

# A Comprehensive Plan for Addressing Louisiana's Workforce Crisis



Discussion Document for Entergy's Team City Conference  
June 5, 2008

# EXECUTIVE SUMMARY

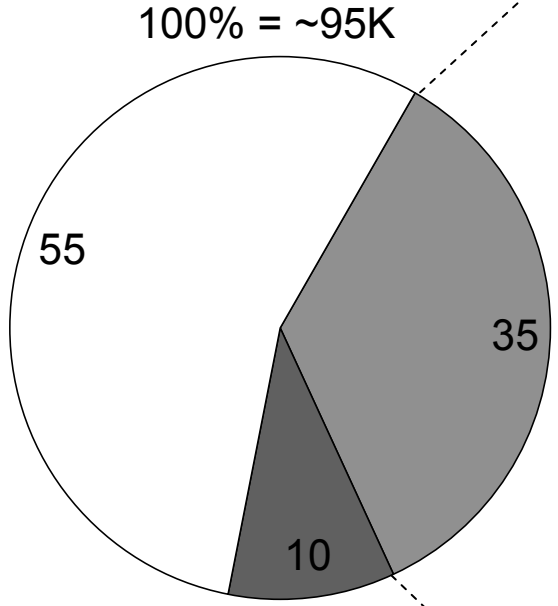
- Workforce availability and quality has become a major economic development challenge
  - Currently, there are nearly 100,000 job vacancies across Louisiana
  - Louisiana’s unemployment rate is hovering at its lowest point in the past 30 years
  - Many economic opportunities are being lost, including business development projects
- There are several long-standing causes of Louisiana’s workforce crisis, including:
  - Student achievement levels in Louisiana’s public education system are generally low
  - Louisiana got a very late start in creating its community and technical college system, fueling a disproportionate balance of postsecondary education enrollments
  - LCTCS programs are often not aligned with workforce priorities due to funding model
  - Federal programs and other services are not aligned/integrated at the regional level
  - Louisiana has limited capacity to address workforce issues that arise suddenly
  - Workforce participation rates in Louisiana are among the lowest in the nation
- In essence, Louisiana currently has a workforce development system that is designed to fail
- To address these issues, Louisiana will pursue comprehensive workforce development reforms, including short-term and long-term initiatives in the following five areas:
  - Targeting and expanding LCTCS programs
  - Enhancing rapid response capacity
  - Realigning and integrating federal workforce programs based on business input
  - Cultivating alternative career pathways
  - Increasing workforce participation
  - Other reforms (e.g., public education reform, funding for 4-yr postsecondary institutions)

