

Wising Up:

How Government Can Partner with Business
to Increase Skills and Advance Low-Wage Workers

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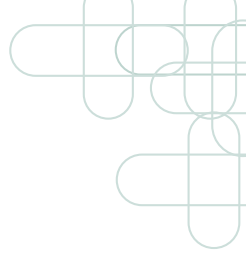


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A Note Regarding Louisiana's Incumbent Worker Training Program

We conducted our interviews and site visit to Louisiana before Hurricanes Katrina and Rita hit. In late 2005, the state suspended the Incumbent Worker Training Program because its Unemployment Insurance tax fund is severely overburdened with post-hurricane claims. In addition, Delgado Community College in New Orleans suffered significant infrastructure damage and many of its students have been displaced, unable to continue their studies. We hope the state can secure the resources necessary to restore the training program and rebuild Delgado, in addition to the other community and technical colleges impacted by the hurricanes. Our thoughts are with all Louisianans as they rebuild their lives and their state.

Executive Summary

As many as one in four Americans earn poverty-level wages, typically in jobs that offer few or no benefits.¹ In general, steady work alone is not enough to help these workers increase their earnings significantly or advance to better jobs; some postsecondary education or training, and supports targeting advancement are often necessary.² In addition, access to employers that offer room for wage growth—particularly those in higher-wage sectors of the economy, such as construction, manufacturing, transportation, and health services—increases workers’ chances of moving to better jobs over time.³

States can influence the quality of local jobs by targeting economic and workforce development efforts toward businesses providing “good jobs”—those that offer wages that can support a family, health care and other benefits, and opportunities for advancement. A key question for policymakers and program administrators is: which skills-upgrading policies and programs most effectively achieve the dual

goals of helping workers advance and helping businesses create and keep good jobs?

This report examines one promising approach: state and local partnerships with business and industry to train low-wage workers and help them advance. For this analysis, we examined partnerships that:

- Involve an investment of public funds and are managed by a public sector institution (business and industry also typically invest in these partnerships);
- Give business a lead role in identifying job training needs and paths to job advancement, often for their own employees;
- Provide job training through public, non-profit, and for-profit institutions, sometimes at the worksite.

Government-business training partnerships can take many different forms. For this report, we identified the following three models that appear to be the most common at the state and local level.

• **Incumbent Worker and Customized Training** programs provide businesses with grants to partner with training providers to offer job-specific training of incumbent workers and/or new hires.

• **Career Ladders or Pathways** initiatives map the range of jobs and linked educational opportunities, typically within a specific sector, and fill gaps in education and training services.

• **State Skills Certificates and Panels** convene employers within a particular business or industry sector to ascertain workforce development needs and/or to give individuals occupational credentials that are portable from one employer to another.

We examined five initiatives in Georgia, Kentucky, Louisiana, and Massachusetts that illustrate the potential of these models. These partnerships use a variety of mechanisms to encourage the inclusion of low-wage workers in their training programs and support them in gaining a foothold on the career ladder—including tapping commu-

1 Conlin, Michelle and Aaron Bernstein. 2004. “Working...and Poor.” *Business Week*. May 31, 2004.

2 Poppe, Nan, Julie Strawn, and Karin Martinson. 2003. “Whose Job Is It: Creating Opportunities for Advancement.” *Workforce Intermediaries in the 21st Century*. Robert P. Giloth (Ed.). Philadelphia, PA: Temple.

3 Ibid.

nity colleges to provide training and credentialing to workers. For each partnership, we conducted site visits to interview program managers and other staff; in some states, we also met with other key partners, such as training providers and businesses. It is important to note that to date, few data are available on the outcomes for workers and businesses in these partnerships; we offer the examples in this report as illustrations of different approaches rather than as proven models.

Our research suggests that these types of training partnerships can be an effective tool for advancing low-wage workers. However, this is unlikely to happen automatically; partnerships must be carefully designed to achieve this goal.

Recommendations for Effective Partnerships

To ensure that efforts advance low-wage workers, states and localities should be selective in choosing business partners—for example, selecting occupational pathways with the most opportunity for advancement; targeting higher-wage sectors; and choosing firms with historically lower turnover, larger firms with internal career ladders, and firms that offer on-the-job training and other supports (such as tuition assistance). In addition, we offer the following recommendations for states and localities interested in establishing partnerships with businesses to advance low-wage workers.

- When using public funds for training partnerships, find creative ways to ensure that the training benefits low-wage workers—for example, by targeting training grants according to workers’ skills, job level, occupational cluster or sector, and/or geographic region.
 - Link the training provided to wage increases or job promotions.
 - Incorporate basic education and English language instruction into training so that it is accessible to lower-skilled workers.
 - Wherever possible, require business partners to provide paid release time for training.
 - Offer on-site training, preferably during work hours, or flexible scheduling at off-site locations.
 - Help workers earn college certificates and degrees over time by offering transferable college credit for partnership training.
 - Support workers’ participation in training with career and academic counseling, tutoring, soft-skills training, opportunities for peer networking, and other supportive services, such as child care.
- involve—and build the capacity of—the entire state workforce education system. Ultimately, a state’s workforce education system should be able to:
- Fund statewide innovation and program improvement in workforce education to better meet the needs of business and workers.
 - Ensure state workforce education programs reflect the skills that low-wage workers need to advance and that businesses need to grow.
 - Support success for low-wage workers in workforce education programs across the state.
 - Fix the “leaky” pipeline of low-income workers into postsecondary workforce education by smoothing transitions from adult education, English language services, and college remedial education into workforce programs.
 - Align state policies across relevant workforce, postsecondary, welfare, and economic development programs and accountability systems to support business growth and low-wage worker advancement.

