County. Travis County and the City of Austin are unique among local governments in the United States in their approach to workforce development. Rather than relying exclusively on federal funding to support services for their residents as most jurisdictions do, they have augmented federal and state funds with local tax dollars in workforce services for about a decade. In recent years, Travis County and the City together have expended around \$3 million annually on workforce services for local, primarily disadvantaged, residents. Areas of emphasis for these local investments have been longer-term training and support services, offerings that have typically been constrained under federal program rules.

Workforce Solutions-Capital Area. Workforce Solutions - Capital Area Workforce Board is the leadership and governing body for the regional workforce system. The Board is responsible for the planning, oversight, and evaluation of workforce development activities in the Austin/Travis County area. Through the fostering of partnerships and collaborations, researching and sharing of labor market and economic information, identifying workforce needs of employers and residents, and consulting and advising on public policy, Workforce Solutions helps to connect and align the efforts of the regional workforce system. Workforce Solutions oversees three Career Centers in the Austin area, offering access to job postings, seminars, training, networking, career counseling and other services.

Ray Marshall Center. The Ray Marshall Center for the Study of Human Resources has been at the forefront of public policy research and development in the fields of education, workforce and social policy, both in Texas and nationally, since it was founded at the University of Texas at Austin in 1970. As an organized research department within the LBJ School of Public Affairs, RMC continues to expand its national and international presence in human resource development issues, including education and training issues, by conducting objective research and program evaluation in cooperation with partners at prominent research institutions throughout the United States, and by designing innovative and effective service strategies in partnership with community stakeholders, public education systems, regional industry groups, and local workforce development systems, both in Texas and in other states.

Purpose and Focus

The Central Texas initiative sought to revitalize the regional workforce investment system in order to:

- Promote “high-road” strategies that result in high-skill, high-wage jobs;
- Create new career advancement opportunities for adults with significant barriers to employment;
- Develop a system with a true, dual-customer focus which meets the needs of employers and Central Texas residents;

- Incorporate better wrap-around services to support individuals transitioning out of situations of unemployment or underemployment.
- Strengthen community dialogue around the needs of employers as a means to drive workforce and education system investments to support regional economic development.

The intermediary's initial focus was almost exclusively on the healthcare sector, addressing the human resources needs of Central Texas healthcare employers by increasing the capacity of leading education and training institutions locally, particularly Austin Community College and the University of Texas School of Nursing. Through these efforts, the partners sought to:

- Support the continued growth of the Central Texas healthcare industry; and
- Develop a healthcare workforce that was more representative of the region's diverse population.

Consistent with the IWI theory of change (see Rubin, 2004), the Central Texas Initiative sought to accomplish these goals through three areas of activity:

- Expanding the capacity of the local healthcare career education and training system;
- Enhancing the ability of the system to serve low-income and other Central Texans facing barriers to training and employment; and
- Using research and evaluation to improve our understanding of the region's labor market and to identify best practices in healthcare career education and training.

The healthcare sector met several key criteria for the partnership, including its relative importance to the local economy, its projected growth, the quality of its jobs, and the feasibility for moving target populations of low-income, low-skilled residents into careers.

- The healthcare industry is vital to the economic health of Central Texas. The system serves some 1.5 million people and includes 11 major hospitals, a children's hospital, numerous outpatient clinics and emergency medical facilities, and seven psychiatric care and chemical dependency units. There are more than 2,500 hospital beds in Central Texas.

- The Seton Healthcare Network and St. David’s Healthcare Partnership are among the largest private sector employers in Central Texas.
- Healthcare is a growth industry. The demand for healthcare professionals is expected to expand rapidly over the next several decades as the nation’s baby boomers retire and require additional medical care.
- In 2004, the average hospital vacancy rate for Registered Nurses in Texas was 8.6 percent, with approximately 28 percent of hospitals averaging vacancy rates above 10 percent.

While the partners primarily focused on increasing the supply of Registered Nurses, they also worked to address employer needs for clinical nursing assistants, surgery technicians, and other essential allied health professionals. Other sectors were to be included as the initiative evolved.