# CURRENTLY, LOUISIANA HAS NEARLY 100,000 JOB OPENINGS

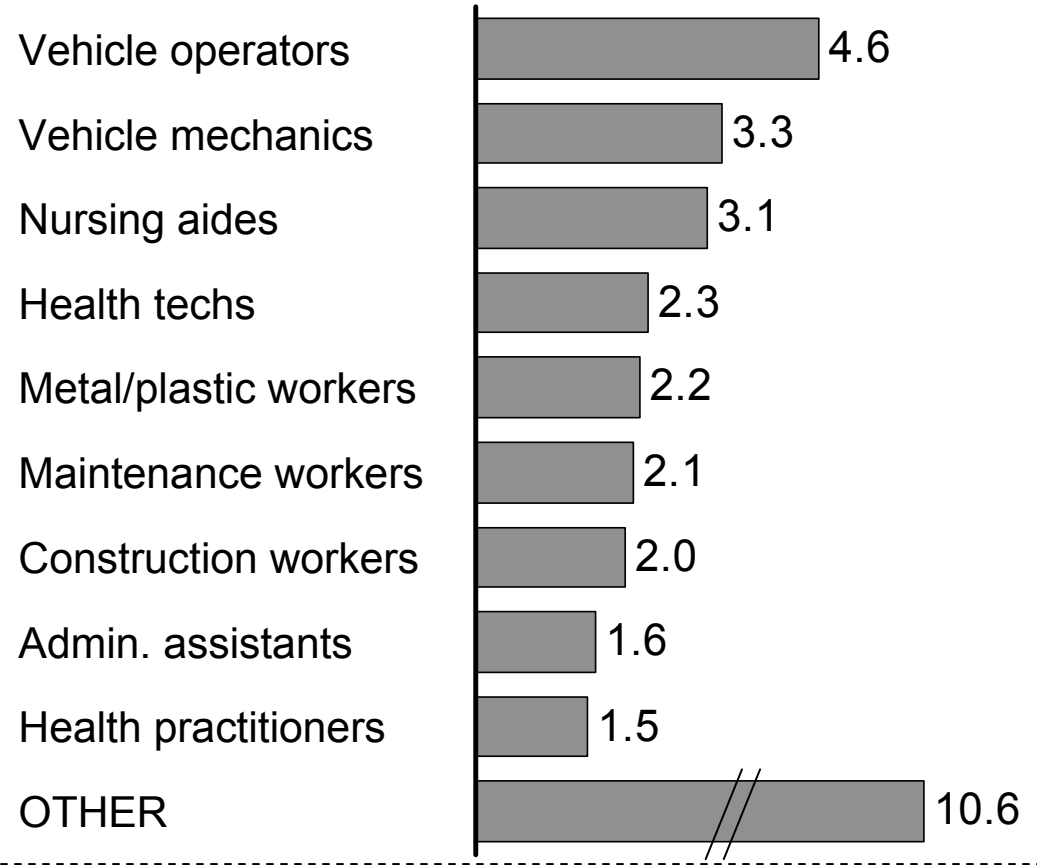
ESTIMATES

- Require H.S. diploma or less; no specific training
- Require 2-yr degree, certificate, or adv. training
- Require at least 4-yr college degree

