

Report Highlights

Louisiana Community and Technical College System Disaster Recovery

November 2006

Louisiana Legislative Auditor



After hurricanes Katrina and Rita devastated Louisiana, the governor announced to state business leaders that the economy and the workforce are critical to the state's recovery. State law provides that the Louisiana Community and Technical College System (LCTCS) shall be responsible for responding to business and industry needs in Louisiana that will contribute to the overall improvement of the state's economy. The focus of this performance audit is to determine the status of the state's post-hurricane workforce development needs and how they are being identified, addressed, and funded. Our results are summarized below.

Audit Results

What Has LCTCS Done to Meet the Workforce Training Needs of Louisiana Post Katrina and Rita?

Planning and Implementation of Training

- ⇒ LCTCS created a hurricane recovery plan in the initial aftermath of the storms. In addition, the Louisiana Technical College (LTC) districts developed rapid response training plans in response to Katrina and Rita. However, the overall plan was vague and the rapid response plans received little action.
- ⇒ As of September 2006, LCTCS had not developed a detailed plan presenting how the LCTCS institutions could specifically address job training programs for demand occupations post hurricanes Katrina and Rita.
- ⇒ LCTCS informed us it has limited capabilities when it comes to planning and implementing training programs in response to changing workforce demands brought about by events such as Katrina and Rita. LCTCS attributes its limitations to program approval, available staff, and funding tied to priorities established by external agencies.

Funding

- ⇒ A system official informed us that the LCTCS staff has been involved with securing necessary funding for hurricane recovery training initiatives. Federal grants and state appropriations have resulted in over \$25 million in funding to train approximately 14,000 workers. The funding will be made available to LCTCS and its campuses as part of a national and state response to hurricanes Katrina and Rita. However, actual availability of funding and implementation of training has been slow.

Students and Louisiana's Workforce

- ⇒ While LCTCS has advertised disaster recovery training, campuses could do more to promote available training and draw students to Louisiana. For example, they could make full use of all Web site capabilities throughout the system. Such promotion might enhance Louisiana's workforce and benefit hurricane recovery efforts.
- ⇒ LCTCS could assist hurricane recovery efforts by improving its tracking of detailed student information to include data such as current students, graduates/completers, employment status, qualifications, and contact information. This type of information may help employers find qualified workers to fill hurricane recovery-related jobs.

Steve J. Theriot,
CPA
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What Has LCTCS Done to Meet the Workforce Training Needs of Louisiana Post Katrina and Rita?

LCTCS Faces Challenges in Meeting Louisiana's Workforce Needs

- ◆ Pre Katrina and Rita, employers in the New Orleans region and throughout the state had difficulty finding qualified workers. Because of the lack of skilled workers, thousands of job vacancies were created in the region.
- ◆ Since the storms, conditions have worsened in the following areas resulting in LCTCS facing future challenges involved with workforce development:
 - ⇒ Poorly educated workforce
 - ⇒ Unemployment
 - ⇒ Exportation of highly skilled workers
 - ⇒ Capacity for rapid response training in meeting the needs of current and prospective employers

LCTCS May Not Have Necessary Flexibility to Respond to Changing Workforce Demands

- ◆ Immediately after the storms, the LCTCS Workforce Training and Development Office developed a 10-Point Hurricane Response Plan in an effort to provide a system-wide response to the disasters.
- ◆ Also, LTC districts developed disaster plans which included fast-track forms of training for disaster recovery-related occupations.
- ◆ However, the 10-Point Plan does not provide detailed strategies to help Louisiana address workforce development needs or address issues in the event Louisiana is hit by another hurricane. Also, little action has been taken on the individual plans.

- ◆ According to an agency official, LCTCS is restricted in the training it can plan for and provide because of the following:
 - ⇒ The Board of Regents (BOR) approves programs and funding for LCTCS each year. However, its funding formula does not provide financial support for non-credit training programs which could include disaster recovery courses.
 - ⇒ Lack of available staffing to develop and implement plans.
 - ⇒ Demand occupation priorities are established by external agencies and the LCTCS institutions must offer courses in these occupations for their students to receive external funding.
- ◆ However, we found that local Workforce Investment Boards can quickly respond to changing local conditions by adding new demand occupations. This ability could allow room for LCTCS and its campuses to offer recovery-related training courses.
- ◆ According to various state agencies, LCTCS and its institutions are responsible for providing workforce training to fill needed positions because of their ability to provide short-term training.
- ◆ Timely workforce recovery planning is needed to maximize funding opportunities and effective spending for the state. After 9-11, New York economic development officials reported that timely design and planning of an effective recovery program is crucial for success.

Recommendations

- LCTCS should coordinate with BOR, LDOL, and all other Louisiana workforce-related entities to ensure that they have input into identifying training demands and the funding tied to them.
- LCTCS should work with BOR, LDOL, and all other Louisiana workforce-related entities to establish strategies that will allow them necessary flexibility to plan for and offer high demand training in response to state emergencies such as Katrina and Rita.

Availability of Funding and Training Implementation Has Been Slow

- ◆ As of September 2006, the USDOL has awarded several grants for workforce training in Louisiana. Also, the state legislature appropriated state-wide dollars to fund workforce training. These grants and appropriation will result in \$25 million available to LCTCS and its campuses to train approximately 14,000 workers as part of a state and national response to hurricanes Katrina and Rita.
- ◆ In addition, as of September 2006, Housing and Urban Development (HUD) approved an action plan for the use of \$38 million in federal funds for the Recovery Workforce Training Program.
- ◆ According to LCTCS officials, the System staff has worked hard to secure funding, but final approval for use of all funds has been slow and only a portion of the projected 14,000 students have received some type of training.
- ◆ **H-1B Grant Funding**
 - ⇒ In September 2005, the USDOL made \$3 million available for workforce training; \$1 million was immediately made available for New Orleans.
 - ⇒ As of September 2006, the Office of Contractual Review (OCR) approved the use of over \$1 million for 10 LCTCS campuses to provide training.
 - ⇒ Although funding has been made available and training has started, it took nearly 8 months to get to this point.
 - ⇒ LCTCS officials were informed in late August of an additional \$500,000 in available H-1B funds to be used for recovery training.

◆ President's Community Based Job Training Grant

- ⇒ In October 2005, USDOL awarded three LCTCS campuses \$3.6 million to train approximately 3,000 individuals in water transportation and marine manufacturing industries.
- ⇒ As of June 2006, approximately \$312,000 had been spent and 965 students were reportedly enrolled with 886 successfully completing the program.

◆ Pathways to Construction

- ⇒ In March 2006, USDOL awarded \$5 million to LCTCS and LDOL to support training for workers to rapidly enter the commercial and industrial construction apprenticeship fields to assist with the recovery effort.
- ⇒ As of September 2006, no training had started.

◆ Pathways to Construction Employment Initiative

- ⇒ During the 2006 Regular Session, the Louisiana Legislature appropriated \$15 million to fund 10 Centers for Excellence throughout the state. The money is intended to support training in programs such as welding, construction, carpentry, electrical, plumbing, and other identified trades.
- ⇒ As of September 2006, BOR was working to move funding to LCTCS and some training had started.

◆ Recovery Workforce Training Program

- ⇒ In September 2006, HUD approved an action plan for the use of \$38 million in Community Development Block Grant Funds to meet the workforce needs of businesses involved in the recovery and rebuilding of the hurricane-affected areas.
- ⇒ The Louisiana Workforce Commission began accepting proposals for use of this funding in October 2006.

Recommendation

- If LCTCS officials feel that administrative processes of such agencies as LDOL and OCR are causing for a delay in the implementation of training, they should meet with such agencies to discuss possible solutions.

Workforce Development Efforts May Benefit From Increased Promotion of LCTCS Training Programs

- ◆ While LCTCS has advertised disaster recovery training, the System office and LCTCS campuses could do more to promote available training and draw students to Louisiana. For example, we found minimal promotion of training for recovery occupations while visiting LCTCS Web sites.
- ◆ In FY 2006, \$21,000 was spent on promoting disaster recovery training at the LCTCS campuses.
- ◆ Louisiana Workforce Commission officials reported that LCTCS and other agencies in the state of Louisiana will have to encourage people to come to Louisiana, attend training, and gain the skills necessary to complete the recovery work.