Aligned-Funding Model

Most of the original IWI pilot sites opted to pursue a “funders-collaborative” model in which a funders group — typically led by several area philanthropic organizations, sometimes large national ones with headquarters in the site (e.g., Ford) — served as the principal support and guiding force for their regional workforce intermediary initiatives. These sites generally tended to have less developed regional intermediary organizations on the one hand, but mature, highly engaged foundations and funders on the other.

The Central Texas context was quite different, leading it to adopt an “aligned-funding” model. The region already had several mature and highly regarded workforce intermediaries and a history of substantial public and private support for workforce development services, including intermediary efforts, but relatively young foundations with still-to-be-developed foci and funding priorities:

- Skillpoint Alliance and Capital IDEA are acclaimed intermediaries with at least a decade of school-to-work and related experience under their belts, while *Workforce Solutions*, the local WIB, also has pursued advanced intermediary strategies for workforce development, often serving as a convener for other entities and guiding skills shortage initiatives in partnership with the Chamber and others.

- Austin is blessed with an abundance of highly regarded foundations — among them the RGK Foundation, the Michael and Susan Dell Foundation, the Angela and Mort Topfer Foundation, the Austin Community Foundation, and the Silverton Foundation — but most of these are relatively “young,” have small staffs, have yet to define a clear and consistent focus, and are strongly directed by their founders.
- Since the early 1990s, the City of Austin, Travis County and the Greater Austin Chamber of Commerce have consistently augmented federal and state funding for workforce services in the Central Texas region, in ways that are rarely experienced in other parts of the country. This support has continued through good times and bad. Moreover, the Chamber “hosted” Skillpoint Alliance (CATF) when it first began operating in 1994 and supported it directly until late 2004: Skillpoint’s director was the Chamber’s vice-president for education and workforce development until that time.

Expected Results

CTWII was a strategic effort by local stakeholders to improve the coordination and effectiveness of the region’s workforce and economic development systems. The initiative was a catalyst for change. Its success over time was to be gauged by:

- Increased workforce training and job creation, particularly for high-skill, high-wage jobs;
- Improved job retention and career advancement for area residents;
- New business and industry development;
- Greater productivity for existing businesses; and
- Greater economic and social equity in the region.

ACCOMPLISHMENTS

Major accomplishments of the Central Texas Initiative can be categorized as outputs, outcomes, and a series of “bigger-picture” items, some of which are continuing activities involving many of the original CTWII partners.

Outputs

The initiative focused on producing the following outputs:

Labor market analyses of the healthcare and, funding permitting, possibly one additional industry sector identified by CTWII core partners.

- ✓ Labor market research on the healthcare sector was incorporated into the RWJ Front-line Worker Grant Proposal (Jobs-to-Careers) which was funded in late fall 2006.
- ✓ Analyses of additional sectors of the region’s labor market — notably sectors targeted for economic development efforts by the Greater Austin Chamber of Commerce as part of its Opportunity Austin campaign — were conducted by Ray Marshall Center researchers for *Workforce Solutions-Capital Area*. Glover et al. (2005a, 2005b) conducted analyses of the biosciences/biotechnology and wireless industry sectors with funding from *Workforce Solutions*. Additional sectoral analysis reports will be prepared on semiconductors and other components of advanced manufacturing in late 2008 or early 2009.

A final CTWII Evaluation Design.

- ✓ A CTWII evaluation design was completed as planned in 2005.

A Process Evaluation Report, documenting CTWII processes and their implementation.

- ✓ Completed with funding from the City of Austin and Travis County, the report addressing the implementation of locally funded workforce services was produced in December 2007 (Smith et al. 2007). The present document, which also includes the results of a workforce/services “scan” conducted in 2006, rounds out the picture of CTWII implementation.

An Outcomes Report, documenting near-term outcomes and impacts associated with CTWII and related workforce development services.

- ✓ A series of reports, which were completed in December 2007 with funding from the City of Austin and Travis County, address the effects of workforce intermediary and related services (Smith et al. 2007; Smith and King 2007a, 2007b, 2007c).

