

## Retaining the Designation of Rural CEPs as Workforce Investment Areas

**THE ISSUE:** To request that Eastern Kentucky, Minnesota, and Wisconsin Rural CEPs retain their automatic designation as Workforce Investment Areas in any WIA reauthorization bill.

**OVERVIEW:** Eighty-eight Concentrated Employment Programs (CEP) workforce areas were created under the Manpower Development and Training Act (MDTA) in the 1960s to address job training needs of regionally grouped counties exhibiting the commonality of elevated unemployment and acute poverty. The number of CEPs have diminished greatly with the passage of time through CETA and JTPA and today only three high-performing CEP areas remain. These CEPs were retained under the Workforce Investment Act of 1998 (WIA) and given automatic designation as local workforce areas because they have consistently demonstrated the leadership, innovation, and efficacy that Congress desires in the workforce system.

With WIA reauthorization pending, the three rural CEP areas are asking that they continue to be designated as workforce areas in the reauthorized bill. As the pendulum of program philosophies has swung back and forth, CEPs have diligently operated programs under the system of the time, producing many positive results. Simply put, CEPs have exhibited extraordinary adaptability, flexibility, proficiency and perseverance.

At the heart of the current workforce system is a network of partners that comprise the nationwide system of one-stop centers. Employer needs, economic development and universal services are given equal emphasis with job seeker assistance, training opportunities and more intensive help for the disadvantaged. Under one roof, businesses find qualified workers and job seekers access a variety of resources to identify or advance their careers. The three rural CEPs are proven catalysts for building partnerships with employers, community colleges, training institutions, and human service agencies in poor rural communities.

Despite have a greater number of hard-to-serve individuals (e.g. long-term welfare recipients, with multiple barriers to employment, dropouts and at-risk youth, dislocated workers) than most places and operating in economies that are highly distressed even during good times for the nation as a whole, CEPs have achieved results that place them among the top WIA performers nationwide.

**NO NEGATIVE ASPECTS:** There will be no negative impact from retaining these CEPs designation in the legislation. Continuance of the CEPs will not diminish the resources available to these states and their substate areas. In fact, it is expected that it will cost less to retain the CEP administrative structures rather than to replace them with something new.

Retaining the CEPs' designation also will not affect the boundaries of other workforce investment areas.

**CONCLUSION:** With over forty years of experience, the three rural CEPs are respected local institutions with long track records of commitment to economic development in rural America, accountability for results, quality in services to employers and job seekers, and progressive local leadership. The reauthorized Workforce Investment Act should retain the automatic designation of CEP as Workforce Investment Areas.

# Proposed Language for Reauthorization

## CURRENT LANGUAGE:

In its current form, WIA reauthorizes CEPs as shown below:

- SEC. 116(a) (2) Automatic Designation. -- The Governor shall approve any request for designation as a local area
- (A) units of government with a population of over 500,00
  - (B) of the area served by a rural concentrated employment program grant recipient of demonstrated effectiveness that served as a service delivery area or substate area under the Job Training Partnership Act, if the grant recipient has submitted a request.

In the section on Workforce Investment Boards, the statute goes on to say of CEPs:

- SEC. 117(c) Appointment and Certification of Board
- (1) Appointment of Board Members and Assignment of Responsibilities --
- (A) In general.--The chief elected official in a local area is authorized to appoint the members of the local board for such area, in accordance with the State criteria established under subsection (b).
  - (B) Multiple units of local government in area. -- ...
  - (C) Concentrated employment programs. -- In the case of a local area designated in accordance with section 116(a) (2) (B), the governing body of the concentrated employment program involved shall act in consultation with the chief elected official in the local area to appoint members of the local board, in accordance with the State criteria established under subsection (b), and to carry out any other responsibility relating to workforce investment activities assigned to such official under this Act.

## PROPOSED LANGUAGE:

Any reauthorized for of WIA should include the following language:

(Note: This language is identical to the current language, except for citing of WIA rather than JTPA as the preceding legislation.)

- SEC. 116(a) (2) Automatic Designation. -- The Governor shall approve any request for designation as a local area
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  - (B) of the area served by a rural concentrated employment program grant recipient of demonstrated effectiveness that served as a service delivery area or substate area under the Workforce Investment Act, if the grant recipient has submitted a request.