Recommendation

- Within budgetary constraints, LCTCS needs to work with LDOL and other workforce-related entities to develop advertising campaigns and outreach programs that highlight available industry-based training with related or potential job opportunities.

Better Tracking of Student Outcomes and Related Information Could Benefit the Recovery Process

- ◆ The System office does not have centralized information on campus activities related to workforce development and does not track student outcomes.
- ◆ As a result, employers searching for qualified workers may have difficulty identifying eligible job applicants and locating them.
- ◆ As suggested in a 2003 Performance audit, LCTCS could assist recovery efforts by making adjustments to its tracking of student outcomes.
- ◆ In doing so, LCTCS could better provide complete information on students and individuals who have finished training.

Recommendation

- LCTCS should centrally collect and maintain a list of all students and graduates/completers, their qualifications, employment status, and contact information. This list can be used by employers searching for qualified workers. LCTCS could possibly accomplish this recommendation by customizing existing databases or other data collection tools.

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Questions?
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LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
DISASTER RECOVERY



PERFORMANCE AUDIT

ISSUED NOVEMBER 15, 2006

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November 15, 2006

The Honorable Donald E. Hines,
President of the Senate
The Honorable Joe R. Salter,
Speaker of the House of Representatives

Dear Senator Hines and Representative Salter:

This report provides the results of our performance audit of efforts by the Louisiana Community and Technical College System to provide workforce development training in the state, post hurricanes Katrina and Rita. The audit was conducted under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended.

This report contains our conclusions and recommendations. Appendix B contains the response from the Louisiana Community and Technical College System. I hope this report will benefit you in your legislative decision-making process.

Sincerely,

Steve J. Theriot, CPA
Legislative Auditor

SJT/dl

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EXECUTIVE SUMMARY

State law provides that the Louisiana Community and Technical College System (LCTCS) shall be responsible for responding to business and industry needs in Louisiana that will contribute to the overall improvement of the economy of the state. The focus of this performance audit is to determine the status of the state's post-hurricane workforce development needs and how they are being identified, addressed, and funded. We answered the following audit objective: **What Has LCTCS Done to Meet the Workforce Needs of Louisiana Post Katrina and Rita?** Our results are summarized below.

Performance Audit Findings

Planning and Implementation of Training

- LCTCS created a hurricane recovery plan in the initial aftermath of the storms. In addition, the Louisiana Technical College (LTC) districts developed individual rapid response training plans in response to Katrina and Rita. However, the overall LCTCS plan was vague and the LTC rapid response plans received little action.
- As of September 2006, LCTCS had not developed a detailed plan presenting how the LCTCS institutions could specifically address job training programs for occupations in demand post hurricanes Katrina and Rita.
- LCTCS informed us that it has limited capabilities when it comes to planning and implementing training programs in response to changing workforce demands brought about by events such as Katrina and Rita. LCTCS attributes its limitations to program approval, available staff, and funding tied to priorities established by external agencies.

Funding

- A system official informed us that the LCTCS staff has been involved with securing necessary funding for hurricane recovery training initiatives. Federal grants and state appropriations have resulted in over \$25 million in funding that will be made available to LCTCS and its campuses to train approximately 14,000 workers as part of a national and state response to hurricanes Katrina and Rita. However, actual availability of funding and implementation of training has been slow.

Students and Louisiana's Workforce

- While LCTCS has advertised disaster recovery training, campuses could do more to promote available training and draw students to Louisiana. For example, they could make full use of all Web site capabilities throughout the system. Such promotion might enhance Louisiana's workforce and benefit hurricane recovery efforts.
- LCTCS could assist hurricane recovery efforts by improving its tracking of detailed student information to include data such as current students, graduates/completers, employment status, qualifications, and contact information. This type of information may help employers find qualified workers to fill hurricane recovery-related jobs.

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INTRODUCTION

Audit Initiation and Objectives

On August 29, 2005, and September 24, 2005, hurricanes Katrina and Rita made landfall in Louisiana, respectively. The hurricanes destroyed about 217,000 homes and 18,000 businesses and inflicted approximately \$25 billion in insured losses.

The Louisiana Community and Technical College System (LCTCS) has a critical role in helping to rebuild the state's workforce and economy. In addition, the governor announced to state business leaders on September 29, 2005, that the economy and the workforce are critical parts of the state's recovery efforts.

The focus of this performance audit is to identify the status of workforce development efforts by LCTCS in Louisiana after hurricanes Katrina and Rita for the period August 29, 2005, through March 31, 2006. Certain information has been updated through October 2006.

We answered the following audit objective:

- What has LCTCS done to meet the workforce needs of Louisiana post Katrina and Rita?

Overview of Louisiana Community and Technical College System

Agency Structure and Expenditures

A 1998 amendment to the 1974 Louisiana Constitution reorganized higher education by creating a structure with four management boards and the Board of Regents (BOR). The management boards are responsible for the day-to-day operations of campuses within their systems. The four systems are the University of Louisiana System, the Louisiana State University System, the Southern University System, and the Louisiana Community and Technical College System. BOR is responsible for the state coordination of all public colleges and universities.

The LCTCS Board of Supervisors began operating in July 1999 and is composed of 17 members. The governor appoints 15 members for six-year overlapping terms. Two student members are elected for one-year terms. The board has a staff that helps it carry out its functions. According to LCTCS officials, the Board of Supervisors and System office had 34 full-time equivalent employees and a total appropriation of over \$3.08 million in fiscal year 2005. In addition, the LCTCS Board of Supervisors received \$23.5 million in fiscal year 2005 in

federal Perkins funds. Exhibit 1 shows the amount of actual expenditures for the System office of LCTCS for fiscal year 2005.

| Exhibit 1 | |
|---|--------------------|
| LCTCS Actual Expenses Fiscal Year 2005 | |
| Salaries and benefits | \$2,699,076 |
| Travel | \$121,962 |
| Operating services | \$187,858 |
| Supplies | \$40,532 |
| Professional services | \$17,806 |
| Other charges ¹ | \$2,290 |
| Capital outlay | \$15,036 |
| Interagency transfers | \$0 |
| Total Expenditures | \$3,084,560 |
| <p>Source: Prepared by legislative auditor's staff using information provided by LCTCS officials.</p> <p>¹In addition, LCTCS received \$23,532,136.11 in Perkins federal funding, of which \$21,922,842.76 in funds passed through to individual colleges in FY 2005.</p> | |

Purpose and Organization

According to the 2006-2007 Executive Budget Supporting Document, the mission of LCTCS is to improve the quality of life of Louisiana residents through educational programs offered through its colleges. LCTCS strives to increase the opportunity for Louisiana's workforce to succeed through skills training programs and works to provide Louisiana residents with the opportunity to learn continuously. The LCTCS budget information suggests that it is committed to teaching what is needed, when it is needed, and where it is needed within available resources.