Outcomes & Impacts

The Central Texas Initiative fell short of producing all of the intended outcomes and impacts, in large part because the requisite funding to support the full range of planned activities was not realized: as a distinct effort, CTWII ceased to exist before it fully began its operational phase. However, as the December 2007 reports suggest, evidence is emerging to demonstrate the value of workforce intermediary services in Central Texas. The following discussion — drawn from Smith et al. 2007 — presents impact findings for Capital IDEA, a founding partner of CTWII as well as one of the most fully developed workforce intermediary organizations operating in the United States.

Capital IDEA offers occupational skills training and support services to disadvantaged residents with a focus on longer-term engagement to improve education and labor market outcomes. Its skills training programs, many provided through Austin Community College, focus on demand occupations, typically with starting wages at \$14 or more per hour, in healthcare and allied health occupations,³ information technologies, accounting, wireless technologies and utilities, and education. Capital IDEA, as a workforce intermediary, works with both participants and employers as “dual customers,” providing comprehensive services above and beyond job-matching to foster skills development.

Between 2003 and 2005, Capital IDEA served 321 participants (Table 1) who either completed services or dropped out of the program; approximately 500 other participants were still receiving program services when this analysis was being conducted. In the four quarters prior to program entry, participants show up in UI wage records approximately 69 percent of the time, while 79 percent were reported as employed in their final quarter of participation. Two quarters after receiving services through Capital IDEA, 78 percent of clients were employed; fully 76 percent were employed six quarters after service. In all quarters after service, 78 percent of participants were reported in UI-covered jobs.

Table 1. Capital IDEA Participant Quarterly Employment

Cohort	Total Participants	Four quarters before service	Last quarter of service	Second quarter after service	Sixth quarter after service	All quarters after service
2003	184	68.1%	78.8%	77.2%	74.6%	77.6%
2004	75	66.3%	78.7%	72.3%	82.6%	73.9%
2005	62	72.2%	79.0%	88.6%	71.4%	82.7%
Overall	321	68.5%	78.8%	77.9%	75.6%	77.5%

Capital IDEA emphasizes long-term training. A significant number of participants who enrolled in the 2003-2005 period were still in training and receiving workforce development services in late 2007. The analysis thus focused solely on the 321 participants who either completed or dropped out of the program in those years. For those who were employed in the four quarters prior to enrollment, quarterly earnings averaged \$4,429 (Table 2).

Participants who were employed in the last quarter they received services earned on average \$4,580. In the post-service period, employed participants earned on average \$5,651 in the second quarter following participation and an average of \$6,754 in the sixth quarter following participation.

Table 2. Capital IDEA Average Quarterly Earnings of Those Employed

Cohort	Total Participants	Four quarters before service	Last quarter of service	Second quarter after service	Sixth quarter after service	All quarters after service
2003	184	\$4,370	\$4,814	\$5,545	\$6,731	\$6,177
2004	75	\$4,146	\$3,954	\$6,079	\$6,731	\$5,831
2005	62	\$4,908	\$4,640	\$5,492	\$7,279	\$5,986
Overall	321	\$4,429	\$4,580	\$5,651	\$6,754	\$6,107

Ray Marshall Center researchers also examined two UI benefit-related outcome measures. In the first measure, qualification for UI benefits, researchers examined participants' work histories in the pre- and post-service period to determine if workforce development services had increased participants' eligibility for receiving UI benefits in the event of a layoff or

³ About three-fourths of Capital IDEA participants are trained for healthcare and allied health occupations.

other employment separation. Qualification for UI benefits is based on length of employment, earnings levels, and reason for separation, among other factors. An individual must have sufficient earnings in at least two of the four quarters prior to separation to qualify for UI benefits. This measure looks at the stability of an individual's employment. Prior to entering City-funded workforce development services, most participants had a history of unstable employment. After their participation in these services, many of these individuals have moved into stable employment that qualifies them for benefits through the UI program, the nation's first-tier safety net for laid-off workers that is funded by both employers and workers.⁴ In the second measure, UI benefit claims filed, researchers examined UI claims in both the pre- and post-service period to determine if workforce development services had reduced participants' reliance on UI benefits.