Beyond “Partnership Projects”

We hope that our analysis will enable states and localities to build on the lessons learned from these efforts and bring their own approaches to scale, serving a higher share of state businesses and low-wage workers. The goal should be to move beyond isolated partnership projects to efforts that

The report that follows includes background on the use of these partnerships as a strategy for advancing low-wage workers and offers specific examples from the five initiatives that we examined. The final section of the report provides in-depth profiles of each training partnership, and includes contact information for readers interested in learning more.

Section 1

Partnerships 101: How Governments and Businesses Are Working Together to Advance Low-Wage Workers

Helping low-wage workers upgrade their skills is a critical part of public policies to advance workers and to attract and retain “good jobs” that pay enough to support a family and offer health care, sick leave, and other key benefits. Less clear is which skills-upgrading policies and programs can most effectively achieve the dual goals of helping workers advance and helping businesses to create and keep good jobs.

In this report, we share lessons on one promising strategy: state and local partnerships with business and industry aimed at training low-wage workers and helping them advance. If properly designed and implemented, these training partnerships can offer important benefits to business, workers, and the public—and promote key economic and workforce goals.

We define government-business partnerships for training as those that:

- Involve an investment of public funds and are managed by a public sector institution (business and industry also typically invest in these partnerships);

- Give business a lead role in identifying job training needs and paths to job advancement, often for their own employees;
- Provide job training through public, non-profit, and for-profit institutions, sometimes at the worksite.

We chose to profile only those training partnerships that were funded and managed at the state level and focused at least in part on advancing low-wage workers. In some cases, the programs were not specifically designed to focus on low-wage workers, but this population was served as part of a broader group.

To learn how training partnerships might promote job advancement among low-wage workers, we selected five initiatives in four states—Georgia, Kentucky, Louisiana, and Massachusetts—that illustrate the potential of three specific models. Through interviews with program staff, we attempted to capture each state’s experience with the initiative in order to offer some lessons on designing and operating programs that address the needs of low-wage workers and business. The lessons presented in this paper are designed to assist

Potential Benefits of Government-Business Partnerships for Training

Benefits for business:

- Meet skills shortages
- Increase productivity
- Retain workers
- Leverage public resources

Benefits for workers:

- Hiring or promotion as a result of training
- Training at worksite, provided during work hours
- Pay for time spent in training

Benefits for public:

- Increase state’s attractiveness to business
- Increase worker incomes
- Increase business productivity
- Promote sectors that offer higher-wage jobs with benefits
- Leverage private resources



policymakers in developing new initiatives, as well to inform program administrators and managers of existing programs.

Hard at Work, but Still Poor

- One in four American workers earns poverty-level wages—less than \$9.04 an hour (Conlin and Bernstein, 2004).
- 46 percent of working parents below the poverty level have no paid leave of any kind. In contrast, just 16 percent of working parents above 200 percent of poverty do not receive any paid leave (Ross Phillips, 2004).
- In 2003, only one-quarter of workers in the bottom fifth of the wage distribution had health insurance (Mishel et al., 2005).
- Lack of skills is just one factor preventing access to better paying jobs; in some areas there simply are not enough good jobs to go around regardless of skills (Handel, 2005).



Helping Low-Wage Workers Advance: Why Skills Matter

Earnings and employment are strongly linked to educational attainment. While earnings for college graduates have recently plateaued, it is still the case that those with postsecondary credentials earn substantially more and work more hours than those with just a high school education or less.

- Businesses pay about 10 percent higher wages for each additional year of schooling beyond high school (Barrow and Rouse, 2005).
- This “premium” paid by business for postsecondary education has increased substantially over the last three decades. In 1973, business was willing to pay \$6.21 more an hour for a college graduate than a high school graduate; by 2003 business was willing to pay \$9.87 more (Mishel et al., 2005).
- Between 2004 and 2014, 24 of the 30 fastest-growing occupations are predicted to be filled by people with postsecondary education or training (either a vocational certificate or a degree). Total job openings over this period are expected to be more varied, with 45 percent going to those with a high school diploma or less and 26 percent filled by those with some college but not a Bachelor’s degree (Hecker, 2005).

- The lower-skilled openings generally have correspondingly low pay. Among the top 30 jobs with the most openings, those offering high or very high wages—for example, administrative/clerical work, building maintenance and repair, and carpentry—typically will go to workers with either a degree or significant on-the-job training through apprenticeships or community colleges (Hecker, 2005).

In recent years, many Americans have found themselves working for low wages, often without access to important job benefits. The majority of these workers appear to be stuck in low-wage jobs for long periods of time (Meyer and Cancian, 2000). One recent study found that while low earners experience some earnings gains over time, only about a fourth or fewer permanently escaped their low-wage status (Andersson, Holzer, and Lane, 2005).

In general, steady work alone is not enough for lower-skilled workers to advance. The wages of full-time workers remaining with the same employer generally increase by about 2 percent per year for high school graduates and about 1 percent for those without a high school diploma (Poppe et al., 2004). In other words, a high school graduate working for \$8 an hour could expect to see his or her wages increase by about 16 cents a year.