**Job vacancies\***  
Percentage



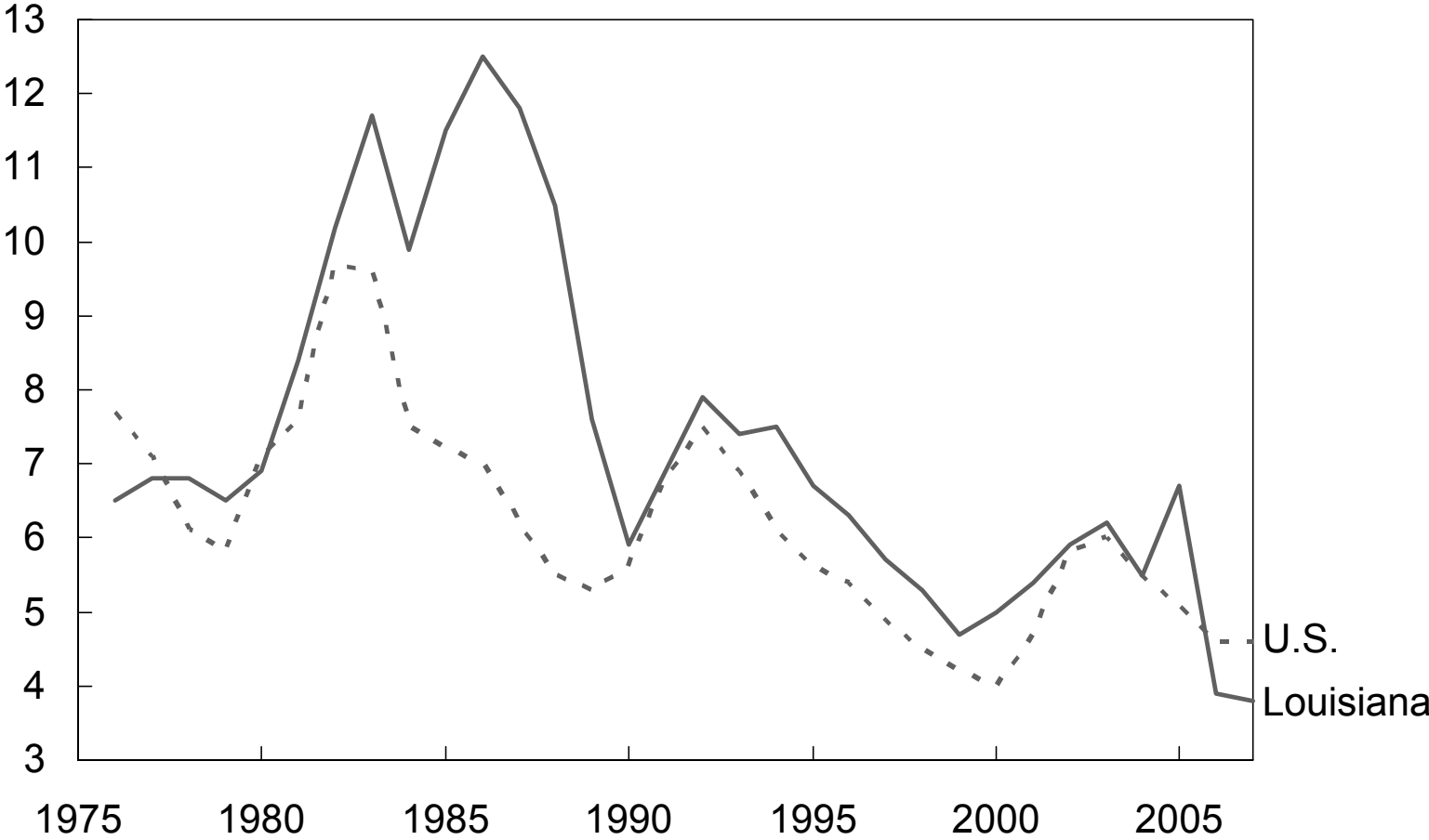
**Job vacancies\***  
Thousands



\* Based on Louisiana Job Vacancy Survey

# LOUISIANA'S UNEMPLOYMENT RATE IS AT A HISTORICAL LOW

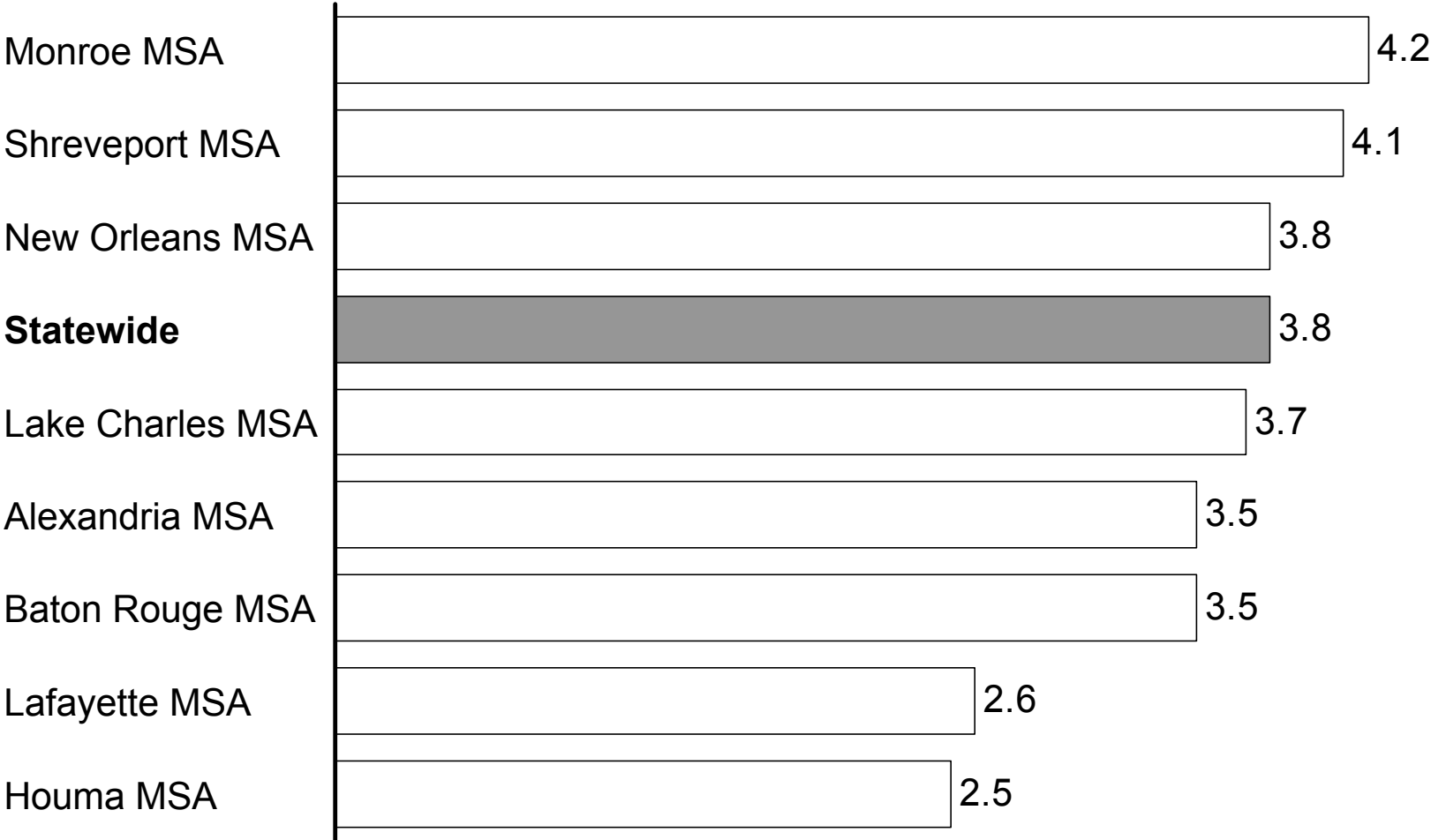
Unemployment rate (%)