A large number of Capital IDEA participants who entered services between 2003 and 2005 were still in long-term training and receiving services. The following analysis of Capital IDEA participants focuses solely on those individuals who completed or dropped out of services in the given time frame. In the pre-service period, 64 percent of Capital IDEA participants were qualified for UI benefits (Table 3). That number increased to 75 percent in the sixth quarter after participation in the program.

Table 3. Percent of Capital IDEA Participants Qualified for UI Benefits

Cohort	Total Participants	Four quarters before service	Last quarter of service	Second quarter after service	Sixth quarter after service	All quarters after service
2003	184	65.8%	.	.	73.8%	72.4%
2004	75	61.0%	.	.	78.3%	80.5%
2005	62	63.3%	.	.	85.7%	77.8%
Overall	321	64.2%	.	.	75.0%	73.0%

Capital IDEA participants also showed a significant decline in the filing of UI claims when comparing the pre- and post-service periods. In the four quarters prior to their participation

⁴ Employers pay taxes that directly support the UI program; economists point out that workers also contribute to the program indirectly in the form of somewhat lower wages.

in the Capital IDEA program, about 5 percent of individuals filed a UI claim (Table 4). In all of the post-service quarters, just 1.5 percent of participants filed a UI claim.

Table 4. Percent of Capital IDEA Participants Filing UI claims

Cohort	Total Participants	Four quarters before service	Last quarter of service	Second quarter after service	Sixth quarter after service	All quarters after service
2003	184	5.6%	0.5%	0.6%	3.8%	1.8%
2004	75	2.7%	2.7%	0.0%	0.0%	0.9%
2005	62	5.6%	3.2%	2.3%	0.0%	0.6%
Overall	321	4.9%	1.6%	0.7%	3.1%	1.5%

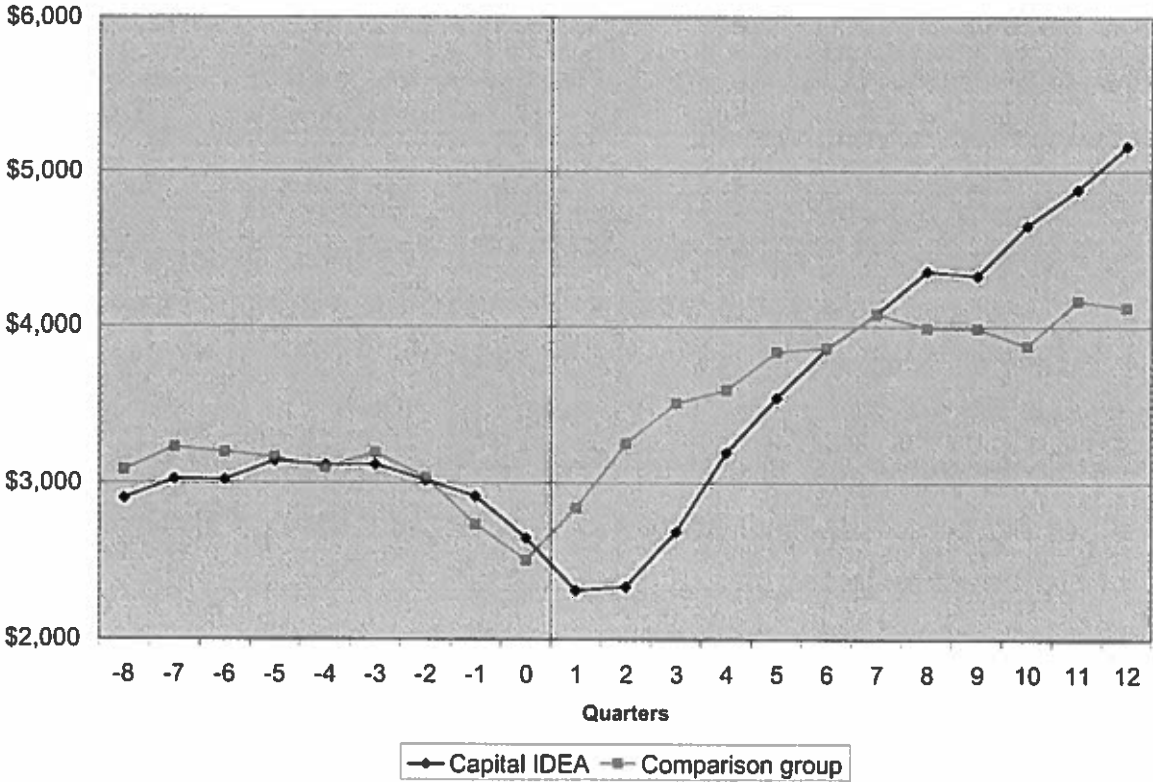
Center researchers also estimated *quasi-experimental impacts* to gauge the “value added” of participation in locally funded workforce development services as exemplified by Capital IDEA. The quasi-experimental impact analysis compared employment and earnings outcomes for workforce services participants with a comparison group of individuals who received basic workforce services (e.g., job matching, resume development). Comparison group members were drawn from two sources: individuals who either registered to look for employment using the state’s WorkinTexas program or received “core” services under the Workforce Investment Act (such as job-matching or resume development). The comparison group is not a “no-services,” but rather a “low-intensity services” group. The resulting impact estimates thus reflect the *incremental value* of the City’s investments in workforce services.⁵ For Capital IDEA, which provides longer-term, intensive skill investments, the estimated impacts tend to be conservative estimates of the incremental value of local workforce investments over and above low-intensity services already available through WorkinTexas or WIA “core” services provided through *Workforce Solutions* one-stop centers.