While many factors affect whether low-wage workers move up to bet-

ter jobs over time, the two observable categories that appear to matter most are (1) the skills of the individual and (2) the characteristics of the employer. Higher basic skills and postsecondary credentials are linked to higher wages; they also improve the likelihood of finding a better job initially and of wage growth over time (Poppe et al., 2004). Employers in higher-wage sectors of the economy—for example, construction, manufacturing, transportation, or health services—offer higher rates of advancement for lower earners than those in other sectors. Large firms and those with low turnover rates generally offer more on-the-job training and opportunities for promotion, enhancing workers’ advancement prospects. Job changes that move individuals from lower-wage to higher-wage employers generate greater wage growth over time than long-term job retention at low-wage firms (Andersson, Holzer, and Lane, 2005).

States can affect the quality of jobs by targeting economic development efforts—including training partnerships—toward businesses that can offer good wages, benefits, and opportunities for advancement. By offering a wide spectrum of effective, accessible, and connected workforce development services that include basic education and English language services, job training, and postsecondary degree opportunities, states can help workers upgrade their skills. The power of a strong training partnership lies precisely in its abili-

ty to connect these two strategies of growth and advancement.

There are potential pitfalls to these partnerships that must be acknowledged—for example, the use of public funds to pay for training that business would otherwise cover, to train only higher-level workers who often can upgrade their skills without public help, or to train workers for jobs that do not improve their economic circumstances. The partnerships in our study developed methods to address some of these issues; we discuss their experiences in Part Two of this report.

A Closer Look at Government-Business Partnerships for Training

Training partnerships can take on many different forms. For this report, we identified three different models that cover a relatively broad range of efforts. These appear to be the most commonly used models at the state level.

• **Incumbent and Customized Worker Training.** Typically, these state programs provide businesses with grants to partner with training providers to offer job-specific training for incumbent workers and/or new hires. While they vary widely in size and scope, many of these programs are funded through employer taxes. According to research by the Government Accountability Office (GAO), 23 states reported using employer tax revenues in 2002—including

Unemployment Insurance (UI) tax offsets, UI penalty and interest funds, and separate employer taxes—to fund training programs (GAO, 2004). Most do not focus specifically on low-wage workers.



Photo courtesy of Kentucky Career Pathways.

• **Career Ladders or Pathways.**

These initiatives seek to make both the labor market and relevant educational programs more transparent to workers and businesses by mapping them and by filling gaps in training if needed. Ideally, the ladder begins at the lowest literacy and English language levels and extends all the way through a four-year college degree, and includes comprehensive services to support student success. Unlike incumbent and customized worker training programs, career ladder efforts are generally not geared toward a specific employer, but instead cover a certain sector or industry, such as health care. Several states—Arkansas, California,

Kentucky, Massachusetts, Ohio, and Oregon—have recently embarked on statewide efforts to promote career ladders or pathways initiatives. These efforts are relatively new and just beginning implementation in most areas.

• **State Skills Certificates and Panels.** These initiatives convene employers within a particular business or industry sector to ascertain workforce development needs and to give workers occupational credentials that are portable from one employer to another. If developed in close collaboration with business, these certificates fall within our notion of training partnerships. State occupational skills certificates provide a mechanism for workers to document their mastery of a specific set of job skills. Involving businesses themselves in identifying the competencies required for a certificate can establish a uniform method of communicating the skills required for specific jobs and enable community colleges and other providers to standardize the training they offer. A number of states—including Georgia, Kentucky, Louisiana, North Carolina, Oregon,



Vermont, Washington, and Wisconsin—have sought to incorporate industry-based or state-developed occupational certifications into their public workforce and community and technical college offerings (National Skills Standards Board Institute, 2003).

To identify ways that these partnerships might promote job advancement for low-wage workers, we chose to examine five programs that represented this range of models. These five projects are each funded and managed at the

state level and have a relatively strong emphasis, either by design or in practice, on serving low-wage workers. We selected these partnerships after a careful review of the literature on job advancement programs for low-wage workers and consultations with experts in the field. To ensure that the partnerships had reached some level of maturity, we limited our examples—with the exception of Kentucky—to programs that were operating at a substantial scale and for at least one year at the time of selection.

Interestingly, three of the five workforce development initiatives we selected use a sectoral approach, partnering with employers to meet skills upgrading needs within particular industries. One of these, the Massachusetts Extended Care Career Ladder Initiative, uses its sectoral focus to go beyond meeting workforce development needs—it outlines an explicit goal of changing the long-term care sector by improving the quality of care.¹

We studied the five initiatives described on the following page.

¹ For more information on sectoral workforce development, see the Aspen Institute's *Measuring Up and Weighing In: Industry-Based Workforce Development Training Results in Strong Employment Outcomes*, at <http://www.aspenwsi.org/publicationdetailsdb.asp?pid=15>.

Incumbent and Customized Worker Training

- **Louisiana Incumbent Worker Training Program (IWTP).** The state provides grants to partnerships of business and training providers for customized training to incumbent workers. Established in 1998, the program receives \$50 million annually from a portion of the state UI tax and has provided training for over 100,000 workers. The program is operated by the Louisiana Department of Labor.
- **Massachusetts Workforce Training Fund (WTF).** The state provides grants to partnerships of business and training providers for customized training to incumbent and newly hired workers, with a strong emphasis on private sector investment in training. Enacted in 1999, the fund is financed through employer contributions to the UI tax fund, with a funding level of approximately \$22 million per year. The program, operated by the Massachusetts Department of Workforce Development, provides training to approximately 27,000 workers annually. Training can include basic skills and English for Speakers of Other Languages, and a pilot set aside funds specifically for this type of training.