The LCTCS Board of Supervisors is responsible for managing all of the institutions of LCTCS and the student populations these institutions serve as shown in Exhibit 2. The Louisiana Technical College (LTC) is considered to be one college comprised of 40 campuses within seven districts located throughout the state. Exhibit 3 on page 8 shows the LTC campuses within the seven districts.

| Exhibit 2 | | | | |
|---|--------------------------------|------------------------------|---------------------------------|------------------------------|
| LCTCS Institutions, Enrollment, and Full-Time Equivalents | | | | |
| | Spring 2005 Pre Katrina | | Spring 2006 Post Katrina | |
| LCTCS Institutions | Enrollment | Full-Time Equivalents | Enrollment | Full-Time Equivalents |
| Baton Rouge Community College (BRCC) | 5,580 | 3,819 | 6,042 | 4,270 |
| Bossier Parish Community College (BPCC) | 4,412 | 2,880 | 4,689 | 3,188 |
| Delgado Community College (Delgado) | 16,785 | 10,570 | 10,002 | 6,239 |
| Nunez Community College (Nunez) | 2,173 | 1,440 | 719 | 408 |
| River Parishes Community College (RPCC) | 867 | 488 | 838 | 520 |
| South Louisiana Community College (SLCC) | 1,604 | 902 | 1,840 | 1,135 |
| Louisiana Delta Community College (LDCC) | 980 | 571 | 1,035 | 618 |
| L.E. Fletcher Technical Community College | 977 | 505 | 1,174 | 695 |
| SOWELA Technical Community College | 1,464 | 1,081 | 1,562 | 1,126 |
| Louisiana Technical College (LTC) | 15,317 | 8,425 | 14,550 | 7,757 |
| Total | 50,159 | 30,681 | 42,451 | 25,956 |
| Source: Prepared by legislative auditor's staff using information from LCTCS as reported to BOR. | | | | |

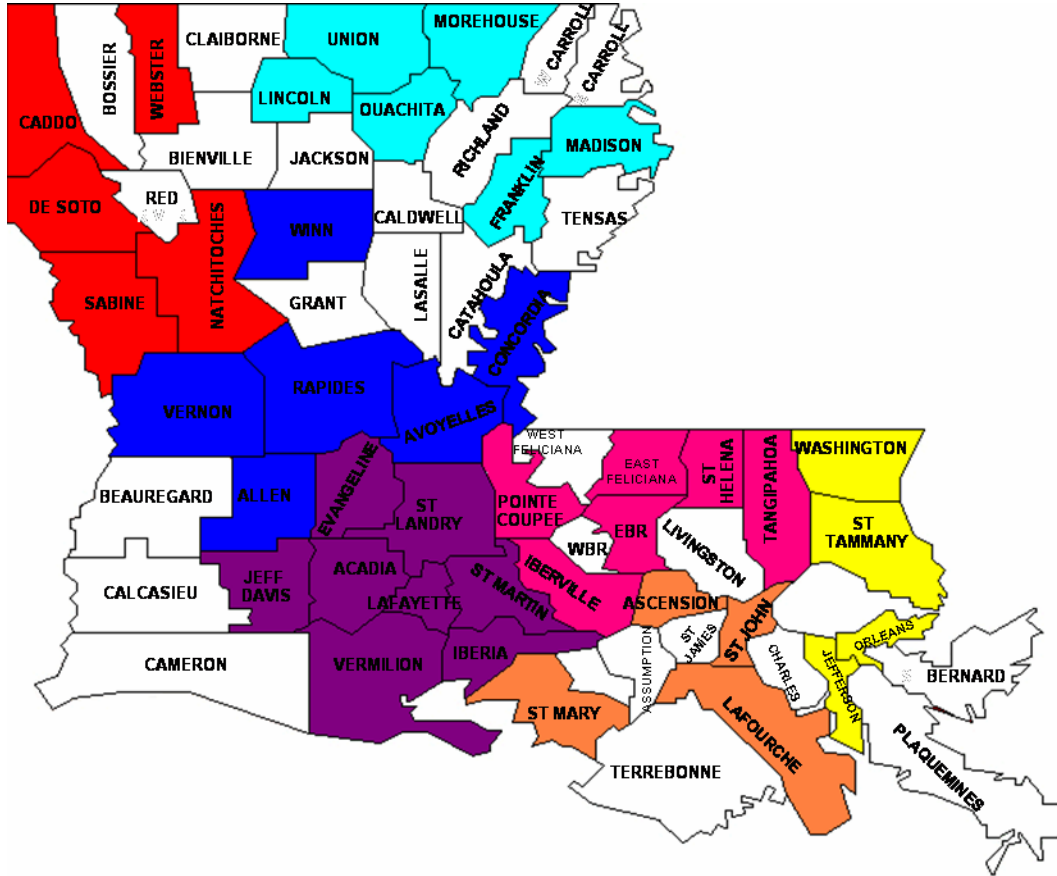
Re-Organization

During the 2005 Regular Session, the legislature passed HB 505 (Act 506), which requires the commissioner of higher education to prepare a plan for the organization of the technical division of LCTCS. Following this legislation, the commissioner recommended to the LCTCS Board of Supervisors that the LTC go from one college with 40 campuses to nine regional multi-campus technical colleges. This plan is to be implemented over a three-year period, beginning in 2006.

In March 2006, the LCTCS Board of Supervisors adopted an enhanced regional plan for the delivery of technical education in the state of Louisiana. The new structure is projected to ensure the LTC campuses' ability to effectively and efficiently provide high quality programs and services and to rapidly respond to the ever changing workforce needs in the communities served throughout the state. The complete reorganization of LTC will take approximately three years to complete according to LCTCS officials. During this restructuring process, LTC will be converted into a framework of locally responsive regions comprised of a cluster of technical college campuses. Each region will consist of its own regional director who is responsible for all administrative and reporting duties, as well as advancing workforce development opportunities, determining program offerings, and increasing enrollment for the region.

In FY 2007, for budget reporting purposes, LCTCS will continue to oversee the management of nine community/technical community college institutions and one technical college. All technical college campuses will report their budgets as one technical college system, as done in previous years. Therefore, the map shown in Exhibit 3 is still indicative of the structure of LTC and its campuses.

**Exhibit 3
LTC Districts and Campuses**



| Exhibit 3 - Map Legend | |
|------------------------|---|
| District | Campuses |
| 1 | Jefferson, Sidney N. Collier (Closed because of Hurricane Katrina), Slidell (Closed because of Hurricane Katrina), Sullivan, West Jefferson |
| 2 | Baton Rouge, Florida Parishes, Folkes, Hammond Area, Jumonville Memorial, Westside |
| 3 | Ascension, Lafourche, River Parishes, Young Memorial |
| 4 | Acadian, Charles B. Coreil, Evangeline, Gulf Area, Lafayette, Morgan Smith, Teche Area, T.H. Harris |
| 6 | Alexandria, Avoyelles, Huey P. Long, Lamar Salter, Oakdale, Shelby M. Jackson |
| 7 | Mansfield, Natchitoches, Northwest, Sabine Valley, Shreveport-Bossier |
| 8 | Bastrop, Delta-Ouachita, North Central, Northeast, Ruston, Tallulah |

Note: There is no LTC District 5.
Source: Prepared by legislative auditor's staff using information provided by LCTCS officials.

Pre Katrina and Rita Challenges in Meeting Louisiana's Workforce Needs

According to a 2004 report by the Council for a Better Louisiana, employers in the New Orleans region and throughout the state had difficulty finding qualified workers. In New Orleans, about 40% of residing adults had severe educational deficits which forced employers to hire less qualified workers or leave positions unfilled. Because of this lack of skilled workers, thousands of job vacancies were created in the region before the storms.

In March 2006, the Governor's Workforce Competitiveness Task Force cited LCTCS as having problems meeting the needs of workforce training before the storms. The Task Force cited the following problems:

- The System did not carve out pre-employment and non-credit training resources within its limited existing budget.
- The flexibility and funding to respond quickly to employer needs is lacking.
- Curriculum is not necessarily aligned with labor market needs.
- Employers have to negotiate with multiple sites rather than a single point of contact for trained employees.

LCTCS Will Face Future Challenges Involved With Workforce Development Because of Katrina and Rita

Identified Challenges. Since the storms have affected the state, pre-existing conditions, such as those listed previously, have worsened and increased the need for workforce recovery to occur. According to the Governor's Workforce Competitiveness Task Force, conditions have worsened in the following areas:

- Poorly educated workforce
- Unemployment
- Low wages
- Exportation of highly skilled workers
- Capacity for rapid response training in meeting the needs of current and prospective employers

Loss of Jobs. The Louisiana Economic Outlook (LEO) report, published by the LSU E.J. Ourso College of Business and Administration in November 2005, estimated that 11 years of employment growth were wiped out as a result of the storms. According to the LEO report, this growth reduction equates to a loss of 260,300 jobs in 2006 after Katrina and Rita.

Population Changes. According to the LEO report, before hurricanes Katrina and Rita, one-third of the state's population resided in the New Orleans metropolitan statistical area (MSA). Now much of that population has migrated to other states or other Louisiana MSAs. The Workforce Commission also reports that there has been a sudden and massive out-migration of the highly trained, skilled labor base as a result of the hurricanes. This population decrease presents many challenges to reestablishing a viable workforce, especially since it is difficult for workers to find housing or adequate healthcare.