Capital IDEA participants from 2003-2005 experienced an adjusted impact on employment for all post-services quarters of 8.6 percentage points (a 77.5% employment rate), and an adjusted earnings impact of \$427 per quarter for those who were employed, relative to comparison group members. Both impacts were statistically significant at the 95% level.

⁵ For details on the estimation procedure, see Smith et al. (2007), pp. 27-29.

Figure 1 shows these impacts graphically, displaying the earnings trajectories of both Capital IDEA participants and their comparison group counterparts, regardless of employment status. These results lend considerable support to the effectiveness of the workforce intermediary approach.

Figure 1. Capital IDEA vs. Comparison Group Earnings Over Time⁶



⁶ Earnings in this figure are averaged across all participants, whether employed or not.

The Bigger Picture

The Central Texas Initiative also contributed substantially to a number of important results in the region. Together these results suggest a certain degree of sustainability, if not as CTWII, at least as intermediary-related efforts.

CTWII has evolved into or contributed to a series of related initiatives, as follows:

- *Jobs-to-Careers Frontline Worker Project.* CTWII partners formed the Austin Healthcare Collaborative (AHC) to continue their work training low-wage, low-skilled workers for better jobs in the growing healthcare sector. *Workforce Solutions-Capital Area*, Austin Community College, Seton Healthcare, St. David's Healthcare and the Ray Marshall Center have been funded by the Robert Wood Johnson Foundation, the Hitachi Foundation and the U.S. Department of Labor via the National Program Office at Jobs For the Future to operate this training, work-based learning and career advancement program for Clinical Assistants, Patient Care Technicians and Patient Access.
- *Jobs-to-Careers Return-on-Investment (ROI) Project.* The Ray Marshall Center and Johns Hopkins University's Institute for Policy Studies have been funded by the Robert Wood Johnson Foundation, the Hitachi Foundation and the U.S. Department of Labor via the National Program Office at Jobs For the Future to estimate the impacts and ROI from participation in J2C projects in Austin and Baltimore. This effort is slated to produce initial ROI estimates in December 2009.
- *Critical Skills Shortage Initiatives.* *Workforce Solutions-Capital Area* funded researchers at the Ray Marshall Center to conduct critical skill shortage analyses in key sectors of the greater Austin labor market identified as target sectors for economic development by the Greater Austin Chamber of Commerce. In addition to the analyses in biosciences/biotechnology, wireless, semiconductors and advanced manufacturing, Center researchers have been working with *Workforce Solutions*, employers, ACC and other providers to develop training curricula and approaches tailored to these sectors.
- *Local Workforce Program Evaluation.* Building on the initial efforts of CTWII, Travis County, the City of Austin, and *Workforce Solutions* contracted with the Ray Marshall Center to establish an ongoing evaluation framework for local investments in workforce services. This effort has focused on Capital IDEA, Skillpoint Alliance's

Construction Gateway, Goodwill Industries and other training providers supported by the City, County and *Workforce Solutions*. It also attracted a related research and evaluation project in partnership with Goodwill Industries International (Kato et al. 2008).