Source: Bureau of Labor Statistics

# EVERY REGION OF THE STATE HAS LOW UNEMPLOYMENT, INCLUDING SOME WITH EXTREME LOWS

Unemployment rate (%)\*



\* December 2007

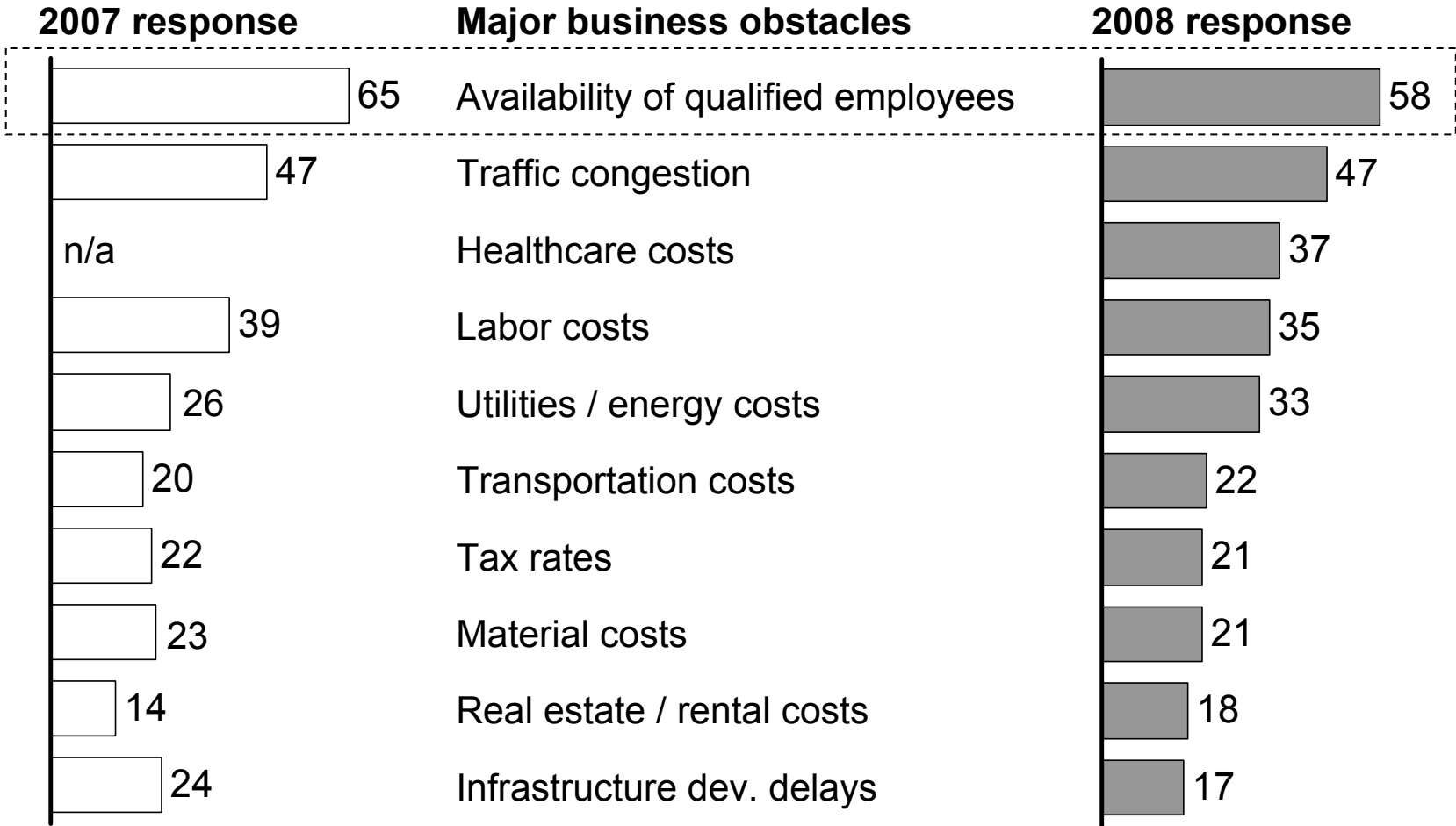
Source: Bureau of Labor Statistics

## WORKFORCE ISSUES HAVE BECOME A MAJOR ECONOMIC DEVELOPMENT CHALLENGE

- Finding qualified employees is one of the top obstacles to business growth for existing Louisiana companies
- Currently, workforce issues are among the top two concerns for roughly 70 percent of LED's business development prospects