\* \* \* \* \*

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## Eastern Kentucky C.E.P., Inc. – Description and Demographics

### OVERVIEW:

The Eastern Kentucky Concentrated Employment Program (EKCEP), Inc., has served the people of eastern Kentucky since 1968. Through a variety of initiatives and partnerships, EKCEP helps eastern Kentucky employers locate, train, and hire the workers they need and brings unemployed eastern Kentuckians the services and training that enable them to enter or return to the workforce. Jobs for people. People for jobs. Despite the region's significant barriers to economic development and full employment, EKCEP is helping to build a qualified workforce and increase the employment opportunities of thousands of people.

### DESCRIPTION:

EKCEP is a 23 county region in eastern Kentucky. The EKCEP Workforce Investment Area is mountainous and extremely rural. The EKCEP Workforce Investment Area is:

- Geographically the largest of Kentucky's 10 Workforce Investment Areas.
- The third most populous of Kentucky's 10 Workforce Investment Areas.

### ADMINISTRATIVE RESPONSIBILITIES:

EKCEP's administrative responsibilities include:

- Training Programs under Title I of the Workforce Investment Act of 1998.
- Training Programs under Title VIII of the American Recovery and Reinvestment Act of 2009.
- Operator of four JobSight comprehensive one-stop workforce centers in its workforce investment area.
- Coordinator and administrator of the 70 affiliate sites and access points that comprise the JobSight workforce network in eastern Kentucky.
- Staff to the EKCEP Workforce Investment Board.

### POPULATION AND POVERTY:

The EKCEP Workforce Investment Area has a population of approximately 475,539. In this population:

- Approximately 28.1 percent (133,630 people) live in poverty, as compared to only 15.1 percent in the other nine Workforce Areas in the state combined.
- Approximately 29.5 percent (140,522 people) receive the benefits of food stamps, as compared to approximately 14.4 in the other nine Workforce Areas in the state combined.
- The per capita income is approximately 19 percent less than the statewide per capita income.
- Proportionately twice as many people receive cash welfare benefits in eastern Kentucky as in the other nine Workforce Areas in the state.

### INDUSTRIES:

The primary industries in the EKCEP Workforce Area are coal and lumber. The coal industry is extractive, finite, and historically vulnerable to cycles. Coal jobs are plagued not only by the uncertainty of the work they provide, but are impacted by ever increasing regulations, as well as the state of the current economy.† The lumber industry is primarily extractive and finite, although it holds potential for biomass development as well as secondary and tertiary levels of value-added processing. If developed, this type of manufacturing could reduce the amount of raw wood which leaves eastern Kentucky to be processed elsewhere and provide some compensation for the loss of other types of manufacturing jobs the region has lost.

### BARRIERS:

The EKCEP Workforce Investment Area is one of the most economically distressed areas in the nation. Barriers to economic improvement within the region include:

- The area lacks a pool of skilled workers. The majority of those in the workforce area held back by low levels of educational attainment.
- Transportation and child care facilities are inadequate.
- Unemployment rates are extraordinarily high, as are the numbers of welfare and food stamp recipients.
- Job creation has been minimal and sorely inadequate.

### EDUCATIONAL ATTAINMENT

In the EKCEP Workforce Investment Area 36 percent of the population has less than a high school education, as compared to 26 percent statewide.

## UNEMPLOYMENT RATE:

The EKCEP Workforce Investment Area has traditionally suffered from high unemployment rates. Currently:

- The official mean unemployment rate is 12.5 percent, compared to 10.5 statewide and 9.5 nationally.
- Actual unemployment rates are two to six times the official rate, because of discouraged workers who have given up searching for employment and generational welfare recipients who have never been in the workforce.