- *Central Texas Student Futures Project*. Another related project is the Central Texas Student Futures Project, a collaboration of the Ray Marshall Center and Skillpoint Alliance in partnership with 10 Central Texas independent school districts, which has been funded by the Greater Austin Chamber of Commerce, TG and the Bill and Melinda Gates Foundation, among others. The project is documenting the longitudinal postsecondary education and labor market experiences of regional high school graduates and the factors associated with them. It has been designed as a continuous improvement effort working with education, business and community stakeholders. A number of reports are available on the project and the partners' websites; for more information, see centexstudentfutures.org, www.utexas.edu/research/cshr and www.skillpointalliance.org.

However, what remains elusive for the Central Texas intermediary effort is the “glue” that independent support from the National Fund for Workforce Solutions or other sources might provide.

MAJOR CHALLENGES AND OPPORTUNITIES

CTWII faced both challenges and opportunities over the past several years. These are described briefly below.

Challenges

The Central Texas initiative faced two serious challenges initially: securing adequate funding to accomplish its goals and objectives, and regionalizing the initiative. CTWII was more successful in addressing the former than the latter. Additional challenges encountered in the course of the project were leadership changes and model conflict.

Funding. Workforce Solutions, the City of Austin and Travis County, as well as local foundations and the RWJ and Hitachi Foundations are continuing to provide support for workforce intermediary and associated research and evaluation activities, with activities scheduled to continue through at least 2009. In addition, in many respects, the initiative's scope has expanded to encompass related efforts (e.g., the Student Futures Project), which have been incorporated into the Greater Austin Chamber of Commerce's *Opportunity Austin* funding plan through 2013.

Regionalizing the Initiative. Regionalizing CTWII proved elusive. Numerous efforts to engage the workforce actors in the wider region failed, despite the fact that both ACC and the participating employer partners are regional in their scope.

Model Conflict. From the outset of IWI, the American Assembly funders envisioned each of the local projects as being led by a funders' collaborative comprised largely of philanthropic institutions, though there was some discussion of an alternative: an aligned-funding model by which a local project could operate with various funding sources that were loosely aligned to support the effort. The Central Texas Initiative pursued the latter model, in large part because no regional or state foundation was eager to step into a leadership position, but also because CTWII enjoyed substantial, ongoing support from Workforce Solutions, the City of Austin, Travis County and even the Greater Austin Chamber of Commerce. Several local foundations (e.g., Silverton, Topfer) provided limited support for regional intermediary efforts as well.

Leadership Changes. There were numerous leadership changes over the period of the project at all levels. Shortly after CTWII began, the Rockefeller Foundation as well as key partners (e.g., Skillpoint Alliance, participating healthcare systems) began changing their leadership. Not only the CTWII program officer (Betsy Biemann) but the Foundation’s president changed early in the process, with the Rockefeller Foundation undergoing a major change in funding priorities that did not include continued participation in the IWI effort. Skillpoint Alliance is now on its third director since CTWII began, the Health Industry Steering Committee and its director shifted from Skillpoint Alliance to Workforce Solutions, and both hospitals have experienced turnover in key positions as well. The organizational environment was not entirely supportive of launching and running a complex initiative like CTWII.

Opportunities

In the course of the Central Texas Initiative, the partners experienced a number of important opportunities as well.

First, in keeping with a workforce intermediary focus on metrics and measurement, the partners and several longtime supporters have increasingly begun to rely on the Ray Marshall Center as a research and evaluation “laboratory” for regional workforce and education services. The list of efforts CTWII has evolved into — for example, the Jobs-to-Careers ROI analysis, the ongoing evaluations of local workforce development programs, the Student Futures Project and the Critical Skill Shortages projects — clearly demonstrates this.