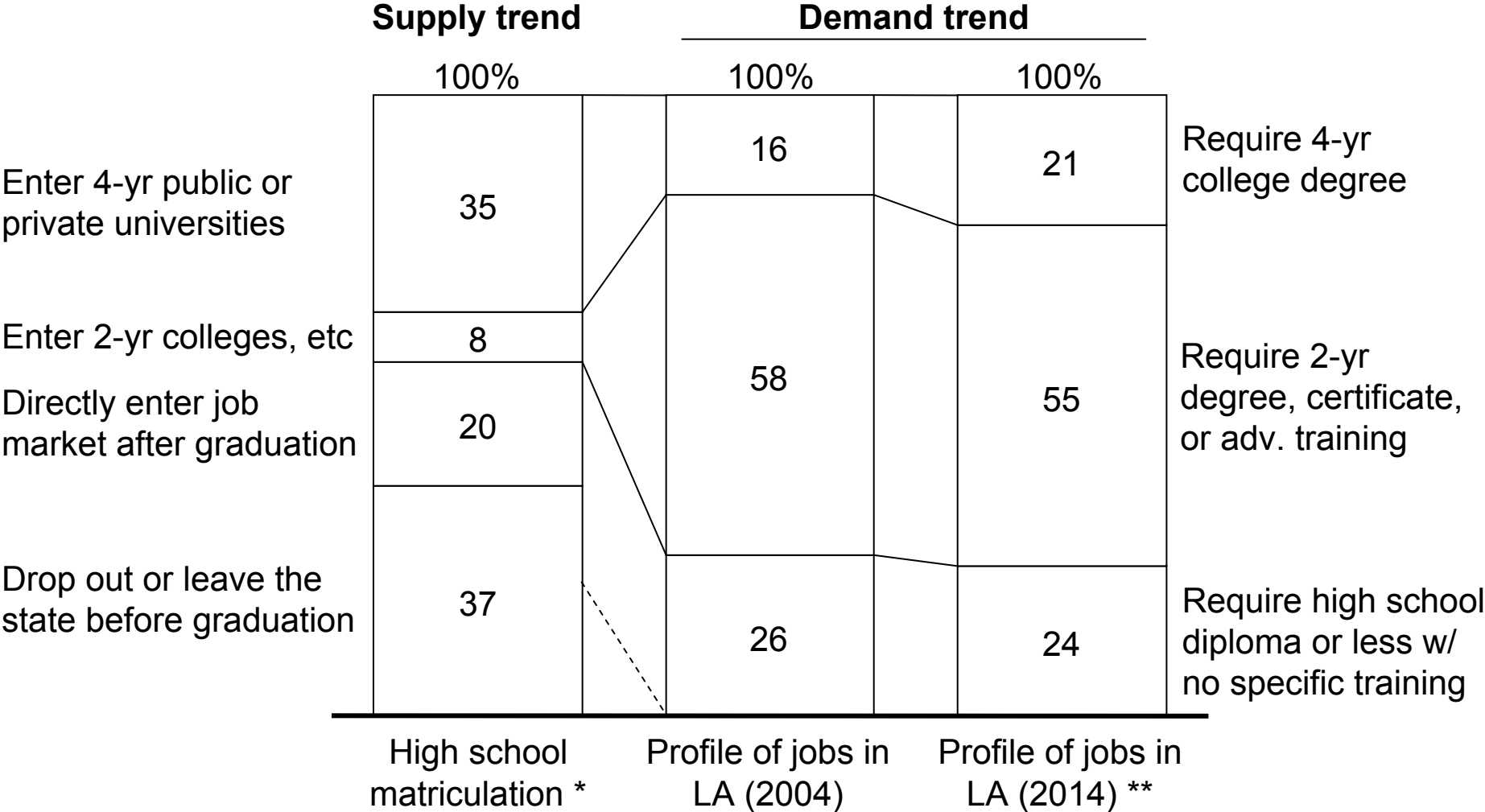
# FOR EXAMPLE, WORKFORCE ISSUES WERE THE #1 CONCERN OF CAPITAL REGION BUSINESS LEADERS FOR THE PAST TWO YEARS