## RECORD OF ACHIEVEMENT:

The honors and special recognition earned by the EKCEP Workforce Investment Area under WIA include:

- Chosen as one of 20 sites nationwide for inclusion in the Mathematica Policy Research study which was funded by the Department of Labor. Titled “Reinvesting in America’s Youth: Lessons from the 2009 Recovery Act Summer Youth Employment Initiative,” this report proved conclusively the effectiveness of program and was used as justification for additional funding in 2010.
- Received a tribute in the Congressional Record on September 5, 2007 and a commendation from the Kentucky General Assembly on September 21, 2007 and again on November 2, 2007.
- Received the National Recognition of Excellence Award on July 18, 2007 from the United States Department of Labor (DOL) for outstanding leveraging of resources from multiple systems to positively impact the labor market, particularly those of education, employment, and economic development programs.
- Featured on the front page of *The Wall Street Journal* October 13, 2003, edition. The story, *Clues to the Cure for Unemployment Begin to Emerge*, identified the workforce services provided as a leading example of how “Sometimes, the system works.”
- Selected by the United States General Accounting Office (GAO) as one of only 13 “one-stops” nationwide to be studied to determine best practices under the Workforce Investment Act (WIA) for a GAO report to Congress. GAO also cited the centers in their testimony before Congress in spring of 2003 as a best system practice.
- Chosen by Social Policy Research Associates as one of only nine business initiatives nationwide to be studied for a 2004 report *Business as Partner and Customer under WIA: A study of Innovative Practices*.
- Recognized by the United States Department of Labor Region III in 2002 as one of only six exemplary models in the eight-state region to be included in *One-Stop South*, a 45-minute DOL-produced film documenting model centers and their practices. Also featured in DOL’s national “TeamBase” multimedia presentation, which included film of operations, administration, and staff of the agency as promising practices.

*“I thought I had hit a dead end when I was laid off ... now I’m making more money than I’ve ever made in my life. I’m grateful for all the help I got, and I’m happy that I was able to turn a bad thing into something positive.”*

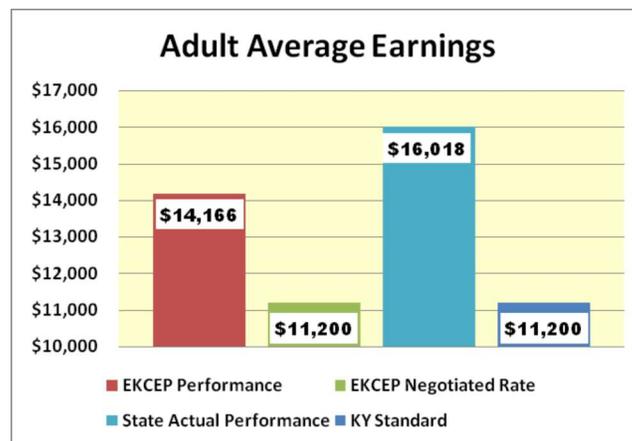
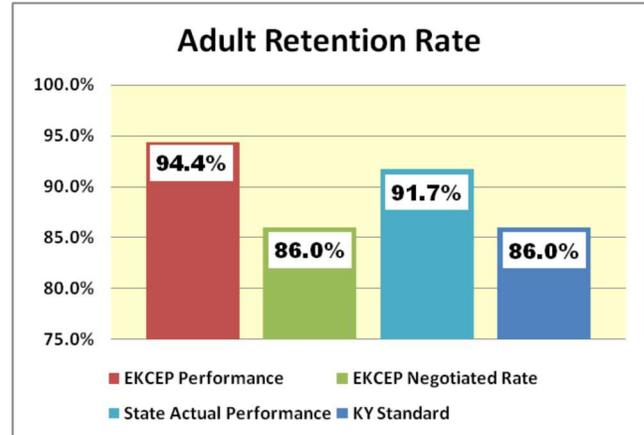
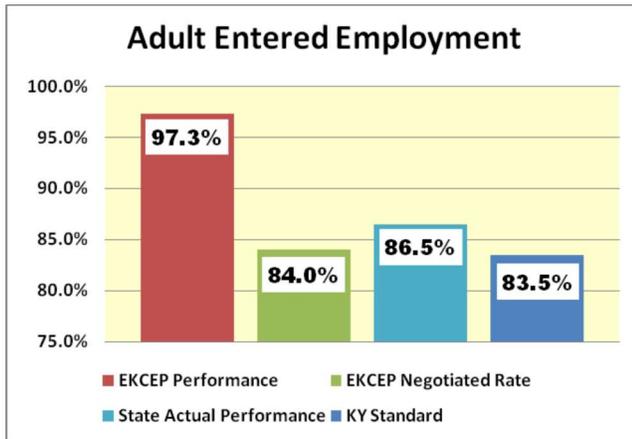
Rick Hundley  
training after a layoff led to a new and better job at  
Wal-Mart Distribution Center, London