Federal Unemployment Assistance. Adding to the above noted problems, the Louisiana Department of Labor (LDOL) reported in February 2006 that many people from the disaster areas are receiving unemployment benefits and this assistance presents a problem for getting people back into the workforce and into available training. Many people do not have to work to receive money. The U.S. Senate and the U.S. House of Representatives voted on March 3 and 4, 2006, to extend unemployment insurance benefits to 165,000 small business owners, self-employed, and others for another 13 weeks. According to the LDOL, those collecting Disaster Unemployment Assistance (DUA) benefits in Louisiana will receive an average of \$189 a week. The self-employed will continue to collect the Louisiana average of \$100 a week. As of February 25, 2006, approximately 31,100 DUA claims were received for Katrina and 1,100 DUA claims were received for Rita.

Role of LCTCS and the Louisiana Recovery Authority (LRA) During Hurricane Recovery

LCTCS Role in Recovery Process. LCTCS plays a critical role in relation to our workforce. More specifically, Louisiana Revised Statute (R.S.) 17:3217.1(C)(1) provides that technical education is a valuable and critical factor affecting workforce development and workforce competitiveness. In addition, R.S. 17:1871 provides that the LCTCS Board is to work together with the BOR to ensure that community and technical college programs are responsive to the needs of students for education and training and businesses for educated and trained employees.

Before the storms, LCTCS was charged with providing students with the specific training they needed to meet the changing economic, social, and political environment of Louisiana. LCTCS officials informed us that since the storms, the System has been actively involved in dealing with workforce development throughout the state. Officials reported that shortly after the storms, the Louisiana Workforce Commission (LWC), along with LCTCS and LDOL, developed a Workforce Recovery Plan, which identified needs and strategies to address those needs. However, the plan does not include exactly how LCTCS or its individual campuses will carry out the specific strategies. According to LWC and LDOL, they support LCTCS as the lead supplier and provider of training for the state of Louisiana. LWC reports that LCTCS is essential to providing skilled workers for the recovery efforts after the hurricanes.

LRA's Role in Economic Recovery. An executive order was issued by the governor in October 2005 to establish the LRA. In February 2006, the legislature established the LRA as a state agency within the Office of the Governor.

LRA is to set priorities and plans and coordinate resource allocations as they pertain to various recovery aspects including economic and workforce development. LRA has established 13 task force and recovery teams. One of these task force and recovery teams relates to economic development and workforce training. Two members of the LCTCS Board of Supervisors hold positions on the LRA, one on the LRA Board and the other as a member of a task force committee. In addition, the LCTCS Vice President for Workforce Development is also a member of the LRA's Economic and Workforce Development Task Force.

What Has LCTCS Done to Meet the Workforce Needs of Louisiana Post Katrina and Rita?

LCTCS created a disaster recovery plan in the initial aftermath of the storms. In addition, the LTC districts developed individual rapid response training plans in response to Katrina and Rita. However, the overall LCTCS disaster recovery plan was vague and the LTC rapid response plans received little action. As of September 2006, LCTCS had not developed a detailed plan presenting how the LCTCS institutions could specifically address job training programs for occupations in demand post hurricanes Katrina and Rita.

LCTCS informed us that it has limited capabilities when it comes to planning and implementing training programs in response to changing workforce demands brought about by events such as Katrina and Rita. LCTCS attributes its limitations to program approval, available staff, and funding tied to priorities established by external agencies.

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While LCTCS has advertised disaster recovery training, campuses could do more to promote available training and draw students to Louisiana. For example, they could make full use of all Web site capabilities throughout the System. Such promotion might enhance Louisiana's workforce and benefit hurricane recovery efforts.

LCTCS could assist hurricane recovery efforts by improving its tracking of detailed student information to include data such as current students, graduates/completers, employment status, qualifications, and contact information. This type of information may help employers find qualified workers to fill hurricane recovery-related jobs.

Without the ability to respond to changing workforce demands, timely funding and training, effective training promotion, and updated student and graduate information, LCTCS will have difficulty ensuring that Louisiana's workforce is responsive to business and industry needs and hurricane recovery.

LCTCS May Not Have Necessary Flexibility to Respond to Changing Workforce Demands

LCTCS Immediate Responses to Katrina and Rita. Immediately after the storms, the LCTCS Workforce Training and Development Office developed a 10-Point Hurricane Response Plan in an effort to provide a system-wide response to the disasters. Included in the plan were three areas of focus for workforce development: Restore, Rebuild, and Resurge. However, the plan established by LCTCS does not provide detailed strategies to help Louisiana address workforce development needs or address issues in the event Louisiana is hit by another hurricane. For example, the plan does not specifically identify training programs and the individual campuses that will provide them.

Also, in the wake of hurricanes Katrina and Rita, the LTC chancellor required each district of LTC to submit a plan documenting rapid response workforce training at each campus in its district. These hurricane disaster plans included fast-track forms of previously offered courses for occupations potentially beneficial to the recovery process. However, most of the submitted plans have not had any action taken on them by the campuses as of September 2006. LCTCS will reportedly maintain the plans developed after the storms of 2005 for use in the event of future storms. As of September 2006, LCTCS had not developed a detailed plan presenting how the LCTCS institutions could specifically address job training programs for occupations in demand post hurricanes Katrina and Rita.

Obstacles to Providing Hurricane-Related Training. According to an LCTCS official, LCTCS and its campuses are restricted in the training they can plan for and provide. These limitations are a result of LCTCS and BOR funding and program constraints, available staff, and the fact that certain funding is tied to demand occupation priorities that are established by external agencies such as LDOL. Therefore, LCTCS and its campuses may be limited to only providing training in those areas approved and funded by BOR and identified by LDOL as high demand occupations.

Each year BOR approves programs and funding for LCTCS and its campuses based on enrollment information from prior years. In addition, BOR's funding formulae do not provide financial support for non-credit training programs. Hurricane recovery-related courses would most probably fall into this category. Therefore, according to LCTCS officials, the System cannot carve out additional programs in the event of a disaster because available funding has been earmarked for previously approved training programs. In addition, an LCTCS official informed us that it does not have enough System staff to physically develop and implement a plan that specifically directs campuses to meet post hurricane workforce training needs.

Furthermore, for training provided by LCTCS campuses to be eligible for Workforce Investment Act (WIA) Title 1-B funds (also referred to as individual training accounts or ITAs), training should be limited to those occupations that have been determined to be in demand. Approved occupations considered to be in demand are categorized into the following three levels: top demand, demand, and locally determined. Top Demand is defined by the LWC's Occupation Forecasting Conference every 10 years. Demand is defined by LDOL every two years. Locally Determined is defined by the Local Workforce Investment Boards (WIBs) throughout the state on an annual basis. Therefore, according to LCTCS officials, the System is limited in the type of training that it can provide because of the externally established demand occupations and the funding tied to them. However, the locally determined definition contains a variety of mechanisms that allow WIBs to quickly respond to changing local conditions and training needs by adding new demand occupations to the approved list in their local areas. This definition could possibly provide some room for LCTCS and its campuses to obtain approval for recovery-related training courses in several hurricane affected regions.

Timely Planning Is Crucial. Timely workforce recovery planning is needed to maximize funding opportunities and effective spending for the state. New York economic development officials reported that one lesson they learned after 9-11 is that timely design and planning of an effective recovery program is crucial for success. New York's plans and recovery programs were established four months after the terrorist attacks. According to New York officials, this timeline needed to be shorter than 4 months for the Gulf region. Finally, as illustrated in the Recovery Workforce Training Program proposal, it is necessary for training entities to have detailed plans that clearly identify training programs and related strategies needed to deliver a skilled workforce.

According to LDOL, LCTCS is responsible for providing workforce training to fill needed positions because of its ability to provide short-term training. In addition, state law requires that community and technical college programs are to be responsive to the needs of students for education and training and businesses for educated and trained employees. BOR officials reported that LCTCS must develop long-term plans and look to the future to determine if its programs match the needs of the state to accomplish state law, especially after the hurricanes. In addition, LCTCS officials reported that they should be working to ensure that technical education is linked to the needs of the business community.