Career Ladders or Pathways

- **Massachusetts Extended Care Career Ladder Initiative (ECCLI).** Enacted in 2000, this statewide project seeks to improve the quality of nursing home care, in large part by increasing workers' skills. ECCLI provides grants to consortiums of nursing homes, community colleges, and others to create career ladders and to address staff training, work environment, and quality of care issues. Career ladders initially focused on lower-level jobs, from food service and patient care assistants through various levels of Certified Nursing Assistants (CNAs). Recent grants build the upper part of the career ladder to help CNAs move into Licensed Practical Nurse (LPN) positions. Operated by the Commonwealth Corporation, a quasi-public state agency, the program has received \$15 million since its inception and has trained over 5,500 nursing home employees.
- **Kentucky Career Pathways.** Begun in 2004, the Kentucky Community and Technical College System (KCTCS) provides funding to develop and implement career pathways that assist low-income individuals in entering or advancing in occupations that meet business needs. Occupations vary, with health the most common, followed by manufacturing. Funding is provided to partnerships of community colleges, business, and other stakeholders to design pathways, provide training, and supply employees for referrals. The program is funded partially by the KCTCS workforce development trust fund (KY WINS) with the 16 participating colleges receiving \$3.3 million from the state and \$3 million from business partners through cash and in-kind contributions. By fall 2005, nearly 1,000 students had been served through Career Pathways. These students participated in for-credit coursework at colleges or engaged in such non-credit coursework as workforce training, Adult Basic Education, and GED programs.

State Skills Certificates and Panels

- **Georgia Statewide Certified Specialist Programs.** For this initiative, the state convened groups of large employers to develop standardized statewide for-credit curricula and credentials in key sectors such as construction, manufacturing, warehousing and distribution, insurance, and customer service. The Certified Specialist Programs are operated by the Georgia Department of Technical and Adult Education (DTAE). Funding for development is provided by DTAE, with staff assistance provided by the Department's customized training unit, Quick Start. Training is provided by technical colleges and universities and tuition, books, and fees are covered by HOPE Grants, the state-funded financial aid program. As of 2005, over 20,000 certificates have been issued.

For each partnership, we conducted site visits to interview program managers and other staff; in some states, we also met with other key partners, such as training providers and businesses. We interviewed the following staff at each initiative site.

- **In Louisiana**, we met with staff from the Office of the Governor and the Department of Labor, and faculty and administrators at the Baton Rouge Community College. We also

interviewed staff from Delgado (New Orleans) Community College.

- **In Massachusetts**, we met with staff from the Workforce Training Fund unit of the state Department of Workforce Development, the Commonwealth Corporation, the Boston Private Industry Council, and Creative Workplace Learning, a training provider for the Workforce Training Fund. We also visited Notre Dame Long-Term Care Center in Worcester, where we interviewed administrators from area nursing homes and service providers.

- **In Kentucky**, we met with staff from the Kentucky Community and Technical College System, including several community and

technical colleges, in addition to staff from the Adult Education division of the Council on Postsecondary Education and Jefferson County (Louisville) Adult Education.

- **In Georgia**, we met with staff from the Department of Technical and Adult Education, including the Quick Start division, the Georgia Student Financing Commission, and local staff and students at Lanier Technical College. In addition, we met with management at Kubota Manufacturing.

Part Three of this report profiles each partnership in depth, with information on its goals, funding, enrollment, design, and some lessons drawn from the state's experience with the initiative. It is important to note that while the partnerships we profile appear promising, none has been independently evaluated and few data are available on employment and earnings outcomes. We provide these case studies as illustrations of particular approaches, not as proven programs, and believe their experiences can offer lessons about the benefits and challenges of each strategy.



Images and photos courtesy of Louisiana Incumbent Worker Training Program (training with mannequins).

Section 2

Applied Studies: Lessons for States and Localities from the Five Initiatives

Designing Partnerships to Advance Low-Wage Workers

Many government-business partnerships for training do not focus specifically on the advancement of low-wage workers. Incumbent and customized worker training programs, for example, typically provide training to workers at all wage and skill levels—including highly skilled workers, such as engineers, electricians, and senior management—in part because this is what employers request and many of these programs are funded with employer payroll taxes. In fact, two of the strongest predictors of whether a worker will receive employer support for upgrading his or her skills are higher initial education attainment and a household income of at least \$50,000 (Kim et al., 2004). As a result, low-wage workers often lack workplace opportunities to increase their skills. The partnerships we studied use a variety of mechanisms to encourage the inclusion of low-wage workers in the training programs and to ensure that the program design is a good fit for low-wage workers. Without these mechanisms, some programs—particularly incumbent and cus-

tomized worker training programs—could easily lose sight of low-wage workers’ needs.

Based on our analysis of the five initiatives, we recommend that states and localities consider the following when designing and implementing training partnerships.

SERVE LOW-WAGE WORKERS IN WAYS THAT MAINTAIN CREDIBILITY WITH BUSINESS.