*“I needed to get finished with school so I could go to work. It would have been really hard to make it without EKCEP’s help.”*

Cathy Carmical  
Registered Respiratory Therapist  
Baptist Regional Medical Center, Corbin

## PERFORMANCE STANDARDS:

EKCEP has consistently exceeded the performance standards by which its performance is measured under the Workforce Investment Act, just as it consistently exceeded its performance measures under the Job Training Partnership Act (JTPA) and preceding statutes. Accountability, transparency and the attainment of performance standards remain an integral part of the EKCEP system, as demonstrated by the comparisons of EKCEP performance to the negotiated statewide standards shown below.



*“Eastern Kentucky Concentrated Employment Program (EKCEP) offers vision and unselfish collaboration for our College and region. Executive Director Jeff Whitehead and his team work tirelessly to improve our workforce, and they partner tremendously with other organizations to ensure excellent and timely progress.*

*We are blessed to have such a partner and community resource with EKCEP.”*

Dr. Allen Goben  
President/CEO  
Hazard Community and Technical College

*“EKCEP’s focus has never strayed from its primary purpose: helping our region to move forward by investing in its people. Innovative programming, delivered in concert with a network of partners, has helped to transform training delivery systems and, in so doing, brought (or kept) thousands of individuals into the workforce with world-class skills. It is a focus that has spawned a collaborative spirit which now permeates the area; all of us, from governmental agencies to higher education institutions, are keenly aware that we must work together.”*

Dr. Bruce Ayers  
President/CEO  
Southeast Community and Technical College

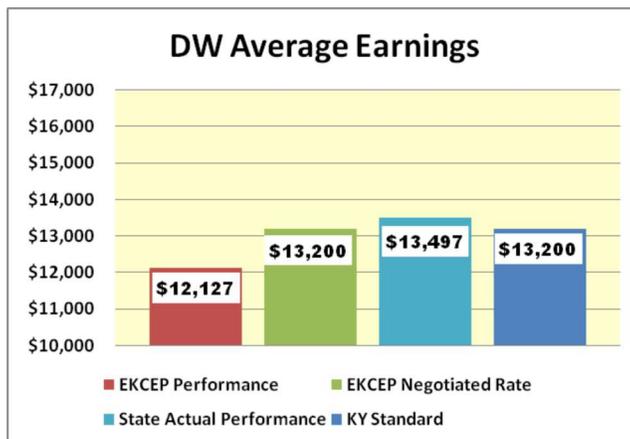
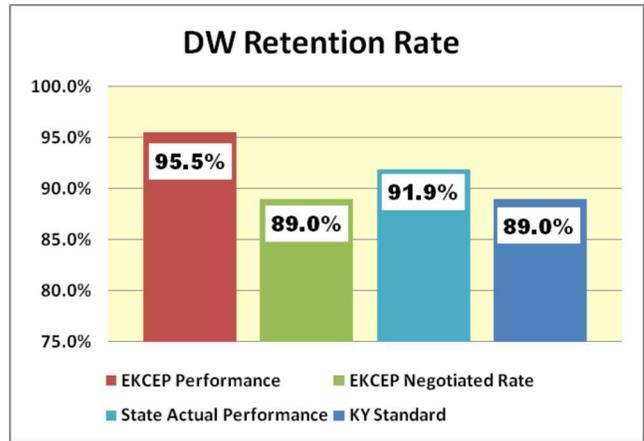
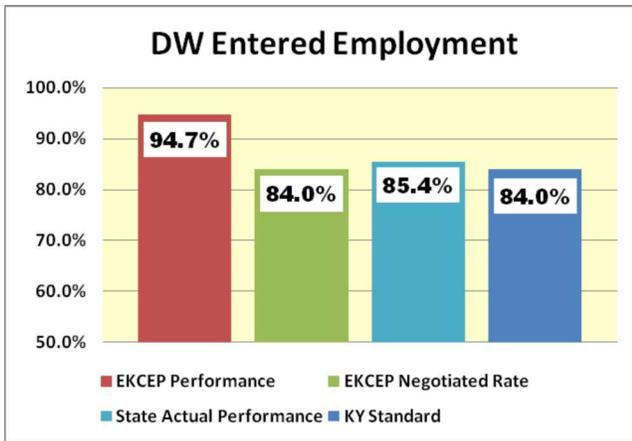
*“EKCEP has demonstrated innovative leadership on many fronts, especially in their efforts to assure a demand-driven, business led workforce system. Their research project to identify the future workforce needs of their business clients is key to the economic success of the region and serves as a model for the rest of the Commonwealth.”*