Recommendation 1: LCTCS should coordinate with BOR, LDOL, and all other Louisiana workforce-related entities to ensure that they have input into identifying training demands and the funding tied to them.

Summary of Management's Response: The LCTCS partially agrees with this recommendation. As detailed in the audit report, LCTCS has been actively engaged at all levels of the state workforce system in identifying training demands and developing strategies to meet those demands. In the few instances when LCTCS has been the direct recipient of funding, the system has developed and implemented comprehensive strategic plans involving public and private sector partners.

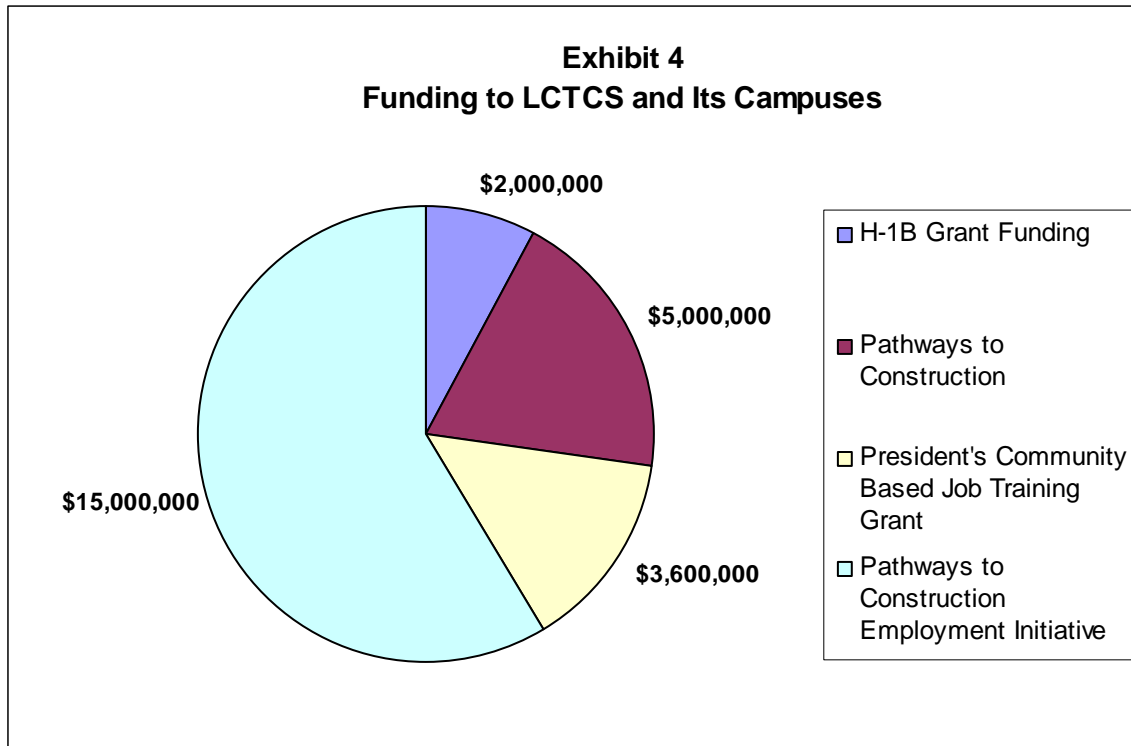
Recommendation 2: LCTCS should work with BOR, LDOL, and all other Louisiana workforce-related entities to establish strategies that will allow them necessary flexibility to plan for and offer high demand training in response to state emergencies such as Katrina and Rita.

Summary of Management's Response: The LCTCS partially agrees with this recommendation. LCTCS works closely with BOR, LDOL, the Louisiana Workforce Commission, and all other workforce-related entities on a routine basis. LCTCS has not been officially designated as the state entity responsible for developing and delivering workforce training within the state's workforce development system, a designation that could better position LCTCS to take a leadership role within the workforce development system.

Availability of Funding and Training Implementation Has Been Slow

As of September 2006, the USDOL has awarded several grants for workforce training in Louisiana including the President's High Growth Job Training (H-1B), the President's Community Based Job Training, and Pathways to Construction Grants. In addition, the Louisiana Legislature appropriated \$15 million to fund the Pathways to Construction Centers for Excellence at 10 LCTCS campuses statewide. Overall, the grants and appropriation have resulted in over \$25 million in funding to be made available to LCTCS and its campuses to train approximately 14,000 workers as part of a national and state response to hurricanes Katrina and Rita. See Exhibit 4 for a breakdown of this funding. In addition, the Joint Legislative Committee on the Budget recently approved a proposed action plan for the use of \$38 million in Community Development Block Grant Funds (CDBG) for the Recovery Workforce Training Program (RWTP), which received the U.S. Department of Housing and Urban Development's (HUD) approval in September 2006.

According to an LCTCS official, the System staff has worked hard to secure such funding. It should be noted that the actual availability of funding has involved a lengthy amount of time. Also, as of September 2006, only a portion of the projected 14,000 students had received some type of training.



Source: Prepared by legislative auditor’s staff using information provided by LCTCS and campus officials.

H-1B President’s High Growth Job Training Grant

In September 2005, the USDOL awarded \$3 million in H-1B President’s High Growth Job Training funds to LDOL. This recovery funding grant is aimed at enhancing Louisiana’s capacity to provide training in industries such as construction, energy, health care, transportation, and safety/security. Over \$1 million of the available H-1B funds was immediately dedicated to Region 1 (New Orleans) Workforce Investment Agencies (WIAs) by LDOL to provide immediate training for recovery efforts.

Individual LCTCS campuses drafted proposals for the remaining \$2 million in funding and submitted them to the LCTCS Workforce Training and Development Office. LCTCS then determined which proposals to submit to LDOL for final approval. LDOL officials reported that once the LDOL secretary signs off on the contract (drawn up after the proposal is approved) and the Louisiana Office of Contractual Review (OCR) has approved the contract, the campuses are free to begin their training program as outlined in their proposals. H-1B funded grants are reimbursement grants and campuses must submit documentation of their activities to LDOL for reimbursement.

As of September 2006, LDOL approved 10 H-1B proposals at several LCTCS campuses for a little over \$1 million. These funds are intended to support training for approximately 986 individuals. These contracts have been formally approved by OCR and all of the awarded campuses have started to train students.

Although funding has been made available and training has started, it took nearly 8 months to get to this point. More specifically, contracts were not signed and approved by OCR until March 2006, while some contracts were not approved until mid-April 2006. One contract actually received final approval from OCR in August 2006. Campuses cannot offer and start training until they have a signed contract because of budgetary and accounting constraints. However, one campus did begin training because of the identified need for the training programs and the associated workers in their local areas. An LCTCS official attributed this slow time frame to approval processes involving LDOL and OCR.

Most H-1B grants were originally set to expire on August 30, 2006. However, LDOL requested an extension from the USDOL for continued use of the funds. This request was granted and affected contracts were continued until December 5, 2006, while others have expirations of February 28, 2007. According to LCTCS officials, the deadlines established will probably be extended again because of the slow time frame in approving contracts. LCTCS officials reported that they were informed by LDOL in early September 2006 that over \$500,000 in H-1B funding was still available for disaster recovery training programs. According to LCTCS, campuses will be informed by LCTCS that they need to submit proposals for potential disaster recovery training at their campuses. Exhibit 5 provides details of the proposals and contracts approved by LDOL and OCR.