Second, when the Robert Wood Johnson and Hitachi Foundations announced the competition to fund both frontline healthcare worker projects and research initiatives around the nation, the CTWII partners were ready on both fronts. A group of CTWII partners quickly assembled a successful proposal to garner funding for the sector that had been the central focus of the local workforce initiative, and the Ray Marshall Center joined with Dr. Burt Barnow, associate director for research at Johns Hopkins University’s Institute for Policy Studies, on a successful proposal to develop ROI estimates for the Austin Collaborative for Healthcare (ACH) and the Baltimore Alliance for Careers in Health (BACH).

CONCLUDING OBSERVATIONS

The idea for the Central Texas Workforce Intermediary Initiative grew out of the common interests of a group of stakeholders in the region and a small cadre known as the American Assembly funders, consisting of the Annie E. Casey, Ford and Rockefeller Foundations. The initiative proceeded from an idea in mid-2004 to a planning grant (October 2004 – September 2005) — to develop a "design and funding plan for a uniquely Central Texas workforce intermediary initiative, based in its own set of institutions, traditions, and context" — into a pilot phase (October 2005 – September 2006), with the Rockefeller Foundation serving as the initiative's primary supporter. The planned operational phase (October 2006 – September 2007) was not carried out.

The original CTWII partners continue to collaborate on related policy and program efforts in education, workforce and economic development across Central Texas, just not under the auspices of the Central Texas Workforce Intermediary Initiative. The need for workforce intermediaries remains strong, and key funders in the community — especially including the City of Austin, Travis County, *Workforce Solutions*-Capital Area, the Greater Austin Chamber of Commerce and a number of regional foundations — not only recognize this need, but are providing ongoing support for various elements that add up to a workforce intermediary initiative. In many respects, the workforce intermediary approach in the Central Texas has already vaulted beyond a demonstration phase led by a funders collaborative and become part of the everyday fabric of workforce development service delivery and operations. To date, this approach has been sustained through good times and bad. However, it remains to be seen whether such an approach can survive into the future without a core source of funding to provide the "glue" to hold it together.

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APPENDIX A.

PLANNED TASKS AND TIMELINES

Partners engaged in multiple activities over several phases to further develop and implement the initiative in the Central Texas region, including:

- Convening key stakeholders across the public, private, and non-profit sectors
- Leveraging resources to fund local efforts
- Developing innovative workforce strategies
- Coordinating planning activities across the region
- Identifying additional opportunities for alignment
- Evaluating local efforts, process, and immediate outcomes

The specific CTWII strategies, tasks and timelines (shown in bold italics) and their status (shown as bullets) are indicated below.

Complete the CTWII planning grant assessment and disseminate findings to stakeholders and community leaders (October 2005)

- √ Completed and shared with stakeholders at CTWII meetings throughout the year.

Develop memoranda of understanding and finalize subcontracts among CTWII partners (October - November 2005)

- √ Completed in early 2006.

Establish a formal relationship with the Rural Capital Area Workforce Board and engaging leading public and private employers, workforce service providers and community leaders from the surrounding counties in the Central Texas region (October 2005 & ongoing)

- √ Efforts to formalize a regional partnership were unsuccessful, reinforcing the listing of this issue as one of two serious challenges in the proposal.

Coordinate and convene a meeting to launch the CTWII pilot implementation phase with key stakeholders and community leaders (October 2005)

- √ Completed as planned in October 2005.

Convene regular meetings of the CTWII workgroups (October 2005 & ongoing)

- √ CTWII partner and workgroup meetings were convened in October 2005, and January, March, April and September of 2006.

Firm up commitments of support from CTWII partners and other key stakeholders in order to leverage resources locally (October 2005)

- √ Completed as planned in late 2005 and early-to-mid 2006. CTWII secured additional support from *Workforce Solutions (WorkSource)* for analysis of critical skills shortages and development of tailored curricula in biosciences/ biotechnology and wireless; from Travis County and the City of Austin to support and enhance the evaluation of area workforce services. Austin Community College and Seton and St. David's Healthcare have provided considerable in-kind support.