Percentage of respondents in a survey of regional business leaders\*



\* Annual survey of business leaders in the Baton Rouge metropolitan area

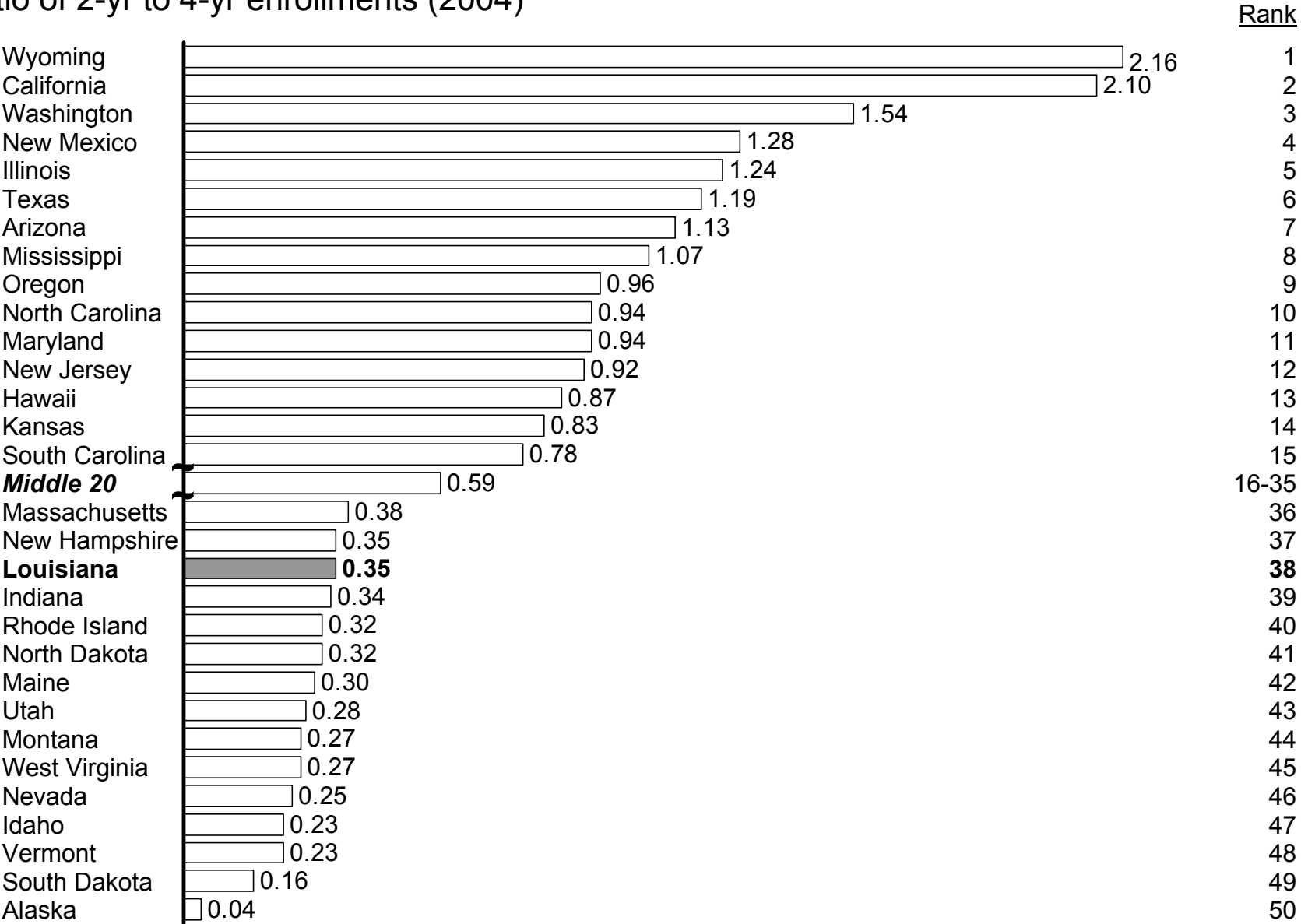
# LOUISIANA'S WORKFORCE PIPELINE IS DRAMATICALLY OUT OF LINE WITH MARKET DEMANDS



\* Based on Louisiana high school class of 2004  
 \*\* Based on 2014 projections from Bureau of Labor Statistics