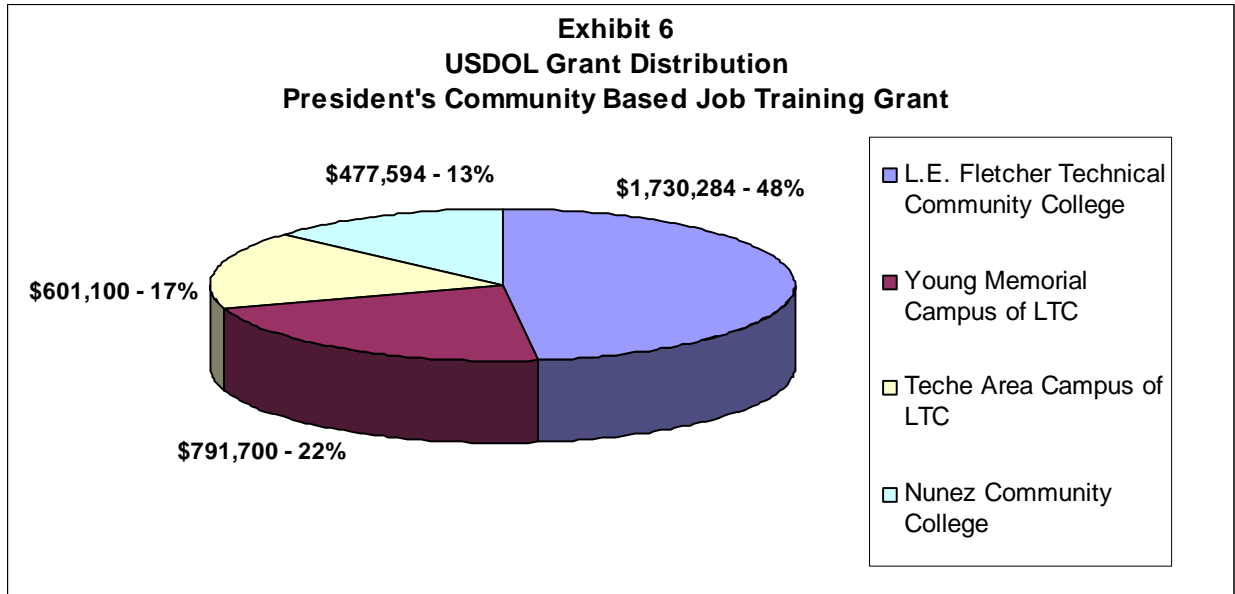
Exhibit 5
Approved H-1B President's High Growth Training Proposals and Contracts
As of September 22, 2006

| Provider/Training Program | Contract Start Date | Returned From OCR | Contract End Date | Funding Allocated | Number of Students Funded | Enrolled or Completed | Students Registered |
|---|----------------------------|--------------------------|--------------------------|--------------------------|----------------------------------|------------------------------|----------------------------|
| Delgado - Safety Training | 1/3/06 | 3/6/06 | 12/5/06 | \$71,375 | 204 | 37 | 167 |
| LTC - Alexandria - Quick Start Welding | 1/3/06 | 3/3/06 | 8/30/06 | \$2,560 | 2 | 2 | 0 |
| LTC - Baton Rouge - Sheet Metal | 1/3/06 | 3/6/06 | 12/5/06 | \$163,650 | 100 | 56 | 0 |
| LTC - Lafayette - Certified Nursing Assistant | 3/1/06 | 3/23/06 | 2/28/07 | \$204,562 | 135 | 48 | 123 |
| LTC - Lafourche - Electrical | 3/1/06 | 4/12/06 | 2/28/07 | \$72,500 | 50 | 24 | 0 |
| LTC - Northeast - Coil Manufacturing | 7/1/06 | 8/1/06 | 2/28/07 | \$33,160 | 12 | 5 | 7 |
| LTC - River Parishes - Electrical | 3/1/06 | 3/21/06 | 2/28/07 | \$126,612 | 300 | 67 | 124 |
| LTC - River Parishes - Scaffolding | 3/1/06 | 3/21/06 | 2/28/07 | \$18,651 | 10 | 10 | 0 |
| LTC Teche Area - Construction | 1/3/06 | 3/6/06 | 12/5/06 | \$244,300 | 125 | 109 | 0 |
| Nunez - Process Technology | 1/3/06 | 3/6/06 | 12/5/06 | \$118,800 | 48 | 28 | 0 |
| Total | | | | \$1,056,170 | 986 | 386 | 421 |

Source: Prepared by legislative auditor's staff using information obtained from LCTCS officials.

President's Community Based Job Training Grant

In October 2005, L.E. Fletcher Technical Community College, Nunez Community College, and the Teche Area and Young Memorial campuses of LTC were awarded a \$3.6 million grant from the USDOL's Community Based Job Training Initiative. The goals of the award are to train 3,013 workers for employment and advancement in high-wage licensed or credentialed occupations. The \$3.6 million grant is dedicated to those campuses with training programs necessary to restore Louisiana's rural labor market for licensed workers in the water transportation industry and certified and skilled workers in the marine manufacturing sector. Exhibit 6 on the following page below shows the obligated amount each involved LCTCS institution will receive from the grant.



Source: Prepared by legislative auditor’s staff using information provided by LCTCS officials.

The \$3.6 million two-year grant will be administered on a quarterly reimbursement basis. Funds will be remitted to each institution on a quarterly basis, with L.E. Fletcher serving as the lead institution handling grant administration procedures. Each institution is responsible for submitting quarterly reports presenting its progress and expenditures.

As of June 30, 2006 (end of 2nd quarter), approximately \$312,000 had been expended by the campuses and 965 students were reportedly enrolled in the program. In addition, L.E. Fletcher reported that 886 of the enrolled students successfully completed training through June 2006.

Pathways to Construction Grant

In March 2006, the USDOL awarded LCTCS and LDOL a grant for \$5 million to ensure that training programs produce qualified candidates to fill industry demands. This funding is intended to support training that will allow participants to rapidly enter the commercial and industrial construction apprenticeship fields to assist with the recovery effort. LCTCS will draw down and disseminate funds as needed.

According to the grant proposal, the LCTCS campuses will partner with large business employers such as Shaw, Fluor, Turner, and Associated Builders and Contractors (ABC) to develop delivery methods. The program combines 3-4 week periods of intensive instruction followed by appropriate-level employment. LCTCS has plans for the Pathways grant to train 2,900 workers. More specifically, 600 individuals will be trained in marine and ship building professions and 2,300 participants in heavy and traditional transportation/construction. The grant is set to expire in two years. However, as of September 2006, LCTCS has only conducted minimal outreach efforts, such as announcements on the LCTCS Web site, and no training has started for the Pathways grant.

Pathways to Construction Employment Initiative

In accordance with a plan developed and approved by BOR and approved by the Division of Administration, the Louisiana Legislature appropriated \$15 million in the 2006 Regular Session to fund 10 Centers for Excellence throughout the state. This money will support the training of students in programs such as welding, construction, carpentry, electrical, plumbing, and other identified trades. The statutory dedication to BOR from the Higher Education Initiatives Fund will provide training at community and technical colleges around the state to an estimated 7,250 students.

As of September 2006, the \$15 million in funding was with the BOR. A BA-7 is in the works to move half of the funding to LCTCS. It will be distributed on a reimbursement basis. Award letters have been sent to the 10 campuses and some training had begun at the receiving campuses. According to LCTCS, it expects modifications will be made to the approved training plans and funding may be redirected in response to demand, since the industry is very fluid.

Recovery Workforce Training Program

On August 11, 2006, the Joint Legislative Committee on the Budget approved a proposed action plan for the use of \$38 million in CDBG funds for the Recovery Workforce Training Program (RWTP). On September 18, 2006, final approval from HUD was received for the program and LWC began requesting proposals for the program on October 4, 2006. The RWTP is intended to meet the workforce needs of businesses involved in the recovery and rebuilding of the hurricane-affected areas. The LCTCS Vice President for Workforce Development is a member of the LRA's Economic Development and Workforce Training Task Force. This official is also a committee member of the LWC and has provided detailed input into the RWTP proposal.

LWC will administer this program and began accepting proposals for the program in early October, with a final submission deadline of November 28, 2006. Proposals will be accepted from entities, such as LCTCS, that can demonstrate a proven track record in developing and implementing sector-based workforce training in areas such as construction, healthcare, transportation, advanced manufacturing, oil and gas, and the cultural sector. Each group that applies for funding will be required to provide a detailed plan of its approach to deliver a skilled workforce.

Recommendation 3: If LCTCS officials feel that the administrative processes of state agencies, such as LDOL and OCR, are causing a delay in the implementation of training, they should meet with such agencies to discuss possible solutions.