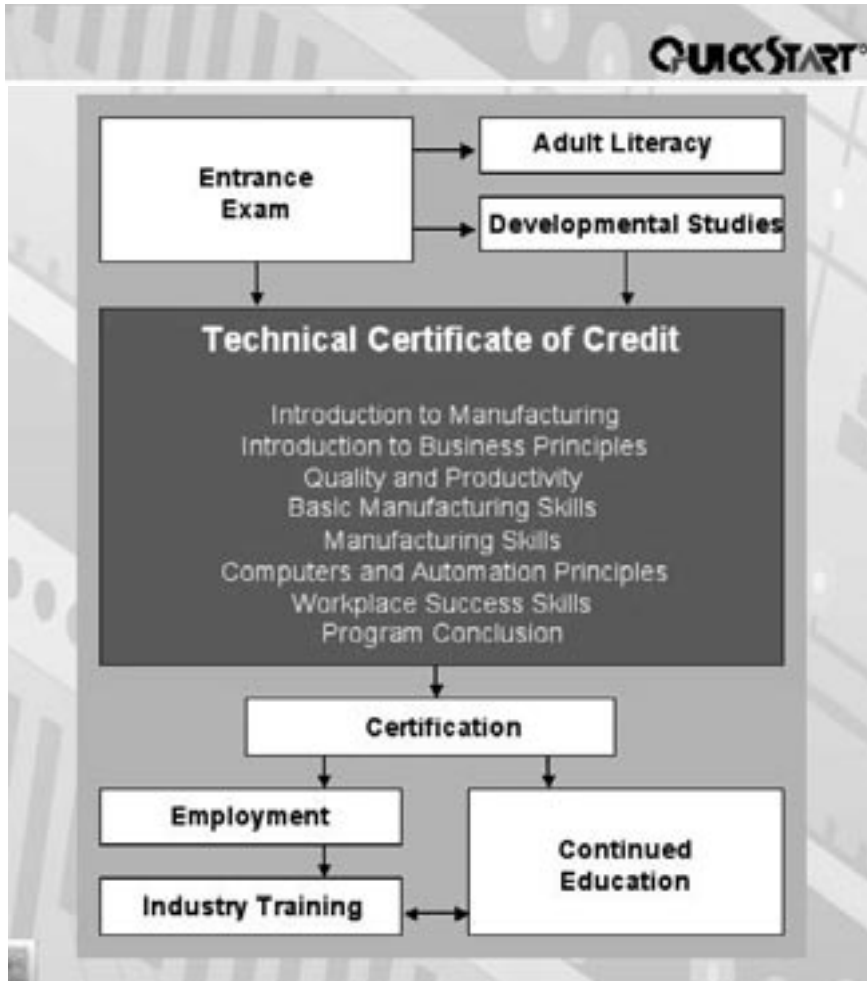
As noted above, it is important that training reach low-wage workers—but targeting training by income might stigmatize a training partnership as a program only for low-income people and undercut support for it among the public and employers. The programs we observed tended to use indirect means of including low-wage workers in training, and to serve this population as part of a wider spectrum of workers.

- Georgia’s Certified Specialist programs target lower-skilled individuals by including entry-level positions and providing adult and remedial education services, where necessary. (See Georgia graphic, page 10.)
- The Massachusetts Workforce Training Fund does extra out-

reach to businesses in low-income areas to encourage them to apply for grants.

- Louisiana’s Incumbent Worker Training Program provides extra points in the review process for grant applications from employers who have recently hired public assistance recipients or ex-offenders.
- Massachusetts’ Extended Care Career Ladder Initiative program initially targeted a low-wage occupation that suffers from turnover and quality problems, Certified Nursing Assistants (CNAs), for additional training and wage growth. Many grantees also developed CNA preparation programs for individuals in even lower-paid jobs, such as food service and housekeeping. Subsequent grants are aimed at helping CNAs move into Licensed Practical Nurse (LPN) and other higher-paid positions.
- The Kentucky Career Pathways initiative is similarly targeted to entry-level positions in health care, construction, and manufacturing. In addition, sites are evaluated on how extensively they target participants from adult education, college remedial education programs, and wel-

Georgia Certified Manufacturing Specialist Program



fare agencies (see *A Closer Look: Kentucky*, page 11).

An instructive example beyond the scope of this report is New Jersey’s Unemployment Insurance-funded \$100 million Workforce Development Partnership Program, which includes a goal that 15 percent of participants be former cash assistance recipients (New Jersey Legislature, 2004).

In addition, states and localities can ensure that partnerships advance low-wage workers by being selective in choosing business partners. They can focus, for example, on occupational pathways with the most opportunity for advancement, target higher-wage sectors, and choose firms with historically lower turnover, larger firms with internal career ladders, and those that offer on-the-job training and other supports (such as tuition assistance) for workers to upgrade skills.

LINK TRAINING TO WAGE INCREASES OR JOB PROMOTIONS.

It is important for workers to see a direct payoff from training—in addition to improving their economic well-being, this increases workers’ motivation, performance, and attendance. The incumbent and customized training programs we examined encourage employers to give wage increases and/or promotions to participants completing training by including the expected wage level or increase among the criteria for grant approval. The career ladder programs generally work with businesses to map the steps in training and work experience that correspond to specific jobs, with expected pay ranges included.

- Massachusetts requires that health care workers who receive training through the Extended Care Career Ladder Initiative earn a wage increase for every step of education and training they complete on the career ladder; the nursing home that receives the grant determines the level of the raise. Some nursing homes promote workers upon completion of training—for instance, from CNA 1 to CNA 2 or above.
- Louisiana’s Incumbent Worker Training Program measures performance for each grantee based on wage increases for those who went through the training—with a goal of a 10 to 15 percent increase depending upon the initial wage level.