# LCTCS ENROLLMENTS ARE VERY LOW ON RELATIVE BASIS

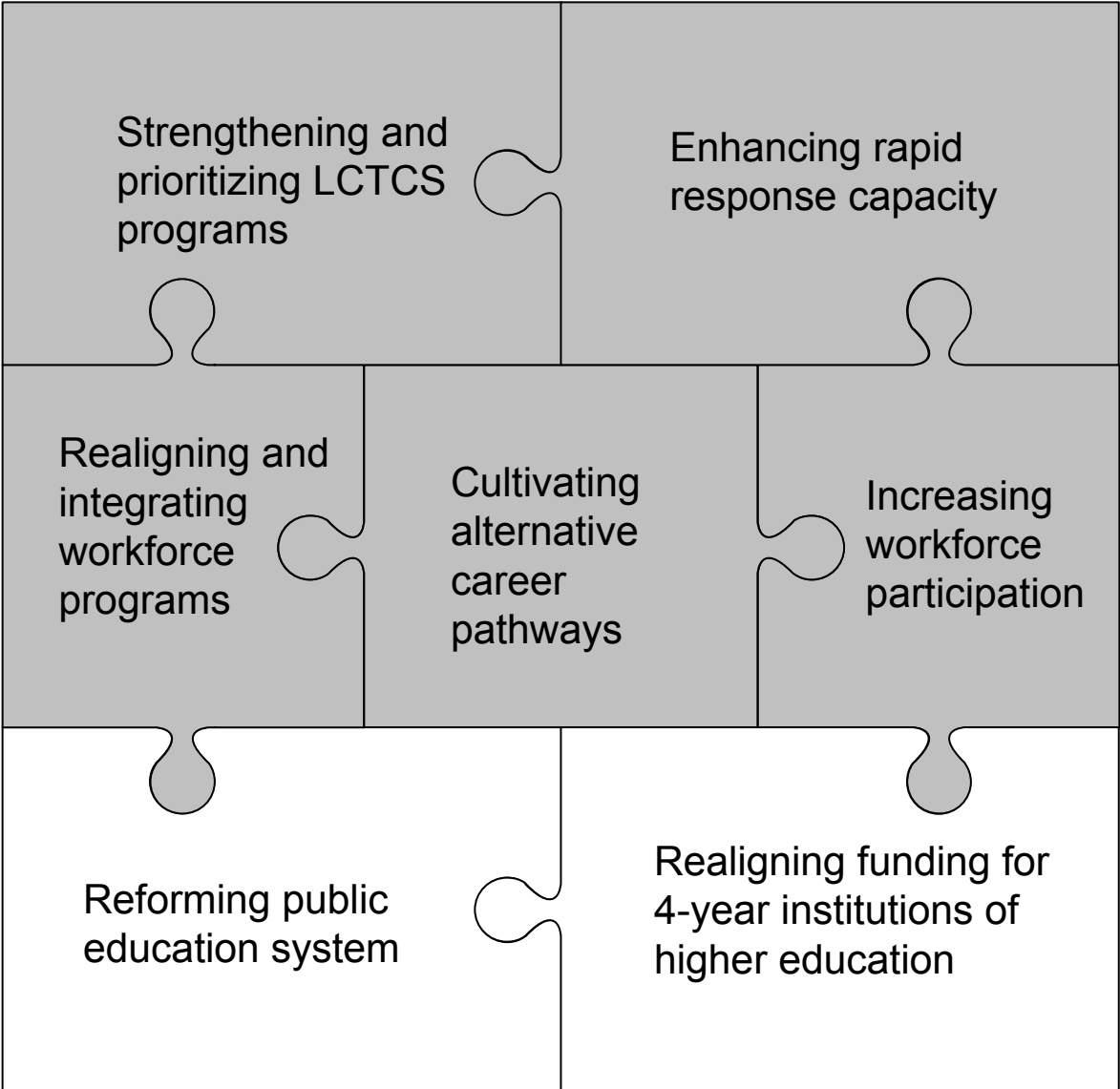
Ratio of 2-yr to 4-yr enrollments (2004)



Source: U.S. Department of Education (Digest of Education Statistics)

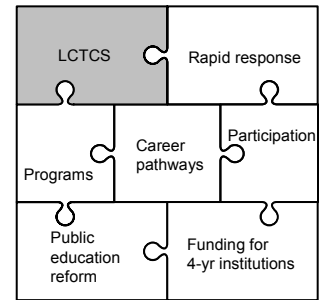
# COMPREHENSIVE WORKFORCE DEVELOPMENT REFORM INCLUDES...