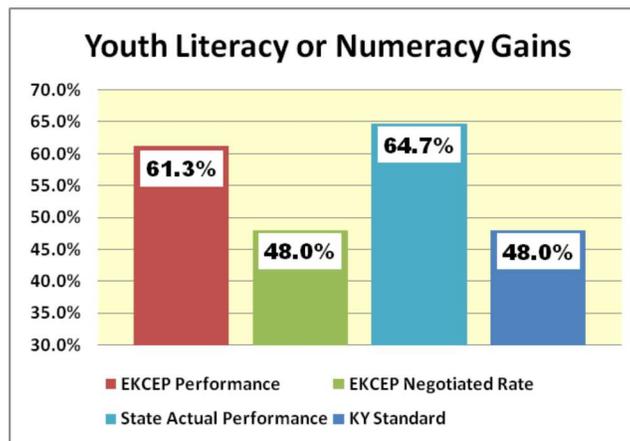
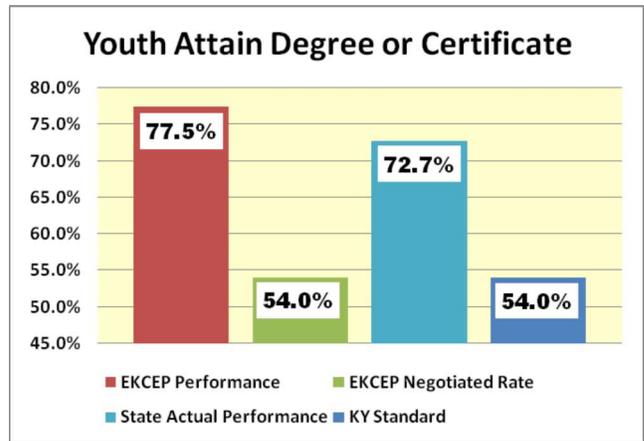
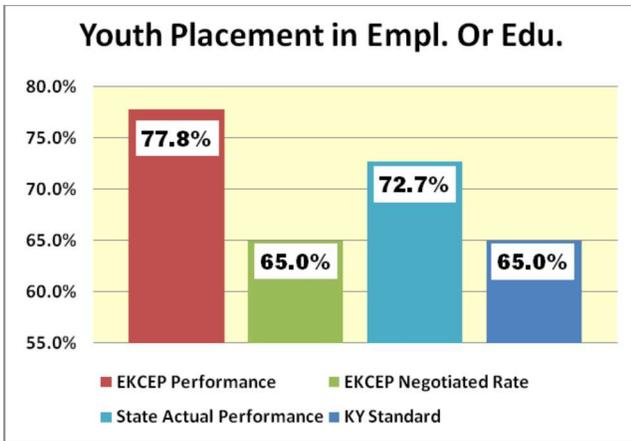
Tom West, AICP  
Executive Director  
Kentucky Workforce Investment Board

*“They (EKCEP) listened to the coal industry and the Success Xpress is the result – and what a success it is. Thanks to EKCEP, Kentucky’s coal mining industry now has a mobile training and education resource second to none.*

*The entire state will benefit from the vision of this project.”*

Lonnie Lawson  
President/CEO  
The Center for Rural Development





*“In a time when experienced underground coal miners looking for work was rare, Excel Mining teamed with EKCEP and Big Sandy Community and Technical College to develop a training program for underground miners. This proved to be a very successful endeavor. Some of our best employees today came from this training program. Also, when Excel was in need of skill upgrades, EKCEP came through again with a mobile classroom. Our partnership with EKCEP is very strong and very valuable. Programs like EKCEP will attract businesses to the Commonwealth, which is so critical in today’s challenging economic environment.”*

Elmer Howard  
 Director of Human Resources  
 Excel Mining, LLC