A Closer Look: Kentucky

Developing Career Pathways for Low-Wage Workers

The Kentucky Community and Technical College System sought proposals from community colleges to build career pathways programs in high-demand occupations with good pay and benefits. They did this by:

- Developing career maps, designed jointly by the college and business, focusing on job and educational advancement for low-wage workers that meet business needs—these maps establish a sequence of connected skills-upgrading and job opportunities, with each step on the ladder leading to a job or further training;
- Involving regional employers, adult education providers, economic development organizations, Workforce Investment Boards (WIBs), one-stop partners, human service agencies and others in curriculum development, recruiting, and workplace learning opportunities;
- Aligning curriculum so that students do not fall through the cracks at transition points between adult and remedial education and for-credit occupational training and jobs, or certificate and diploma completion and Associate’s and Bachelor’s degrees and jobs;
- Providing innovative instruction to meet the needs of low-wage workers, such as contextual education (teaching basic skills within the context of job/college preparation and training), evening or weekend course schedules, and modular curricula;
- Developing bridge programs that teach basic proficiencies like math, reading, and workplace skills within the context of job training, and help move the student from one step to the next on the pathway;
- Offering support services such as child care, financial aid, tutoring, case management, career coaching, and job placement.

Not all industries are appropriate for this type of effort—those that lack a logical internal ladder, are experiencing changes within the industry (such as mergers or reorganization), or lack managerial support are not well-suited to this approach. Others, such as allied-health professions, offer well-developed career ladders such as from CNA to LPN to Registered Nurse (RN).



Because Georgia’s Certified Specialist Programs are structured differently than those in Massachusetts and Louisiana (where businesses are given state funding for training), the

Georgia program does not have the same leverage to *require* businesses to increase wages upon completion of training, but they do encourage it and as a result, some employers do so.

For example, Kubota Manufacturing rewards all employees who earn the Certified Manufacturing Specialist Technical Certificate of Credit with a \$1 per hour raise (the entry-level wage for this job class is \$11 to \$13 per hour). Although Kubota does not provide release time for its employees seeking certification—employees complete 160 hours of training on their own time at Lanier Technical College—its employees noted that the wage increase provides a strong incentive for them to enroll.

“We all started because of the money, but now we’re here because we realize we need to get ahead and learning is the key.”

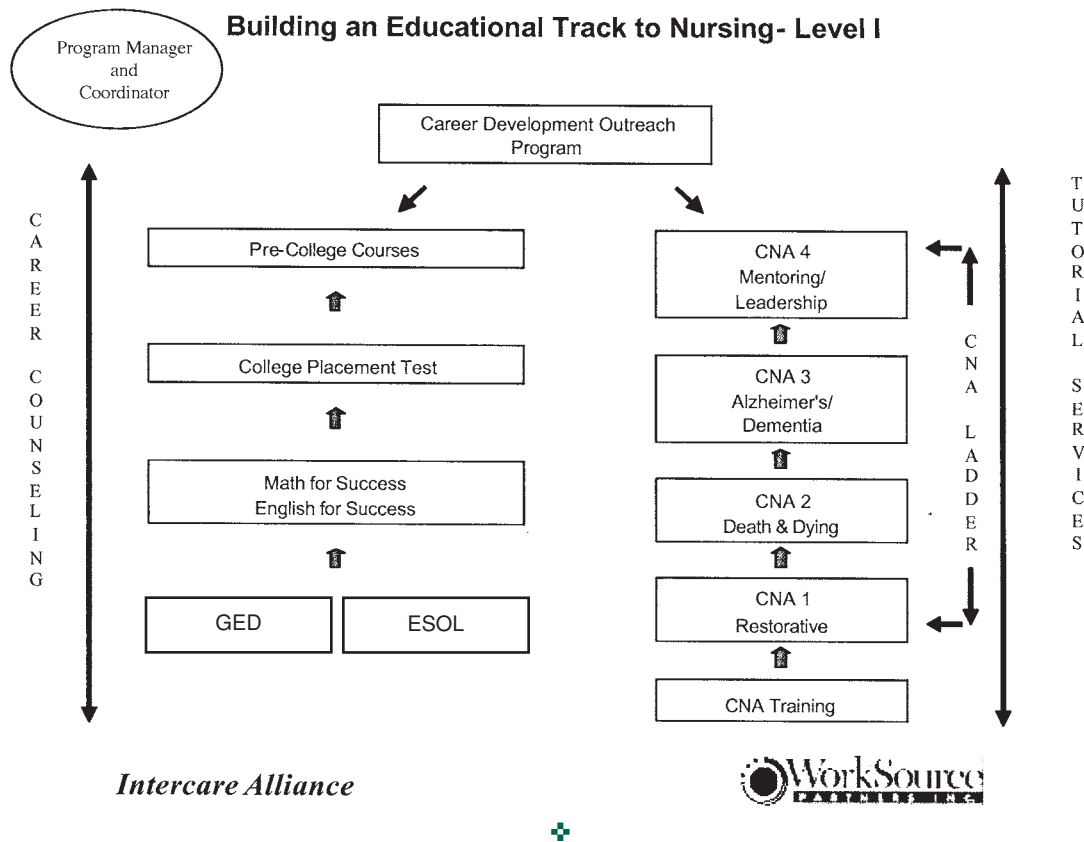
—Kubota factory worker in the Spanish-language Certified Manufacturing Specialist course at Lanier Technical College in Georgia



INCORPORATE BASIC EDUCATION AND ENGLISH LANGUAGE TRAINING INTO PARTNERSHIP TRAINING.