 Focus of current effort



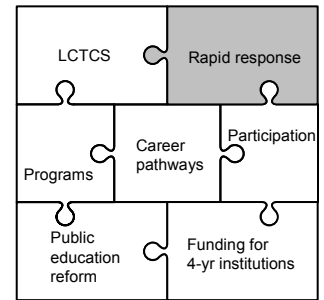
# WE WILL STRENGTHEN AND PRIORITIZE LCTCS PROGRAMS

- Enhance job forecasting through a new Workforce Investment Council with significant input from businesses
- Use forecast as first input into the funding formula for LCTCS delivery system
- Dramatically increase LCTCS enrollments
- Establish regional “centers of excellence” focused on key industries
- Implement Governor Jindal’s “Day 1 Guarantee” to ensure workers with LCTCS training are ready to work on their first day or will get retrained for free



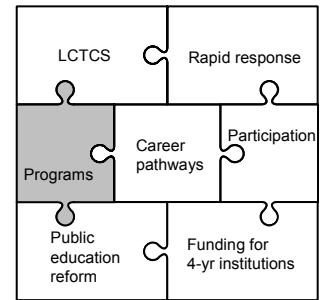
## WE WILL ENHANCE RAPID RESPONSE CAPACITY

- Establish a significant standing training fund to rapidly and strategically target LCTCS programs on urgent workforce priorities
- Create “Fast Start” program to provide customized, turnkey workforce solutions for qualifying business development projects



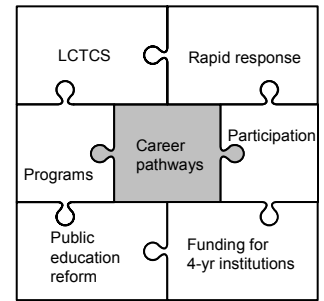
## WE WILL REALIGN / INTEGRATE WORKFORCE PROGRAMS

- Create high-profile, state-level Workforce Investment Council to work with LCTCS and WIBs to set training priorities according to regional, data-driven input
- Transform LDOL into Louisiana Workforce Commission charged with integrating and overseeing the workforce development system
- Integrate and coordinate workforce training and support services (e.g., childcare, healthcare)
- Develop robust capacity for market intelligence (e.g., current and future occupational demand)



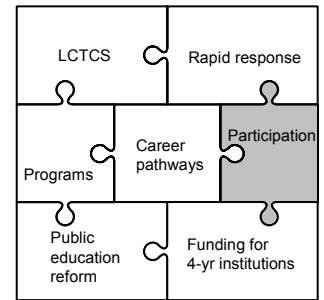
## WE WILL CULTIVATE ALTERNATIVE CAREER PATHWAYS

- Aggressively expand career and technical education program offerings in public schools
- Promote dual enrollment to enable high school students to acquire workforce skills and training
- Implement robust marketing/communications campaign to educate students and their families on viable career tracks that involve vocational and technical education



## WE WILL INCREASE WORKFORCE PARTICIPATION

- Launch national marketing campaign on pilot basis to recruit job-ready workers in high-demand areas from other states
- Leverage grassroots approach to engage those outside the workforce (e.g., unemployed and underemployed citizens)
- Collaborate with other agencies to develop job training programs that address basic and soft skills



## **SUCCESSFUL IMPLEMENTATION WILL GENERATE SUBSTANTIAL INCREASES IN ECONOMIC DEVELOPMENT AND JOB OPPORTUNITIES:**

- Substantially increased ability to retain existing businesses and attract new businesses
- Increased alignment between workforce programs and market demands
- Dramatically increased compensation for tens of thousands of Louisiana workers
- Better job opportunities for workers currently in low-paying positions
- Reduced reliance on public assistance programs
- Increased graduation rates at 4-yr institutions

# THE GOVERNOR'S WORKFORCE PACKAGE HAS STRONG MOMENTUM IN THE CURRENT LEGISLATIVE SESSION

Bill	Comments	Status
<b>SB 612 / HB 1104</b> (workforce development system reform)	<ul style="list-style-type: none"> <li>• Companion bills to create the LWC and WIC</li> <li>• Each passed unanimously by their respective chamber</li> <li>• SB 612 approved by House Labor Committee (5/29)</li> </ul>	<ul style="list-style-type: none"> <li>• SB 612 awaits debate on House floor</li> </ul>
<b>SB 420 / HB 1018</b> (LCTCS standing training fund)	<ul style="list-style-type: none"> <li>• Creates \$10 million standing training fund to target urgent workforce needs</li> <li>• HB 1018 passed unanimously by House</li> </ul>	<ul style="list-style-type: none"> <li>• HB 1018 expected to be heard in Senate Finance today (6/5)</li> <li>• SB 420 assigned to Senate Finance</li> </ul>
<b>SCR 46 / HCR 65</b> (“guiding criteria” for LCTCS funding)	<ul style="list-style-type: none"> <li>• Guiding criteria will better account for real program costs and market demand</li> <li>• Passed unanimously by the Senate</li> </ul>	<ul style="list-style-type: none"> <li>• SCR 46 awaits hearing in House Education</li> <li>• HCR 65 will be heard in Senate Education today (6/5)</li> </ul>