Work with Jobs for the Future, the American Assembly funders and other experts to explore innovative financing mechanisms for CTWII (October 2005 & ongoing)

- √ CTWII partners reviewed innovative financing mechanisms as presented. Ray Marshall Center staff (Chris King and Tara Smith, along with Don Baylor of the Center for Public Policy Priorities) critically reviewed a draft UI training fund report prepared for JFF. King and Smith (2007) ultimately prepared an alternative financing paper that was shared with national Investing in Workforce Intermediary Initiative participants in Boston on December 14, 2006 and subsequently published in a volume edited by Heath Prince in 2007.

Develop a targeted list of new sources for CTWII support, including both public and private philanthropic organizations at the national, state and local level, and approach them for additional funding (October – December 2005)

- √ Completed in early 2006, including Charles Stewart Mott Foundation, Robert Wood Johnson Foundation, Aetna Foundation, the Hogg Foundation, the Topfer Foundation, the Silverton Foundation, the Texas Workforce Commission, and others. CTWII succeeded with RWJ and TWC, as well as the City of Austin and Travis County. Local foundations (e.g., Silverton, Topfer) also provided direct support to

Capital IDEA and Skillpoint Alliance for delivering workforce and education services.

Finalize the CTWII Evaluation Plan, in consultation with Abt Associates and Jobs for the Future and begin collection of regional baseline data (October – December 2005)

- √ Completed and expanded with support from the City of Austin and Travis County, as shown in the evaluation reports produced by Smith et al. (2007) and Smith and King (2007a, 2007b, and 2007c).

Document regional workforce intermediary activities and evaluate both CTWII processes and near-term outcomes (October 2005 & ongoing)

- √ Completed as planned and expanding with support from the City of Austin and Travis County.

Design and conduct in-depth labor market and training provider analysis for nursing and selected occupations in the healthcare industry sector, in large part using the critical skill shortages approach developed jointly by WorkSource and the Ray Marshall Center (October 2005 – March 2006)

- √ Completed as part of CTWII effort and the application for the RWJ proposal.

Design and conduct in-depth labor market and training provider analysis for selected occupations in a second industry sector, in large part using the critical skill shortages approach (December 2005 – April 2006)

- √ Additional critical skill shortage analyses were planned and attempted in 2006, but funding constraints proved problematical.

Work with core CTWII partners, leading healthcare employers, providers and other key stakeholders to finalize workforce intermediary strategies and approaches for nursing and other allied health occupations (October/November 2005 & ongoing)

- √ Completed in 2006 as part of the RWJ grant proposal.

Develop plans and prepare for implementation of Phase II of CTWII, including finalizing the program design, preparing and submitting proposals, and securing the necessary support (March - September 2006)

- √ Completed as planned in 2006 though funding was not sufficient to support all of the proposed activities at the levels desired.

Participate in National Workforce Intermediary Initiative meetings and conferences (2004 & ongoing)

- √ CTWII partners participated actively in the following meetings: the December 2004 IWI Peer Learning Meeting (“Creating Strategies for Educational and Economic Opportunity”) in Boston, the March/April 2005 IWI Conference (“Workforce Development Financing”) in Chicago, the July 2005 IWI Cross-site TA Session (“Evaluation”) in Chicago, the February 2006 IWI National Conference (“Planning for Growth”) in San Francisco, the October 2006 IWI Peer Learning Meeting (“Building Initiative and Partnership Capacity”) in Baltimore, the December 2006 IWI Conference (“Financing Intermediaries: A Review of the Research”) in Boston, and the April 2007 IWI Peer Learning Meeting (“Working with Community Colleges: Developing and Sustaining Advancement Opportunities to Low-skilled Workers and Employers”) in Washington, D.C.

Serve as speakers for the National Workforce Intermediary Initiative “Speakers Bureau” as requested and available, working with CAEL, JFF and others (November 2005 & ongoing)

- √ No requests were received to carry out this activity. CTWII partners worked with Bob Giloth of the Casey Foundation to convene a series of meetings and a *Social Equity Roundtable* with Austin-area leaders in early February 2006.