

Workforce Innovation and Opportunity Act (written testimony)

Thank you Representative Wilson, Chairman Guthrie, Ranking Member Representative Davis and the members of the subcommittee. It is an honor and privilege to be here today to talk about the progress we have been able to make because of the Workforce Innovation and Opportunity Act. We are putting South Carolinians to work.

South Carolina (SC) is experiencing a period of economic growth as more businesses decide to expand in our state. We have a record number of people working and an unemployment rate at a 16-year low, at 4.3%.

The Workforce Innovation and Opportunity Act (WIOA) has given states the flexibility and tools they need to foster strategic partnerships, invest resources into innovative methodologies, and educate their workforce. South Carolina has seized the opportunity to enhance business engagement, to educate and empower job seekers, and ultimately to provide businesses with skilled workers.

In Program Year 2014, all state agencies that support and contribute towards workforce development, beyond just the required partners, came together to start a new era of true collaboration and coordination, beginning with educating each other on programs and services each can provide. These agencies included: the South Carolina Department of Employment and Workforce (DEW), the State Board for Technical and Comprehensive Education, Department of Social Services, South Carolina Department of Vocational Rehabilitation, Lieutenant Governor's Office on Aging, Department of Education, Governor's Office of Economic Opportunity, Job Corps, South Carolina Indian Development Council, Inc., Department of Juvenile Justice, Department of Corrections, and Department of Probation, Parole, and Pardon. The agencies agreed they serve the same customers (jobseekers and business), have limited resources, and must all work together at the state and local level, to drive a public workforce system that initiates employment and re-employment in a manner that is efficient and effective.

As a result, strong relationships were forged, allowing the execution of a State Partner MOU, which was signed into effect on February 11, 2015, assisting South Carolina's state and local workforce development partners with effective coordination and collaboration of programs, services, and governance structures.

With all the partners working together to achieve a skilled workforce, the workforce system embraced a new landscape of resource alignment and data validation. Listed below are examples of how the Workforce Innovation and Opportunity Act ("WIOA") accelerated workforce development in South Carolina.

Talent Pipeline- South Carolina took seriously the concept of sector strategies underpinning WIOA and created the talent pipeline initiative across programs and agencies. The State Workforce Development Board invested state-level WIOA funds to initiate regional, industry-focused methods, including the use of data to identify and address skill needs across key industries within a region, rather than focus on the workforce needs of individual businesses on a case-by-case basis.

Data consultants from each of the champion agencies analyzed and presented data to the state leadership team. As a result, South Carolina identified the following five sectors; Diversified Manufacturing, Construction, Health Care, Information Technology and Transportation and Logistics as the high-growth industries for which to build a workforce.

The next steps in the talent pipeline initiative include:

- Identifying the workforce development programs and funding we have to identify gaps
 - Identifying the skill demand of jobs South Carolina has and will need, and compare that to the supply of talent we have to address the gaps.
- Create a uniform level of business service, and allow government business services representative to promote workforce solutions.

Transportation Demonstration Grants – Lack of public transit was identified during the initial phase of the talent pipeline process as a major gap in regions efforts to retool their workforce. The State Workforce Development Board (SWDB) invested state-level WIOA funds into the expansion of public transportation in an effort to remove this barrier to employment and education for jobseekers and incumbent workers. The Transportation Demonstration Grants will provide up to \$100,000 to pilot innovative models that utilize existing transportation infrastructure, such as vehicles and designated transit providers to offer transportation to job seekers and incumbent workers, incorporating a 24/7 capacity if needed.

Business Engagement – Our strategies have centered on the importance of establishing relationships with businesses that move beyond just job placements to a deeper understanding of their needs and providing effective solutions. “Quality” is correlated with “solutions” that stem from understanding individual business needs. The public workforce system can provide solutions to business problems through talent development and acquisition. Meaningful engagement starts with business awareness of the workforce system, to then education on how to access it, to then utilizing the services to address their talent needs. In Program Year 2015, the State Workforce Development Board challenged the workforce system to engage 10,000 new businesses, invested state-level WIOA funds into an incentive program, and launched a Customer Relations Management Module. As a result, 11,635 new businesses were engaged, many of which were small businesses who lack the internal resources typically found in Human Resource departments in larger businesses.

In addition to increasing the quantity of businesses engaged, SC sought to strengthen the quality of business engagement. The South Carolina Department of Employment and Workforce hired an Economic Developer to forge stronger ties between the workforce and the economic development communities. She has visited with over fifty economic development entities in the state and numerous local chambers of commerce, lending to the understanding of business services amongst all workforce stakeholders. Through this curriculum, workforce professionals, beyond the required partners, are educated on how to engage the business community, how to speak their language, and how to utilize labor market information. Those include representatives of South Carolina Department of Social Services, Goodwill, United Ministries, Upper Savannah Council on Government, GLEAMNS-HRC, South Carolina Adult Education, Palmetto Training, Inc., South Carolina Vocational Rehabilitation, The Technical College of the Lowcountry, South Carolina Commission for the Blind, South Carolina Department of Disabilities and Special Needs, and Colleton County Economic Alliance.