Most training partnerships are designed to provide technical training—but many low-wage workers lack adequate reading, writing, and math skills to benefit

Massachusetts Extended Care Career Ladder Initiative: Ladder 1



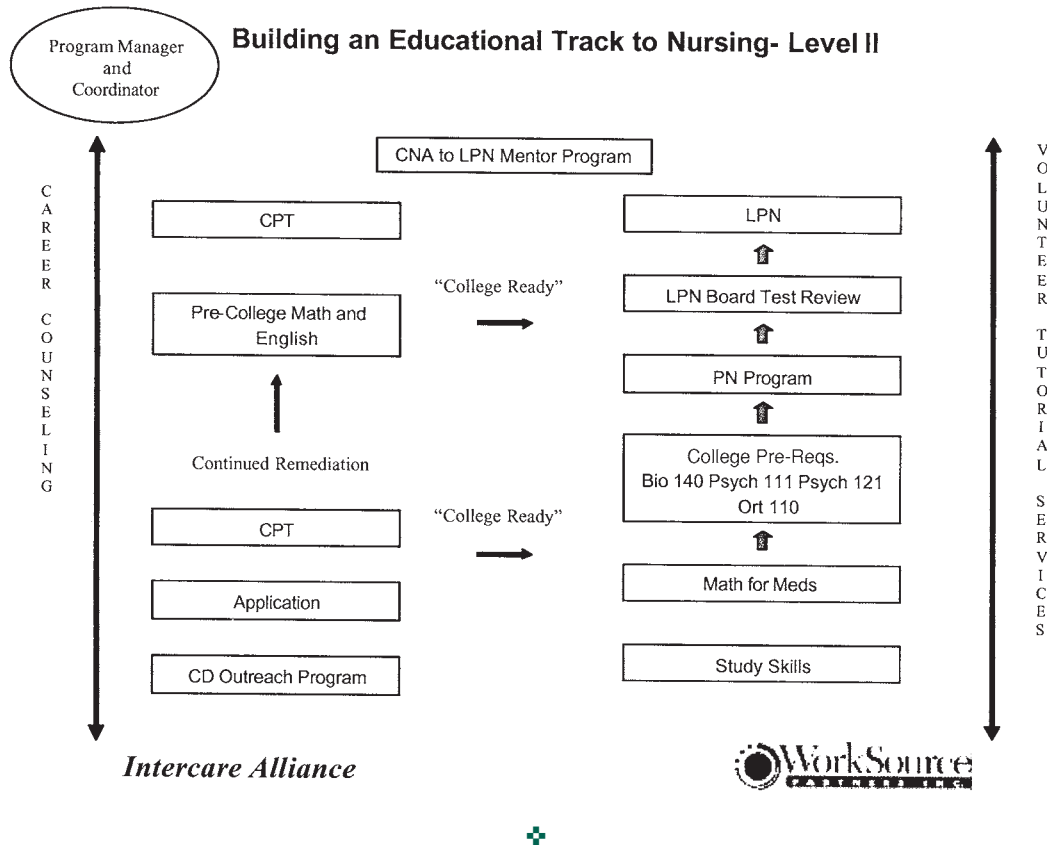
from technical training, or have limited proficiency in English. As a result, most programs we visited found that their initial assumptions about low-wage workers' readiness for training were unrealistic; they were forced to revise their training programs to build in more time to bolster basic academic and English skills. This type of training can be tied to the occupational training by incorporating job-specific tasks and vocabulary into reading, writing, math, and English instruction. Remediation and English language services tailored to prepare

individuals to succeed in training for specific jobs are sometimes called "bridge" programs, and often also cover other areas viewed as essential for workplace and/or college success, such as problem-solving, working in teams, and study habits. (These "soft skills" are discussed in greater detail below.)

- Massachusetts' Workforce Training Fund initially did not encourage funding for basic education and English language services as part of the grants, but revised this policy when

businesses stressed that these services would increase the productivity of their companies. State staff prefer that grantees provide at least four hours of basic skills training per week, and have provided additional funding so that grantees can do so. In addition, a 2005 pilot set aside funding specifically for basic skills and English language training, while also encouraging general training grants to include basic skills and English language instruction.

Massachusetts Extended Care Career Ladder Initiative: Ladder 2



- More recent phases of Massachusetts’ Extended Care Career Ladder Initiative have focused on funding bridge programs that consist of pre-college reading, math, science, and English language instruction, when necessary, to help prepare CNAs to pass the LPN entrance exam (see *A Closer Look: Massachusetts*, page 15).
- In planning its Career Pathways initiative, the Kentucky Community and Technical College System identified basic and English language skills, as well as college remediation, as

integral components to meeting business’ needs for skilled employees. Louisville’s Jefferson Community and Technical College—which focuses on advancing entry-level health workers to LPN status—found that many of the employees needed basic education classes to prepare for higher-level health classes. In response, the college linked with Jefferson County Public Schools Adult Education Program and also designed a customized General Education 101 class that integrates medical texts and materials, and

provides reading instruction within the context of anatomy and physiology. Similarly, the remedial math classes use health-related materials. The college expects that exposure to such concepts early in the college career will better prepare students to integrate this knowledge as they advance in the program.