Summary of Management's Response: The LCTCS partially agrees with this recommendation. LCTCS does not believe administrative processes of OCR are an impediment to the implementation of training. LCTCS does believe programmatic and administrative processes within the state workforce development system could be improved to better facilitate market responsive training.

Workforce Development Efforts May Benefit From Increased Promotion of LCTCS Training Programs

In response to Katrina and Rita, the LCTCS office could have done more to promote the training programs offered at the LCTCS campuses. According to BOR officials, the LCTCS System office can use 1% of its budget, or approximately \$30,000, to advertise all courses and training programs available at its campuses. The System office reported that it is working in conjunction with LDOL to advertise and promote available training and grants at the LCTCS campuses. However, after reviewing available Web site information and newspaper documents, it appears that LDOL has promoted available training more than LCTCS. Promoting training and job opportunities is essential during this recovery period.

According to LCTCS officials, in FY 2006, they spent \$21,000 promoting disaster recovery training at the LCTCS campuses. LDOL paid for advertising for all H-1B funded training offered at the LCTCS campuses. In addition, LCTCS is expected to pay approximately \$40,000 for radio spots, billboards, and other advertising measures for the Pathways to Construction program. As of September 2006, this promotion was still being worked on and had not been finalized.

LDOL produced four radio advertisements highlighting five campuses of the LTC with short-term training in areas such as welding, carpentry, electrical, and air conditioning and refrigeration. LDOL also produced newspaper ads scheduled to run for three weeks in large Louisiana newspapers promoting its official Web site. The Web site encourages jobseekers and businesses to search for employment and job training opportunities. LDOL officials reported that they plan to work on television advertisements promoting all of the H-1B funded training programs awarded to LCTCS but were waiting for LCTCS to develop newspaper and radio ads first.

In addition, LCTCS has not fully used Internet capabilities to draw attention to the training programs available and attract more students to the LCTCS campuses across the state. For example, as of April 2006, the LCTCS Web site (www.lctcs.net) did not advertise the availability of short-term, rapid response training for disaster recovery on the Gulf Coast. As of April 2006, the site served only as a link to each community college and technical college campus. In addition, only 11 out of 40 technical college campuses have actual Web sites. All nine of the community and technical-community colleges of LCTCS have individual campus Web sites. However, advertising on the availability of classes that focus on high demand occupations was lacking on these institutions' Web sites as well.

LWC identified occupations in the construction, transportation, utilities, and wholesale and retail trade industries as necessary for the recovery of Louisiana. According to a LEO published report in November 2005, current estimates indicate that Louisiana's overall population could decrease by 515,570 persons because of the hurricanes. LWC officials reported that increasing labor force training programs for recovery occupations is crucial, but the state will have to increase the overall skilled labor force in Louisiana by as much as 25%-50% to meet the demands of the recovery efforts. In short, LWC officials acknowledge that meeting the recovery demand of businesses cannot be done by simply providing training. Rather, LCTCS

and other agencies in the state of Louisiana will have to encourage people to come to Louisiana, attend training, and gain the skills necessary to complete the recovery work.

Recommendation 4: Within budgetary constraints, LCTCS needs to work with LDOL and other workforce-related entities to develop advertising campaigns and outreach programs that highlight available industry-based training with related or potential job opportunities.

Summary of Management's Response: The LCTCS partially agrees with this recommendation. LCTCS collaborates closely with LDOL and the system of Local Workforce Investment Boards to leverage outreach and recruitment resources. Where LCTCS has received direct funding that allows for outreach and recruitment, LCTCS has developed and implemented comprehensive outreach strategies.

Better Tracking of Student Outcomes and Related Information Could Benefit the Recovery Process

LCTCS could assist recovery efforts by making adjustments to its tracking of student outcomes as suggested in a 2003 Performance Audit (<http://www.la.state.la.us/lla/pad.htm>). In doing so, LCTCS could better provide complete information on students and individuals who have finished training. Since the hurricanes struck Louisiana in August and September of 2005, information relating to the workforce and status of the state's workforce has never been more critical. As of September 2006, the System office did not have centralized detailed information on campus activities related to workforce development and did not track student outcomes. As a result, employers searching for qualified workers may have difficulty identifying eligible job applicants and locating them.

Recommendation 5: LCTCS should centrally collect and maintain a list of all students and graduates/completers, their qualifications, employment status, and contact information. This list can be used by employers searching for qualified workers. LCTCS could possibly accomplish this recommendation by customizing existing databases or other data collection tools.

Summary of Management's Response: The LCTCS disagrees with this recommendation. LDOL has developed and maintains an interactive labor exchange database, the Louisiana Virtual One Stop (LAVOS). All participants in LCTCS recovery related training programs are entered into this system. Duplicating this system would not be a prudent use of limited resources.

Legislative Auditor's Response to LCTCS Management's Response: We acknowledge that LAVOS may be a helpful tool for employers and job seekers. Also, a database maintained by LCTCS at the system level would offer additional guidance to employers seeking candidates to fill hurricane recovery-related occupations. Furthermore, this system would serve as a tool for administrators, employers, and students to quickly gather detailed student performance data. As of September 2006, LCTCS had not established a centrally maintained database to track detailed student performance data from individual campuses.

AUDIT SCOPE AND METHODOLOGY

We conducted this performance audit under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended. We followed the applicable generally accepted government auditing standards as promulgated by the Comptroller General of the United States.

Audit Scope

This audit focused on the status of the state's workforce development recovery post hurricanes Katrina and Rita. The audit covered the period August 29, 2005, through March 31, 2006. Certain information has been updated through October 2006. Our audit objective was to answer the following:

What Has the LCTCS Done to Meet the Workforce Needs of Louisiana Post Katrina and Rita?

Methodology

To answer our objective, we performed the following:

- Interviewed appropriate workforce and economic development officials from the following entities concerning the state's post-disaster workforce development issues:
 - Board of Regents
 - Bring New Orleans Back Commission
 - LCTCS
 - Louisiana Department of Labor
 - Louisiana Workforce Commission
 - Technical, Community, and Technical Community College Campuses
 - Local Workforce Investment Agencies and Boards
 - Greater New Orleans, Inc. (GNO, Inc.)
 - Louisiana Association of Business and Industry (LABI)
 - Louisiana State University
 - LRA Economic Development and Workforce Training Task Force
 - Baton Rouge Chamber of Commerce
- Reviewed the state constitution and relevant statutes

- Reviewed the LCTCS Central Office Web site and individual campus Web site information
- Attended LRA committee meetings
- Interviewed Department of Labor staff for information on advertising
- Researched Florida, Mississippi, Kentucky, Georgia, and New York for information on disaster recovery programs
- Attended the Governor's Economic Development Conference
- Reviewed documentation provided by entities presented on page 23
- Reviewed previous LCTCS Performance Audit Reports prepared by the Louisiana Legislative Auditor and issued in April 2003

LCTCS Management's Response



Louisiana Community & Technical College System

*Changing Lives,
Creating Futures*

October 13, 2006

Mr. Steve Theriot, CPA
Legislative Auditor
1600 North Third Street
Post Office Box 94397
Baton Rouge, LA 70804-9397

System President:

Walter G. Bumphus, Ph.D.

Dear Mr. Theriot:

The Louisiana Community and Technical College System (LCTCS) is in receipt of the report of the Louisiana Legislative Auditor's Office performance audit to determine "what has the LCTCS done to meet the workforce needs of Louisiana post Katrina and Rita?" While the resulting report identifies some of the challenges facing the state workforce development system, the findings indicate a lack of understanding of how that system is currently structured.

To answer the audit objective, LCTCS has been integrally involved in the planning and delivery of recovery related workforce training:

- LCTCS developed the Pathways to Construction Employment Initiative which received an unprecedented \$5 million direct funding commitment from the US Department of Labor, and a subsequent appropriation of \$15 million in the 2007 state budget. In addition, the Gulf Coast Workforce Development Initiative was formed by the Business Roundtable, a national association of construction users and contractors, to support the initiative.
- LCTCS played an integral role in shaping the Louisiana Recovery Authority's Recovery Workforce Training Program. In fact, the plan draws heavily from the original Sector Based Centers of Excellence plan developed by LCTCS shortly after the hurricanes.
- Through detailed locally developed training plans, the LCTCS colleges competed for and were awarded the majority of the H1b workforce training dollars allotted to LDOL from the USDOL. While the language in the award of H1b funds to states indicates USDOL intends community colleges to be the instrument for utilizing these funds, and while other states earmark these funds for their community and technical colleges, this is not the case in Louisiana.