Alignment of the State Workforce Board with the State Chamber of Commerce’s 2025 Educational Goals – Several members of the State Workforce Development Board also serve as representatives on the state Chamber of Commerce board, including DEW’s Executive Director Cheryl Stanton. The intersection between the two leadership bodies significantly promoted workforce efforts that directly address business and industry’s needs. The initiatives that the State Workforce Development Board

invested state-level WIOA funds into tie back to the State Chamber's 2025 Education Goals, which include:

- 10 % yearly increase in the number of students completing a Career and Technology Education (CATE) Program of Study leading to a specialized stackable credential of value.
- 10 % yearly increase in Technical College issued certificates and credentials in areas that support SC's workforce sector strategies.
- SC will exceed the national average for awarding two and four college degrees in disciplines that support SC's workforce sector strategies.
- Double the number of businesses supporting Work Keys and registered as Work Ready Communities supporters.
- Apprenticeship will continue growing at a yearly rate of 10 %.
- Businesses participating in the Youth Apprenticeship Initiative will increase by 10 % each year and will be in all 46 counties.

Re-entry Employment Services - Approximately 10,000 people are released each year from South Carolina prisons. Historically, ex-offenders are released into the same environment from which they came, lacking the education or skills needed to succeed outside of prison.

Through WIOA Title III funds, SC developed a pilot program in 2014 at a state correctional facility, the Manning Pre-release Center, where a case manager from the public workforce system was placed on site with laptops and materials to assist eligible returning citizens with work-ready skills and education. Ninety days prior to release, inmates are taught employment skills through:

- workshops
- mock interviews
- resume assistance
- basic computer skills
- job search tactics
- soft skills

The initial outcomes from the pilot indicate:

- 516 returning citizens who have completed the program and have been released from prison, 389 or 75%, are earning wages.

With proven results stemming from the pilot, the State Workforce Development Board invested state-level Workforce Innovation and Opportunity Act funds into expanding the program to other correctional facilities.

Apprenticeships – South Carolina promotes apprenticeships as an effective worker recruitment and retention solution to both businesses and job seekers. We have served more than 26,000 apprentices and there are more than 893 active apprenticeship programs, and 166 youth apprenticeships (age 16 and 17). South Carolina offers business a \$1,000 tax credit per apprentice for up to four years.

The South Carolina Technical College System has proven to be highly efficient with state dollars in its efforts to grow apprenticeships. Apprenticeship Carolina's operational budget of less than \$500,000 is enhanced greatly because of its full backing and support of the Technical College System and its 16 sister colleges. Based on a study by EMSI it is estimated that the one year apprentice wage contribution is

\$185.3 million in added wages to the South Carolina economy. This is the equivalent of the creation of 2,952 new jobs.

To further increase the number of apprenticeship programs and prioritize employment and educational opportunities for individuals with barriers to employment, the State Workforce Development Board invested state-level WIOA funds into the development of apprenticeship opportunities for priority populations in both Program Year 2015 and 2016.

Integration of the Supplemental Nutrition Assistance Program into the Public Workforce System - In 2015, then Governor Nikki Haley asked the Department of Employment and Workforce (DEW) and the Department of Social Services (DSS) to collaborate on the provision of employment services provided to clients receiving Supplemental Nutrition Assistance Program (SNAP) benefits. The two agencies executed a Memorandum of Understanding to co-locate the SNAP Employment and Training staff in the comprehensive centers throughout the state.

The Department of Social Services also executed a Memoranda of Understanding (MOU) and Resource Sharing Agreements (RSAs) with each of the 12 local workforce development boards in South Carolina. This formalized the referral process of SNAP participants with all workforce partners. Efforts are also underway to transition Temporarily Assistance to Needy Families (TANF) workers into the comprehensive centers.

Partner Infrastructure/Resource Sharing - Although the Workforce Investment Act required partner resource sharing in support of the one-stop system, the reality was that only a few partners carried the financial burden. Now through WIOA and the coordination efforts of the U.S. Departments of Labor and Education, a unified message regarding resource sharing is facilitating a more comprehensive approach to financial support of the one-stop system.

In South Carolina, the state level partners met to ensure mutual understanding of the federal guidance received regarding MOUs and Infrastructure Funding Agreements (IFAs). State guidance was drafted for local boards that included MOU and IFA templates. Each of the core program partners, as well as the TANF and SNAP E&T partners, were involved in the development process. To facilitate timely execution of IFAs, state partners committed to ensuring a consistent representative attend each of the local area IFA negotiations.

In conclusion, WIOA has significantly expanded South Carolina's ability to strategically align resources, programs and policies to build a skilled workforce and more effectively serve businesses.

Thank you.