Officers:

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Stephen C. Smith
First Vice Chair

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Second Vice Chair

Members:

E. Edwards Barham
Ava Dejoie
John E. DeLaney
Carl H. Franklin
Kathy Sellers Johnson
Alvin Kimble
Ann H. Knapp
Dan Packer
Vincent J. St. Blanc, III
E. Mike Stone

Student Members:

Joan McHenry
Cleo Norris

**Louisiana
Community
& Technical
College System**

265 South Foster Drive
Baton Rouge, LA 70806

Phone: 225-922-2800
Fax: 225-922-1185

www.lctcs.edu



Louisiana Community & Technical College System

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- LCTCS is a founding member of the Louisiana Craft Workforce Development Board, a group of construction industry representatives assembled to serve as the single voice for craft workforce development in the state.

The above represents only a portion of the innumerable activities undertaken by LCTCS and its member colleges unilaterally and in collaboration with our partners in the state workforce development system. Below is a brief response to the findings in the report's executive summary.

System President:

Walter G. Bumphus, Ph.D.

Findings

Planning and Implementation of Training

Officers:

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Chair

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First Vice Chair

Sean E. Reilly
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Members:

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Dan Packer
Vincent J. St. Blanc, III
F. Mike Stone

The 10-point plan developed by LCTCS in the initial aftermath of the storms was a framework to provide direction for post-hurricane workforce development efforts of the system's colleges. This plan served as the foundation that led to the development of the Pathways to Construction Employment Initiative, local training plans funded through H1b and National Emergency Grant funds, and numerous proposals still awaiting funding. It also established the context for the development of the RWTP. LCTCS developed a detailed construction workforce recovery plan that clearly delineates sector-based workforce development strategies, involves a wide range of public and private sector partners, and allows colleges the flexibility to respond to local and regional needs. LCTCS was able to take the lead role in the development of this plan due in large part to the system actually controlling the funding. In virtually all other workforce related areas, LCTCS is beholden to other state partners that control funding, set priorities, and establish processes. While LCTCS collaborates closely and effectively with these other entities, the program design capability and approval authority are closely aligned with the fiduciary agent.

Student Members:

Joan McHenry
Cleo Norris

Funding

LCTCS agrees with this finding in part. The actual implementation of training has been rapid after funding has become available. Any delay in the implementation of training has been as a direct result of the delay in the availability of funding. The finding is not clear on this point.

The audit report indicates that as of September, 2006, no training had started under the Pathways to Construction Employment Initiative, when in fact over

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200 jobseekers had completed the program, 249 were in training, and an additional 155 students had enrolled for future cycles.

Students and Louisiana's Workforce

LCTCS has developed and implemented a comprehensive outreach campaign to support the Pathways to Construction Employment Initiative. In addition, LCTCS has coordinated with the Gulf Coast Workforce Development Initiative in the implementation of an aggressive recruiting campaign. Funding for outreach and recruitment was requested in every proposal submitted for H1b and NEG funds, but was not approved in most instances in deference to outreach and recruitment through other state and local workforce development partners.

System President:

Walter G. Bumphus, Ph.D.

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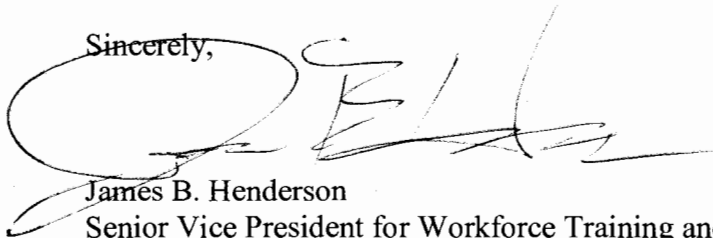
LCTCS enters data on all students in recovery related training programs into the state's labor exchange database, the Louisiana Virtual One Stop (LAVOS). The labor exchange and job placement functions are clearly within the purview of LDOL and the system of Workforce Investment Boards. For LCTCS to attempt to duplicate this system would be redundant and not a prudent use of its limited funding.

Members:

E. Edwards Barham
Ava Dejoie
John E. DeLaney
Carl H. Franklin
Kathy Sellers Johnson
Alvin Kimble
Ann H. Knapp
Dan Packer
Vincent J. St. Blanc, III
F. Mike Stone

The audit report touches on challenges facing the workforce development system in Louisiana, challenges that became even more critical in the wake of the natural disasters that hit our state. The close working relationship we have developed with the Louisiana Department of Labor and others within the state workforce development system has enabled us to effect substantial improvements in the service to business and industry, and jobseekers. It is this partnership that will continue to work to create the most effective workforce development delivery system possible.

Sincerely,



James B. Henderson

Senior Vice President for Workforce Training and Development

Student Members:

Joan McHenry
Cleo Norris

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Louisiana Legislative Auditor
Performance Audit Division

Checklist for Audit Recommendations

Instructions to Audited Agency: Please check the appropriate box below for each recommendation. A summary of your response for each recommendation will be included in the body of the report. The entire text of your response will be included as an appendix to the audit report.

| RECOMMENDATION(S) | AGREE | PARTIALLY AGREE | DISAGREE |
|---|-------|-----------------|----------|
| <p>Recommendation 1: The LCTCS should coordinate with BOR, LDOL, and all other Louisiana workforce-related entities to ensure that they have input into identifying training demands and the funding tied to them.</p> <p><i>LCTCS Response: As detailed in the audit report, LCTCS has been actively engaged at all levels of the state workforce system in identifying training demands and developing strategies to meet those demands. In the few instances when LCTCS has been the direct recipient of funding, the system has developed and implemented comprehensive strategic plans involving public and private sector partners.</i></p> | | XX | |
| <p>Recommendation 2: The LCTCS should work with BOR, LDOL, and all other Louisiana workforce-related entities to establish strategies that will allow them necessary flexibility to plan for and offer high demand training in response to state emergencies such as Katrina and Rita.</p> <p><i>LCTCS Response: LCTCS works closely with BOR, LDOL, the Louisiana Workforce Commission, and all other workforce-related entities on a routine basis. LCTCS has not been officially designated as the state entity responsible for developing and delivering workforce training within the state's workforce development system, a designation that could better position LCTCS to take a leadership role within the workforce development system.</i></p> | | XX | |

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| <p>Recommendation 3: If LCTCS officials feel that the administrative processes of state agencies, such as LDOL and OCR, are causing a delay in the implementation of training, they should meet with such agencies to discuss possible solutions.</p> <p><i>LCTCS Response: LCTCS does not believe administrative processes of OCR are an impediment to the implementation of training. LCTCS does believe programmatic and administrative processes within the state workforce development system could be improved to better facilitate market responsive training.</i></p> | | XX | |
| <p>Recommendation 4: Within budgetary constraints, the LCTCS needs to work with LDOL and other workforce-related entities to develop advertising campaigns and outreach programs that highlight available industry-based training with related or potential job opportunities.</p> <p><i>LCTCS Response: LCTCS collaborates closely with LDOL and the system of Local Workforce Investment Boards to leverage outreach and recruitment resources. Where LCTCS has received direct funding that allows for outreach and recruitment, LCTCS has developed and implemented comprehensive outreach strategies.</i></p> | | XX | |
| <p>Recommendation 5: The LCTCS should centrally collect and maintain a list of all students and graduates/completers, their qualifications, employment status, and contact information. This list can be used by employers searching for qualified workers. LCTCS could possibly accomplish recommendation by customizing existing databases or other data collection tools.</p> <p><i>LCTCS Response: LDOL has developed and maintains an interactive labor exchange database, the Louisiana Virtual One Stop (LAVOS). All participants in LCTCS recovery related training programs are entered into this system. Duplicating this system would not be a prudent use of limited resources.</i></p> | | | XX |