- For Georgia’s Certified Specialist Programs, materials are written at the eighth grade level in recognition of the lower skills of some students seeking training. Students can

A Closer Look: Massachusetts

Bridge Programs in the Extended Care Career Ladder Initiative (ECCLI)

The Holy Trinity Nursing and Rehabilitation Center and Notre Dame Long Term Care Center in Massachusetts, working together with other area nursing homes via the Intercare Alliance, have a well-developed career ladder, funded by multiple ECCLI grants. The nursing homes offer four training modules – Death and Dying, Alzheimer’s Compassionate Care, Restorative Nursing Care, and Mentoring/Leadership. Certified Nursing Assistants (CNA) receive a 20 to 30 cent per hour wage increase for each module they complete (for a total of 80 cents to \$1.20 per hour). In addition, Quinsigmond College, a local community college, set aside 24 slots in their Licensed Practical Nurse (LPN) program for the nursing homes’ CNA students. The biology and psychology components of the LPN program for these students are provided on-site at the nursing home by the college.

ECCLI funds “bridge” basic skills training (English language, pre-college reading, writing, and math, and GED preparation), also provided by Quinsigmond College, that students will need to pass the LPN program entrance exam as well as career coaching and mentoring, which are viewed as critical to these students’ success. Workers receive 50 percent release time for attending class so that half of their time in class is paid. The participating nursing homes provide full scholarships for their workers to attend the LPN program in exchange for a two-year commitment to work at the nursing home once they graduate, and competition is tight to gain a slot in the program. Participants work part-time while in the program, but continue to receive their full employee benefits. Notre Dame also renovated part of the nursing home to develop an educational center where classes are held for their employees as well as those from other Intercare Alliance facilities participating in ECCLI.



also use HOPE Grants for college remedial courses. The state has translated the Certified Manufacturing Specialist program into Spanish, which opened up the certification to the Spanish-speaking workers at Kubota Manufacturing, who represent more than 50 percent

of the employer’s workforce. In addition, the company donated \$100,000 to the local community college to ensure that immigrant workers could access the certification program even if they did not meet residency requirements for HOPE Grants or other financial support.²

Another example comes from New Jersey’s Workforce Development Partnership Program, the state’s training fund, which devotes a fifth of its budget—over \$20 million annually—to the Supplemental Workforce Fund for Basic Skills. Under the supplemental fund, employed and unemployed workers receive basic skills training in reading comprehension, basic math, basic computer literacy, English proficiency, work readiness, and other areas. The state’s Customized Training program receives over one-third of the supplemental fund’s dollars to provide basic skills and literacy training.

WHERE POSSIBLE, REQUIRE BUSINESS PARTNERS TO PROVIDE PAID RELEASE TIME FOR PARTNERSHIP TRAINING.

Many low-wage workers hold multiple jobs and/or have children, making it difficult to pursue training that occurs outside of work hours. Several of the programs we examined found that partial or full release time to attend training was critical to regular attendance and program completion. Our discussions with program administrators made it clear that some jobs accommodate paid release time more than others. For instance, employers with jobs that required high levels of customer interaction—CNA positions, for example—had more dif-

² Immigrants must have been U.S. citizens or Permanent Resident Aliens for at least 12 months to be eligible for the HOPE Grant or Scholarship.

faculty arranging training and covering the responsibilities of employees who were in training.

- In Massachusetts, the Extended Care Career Ladder Initiative requires employers to pay a wage for at least half of the time workers spend in class (known as “50 percent paid release time”), but most of the nursing homes receiving ECCLI grants paid workers for all of their class time. ECCLI grantees faced some initial challenges in getting supervisor support for releasing employees and rearranging schedules to ensure continuous care to patients. Program managers worked closely with supervisors in rearranging schedules, and the reluctance of these staff largely dissipated as the program progressed and the benefits of the training became apparent.

Massachusetts’ Workforce Training Fund requires employers to match grants dollar-for-dollar, and most grantees meet this requirement by providing paid release time for training.

- In the Louisiana Incumbent Worker Training program, paid release time is strongly encouraged, although not required. Staff report that without paid release time, the training is less successful because it is harder for workers to make the necessary commitment. One company, Exxon, served shift workers by holding training on non-work days, but paying workers overtime for the time spent in class.

OFFER ON-SITE TRAINING, PREFERABLY DURING WORK HOURS, OR FLEXIBLE SCHEDULING AT OFF-SITE LOCATIONS.

Training that is provided at the worksite increases access for workers, particularly for low-wage workers who may not have reliable transportation and who are typically juggling work and training with family responsibilities. Worksite training also provides a familiar location; this may be particularly important for workers who are intimidated by the formal education system or have been away from schooling for several years. Although no states in this study required on-site training, all strongly encouraged it as a component for success.

- Grantees in the Louisiana Incumbent Worker Training Program and in Massachusetts’ Workforce Training Fund primarily provide training at the worksite. This is one of the factors given weight when grant applications are reviewed.
- In order to better facilitate training opportunities for its health workers, some sites in the Extended Care Career Ladder Initiative in Worcester, Massachusetts, renovated part of a nursing home to develop an educational center where classes could be held.
- The Kentucky Career Pathways program requires grantees to report to the state on the instructional innovations in their programs, including evening or weekend course

“We want to allow people to not have to quit their jobs to get training to move up the ladder. The community college is trying to change, but it’s tough to be more flexible on timing, scheduling, and modularization.”

— Dr. Paul McInturff, Vice President of Institutional and Economic Development, West Kentucky Community and Technical College



schedules. Somerset Community College in Kentucky offers its LPN and RN pathways courses on week-day evenings and Saturdays, with completion after one and two years, respectively.

- Georgia’s Lanier Technical College offers the Certified Manufacturing Specialist Program at three different times of the day, enabling workers on each factory shift to take the classes. In addition, new sections of the program can be started on demand if an employer provides enough workers to fill a class, rather than having to wait until the start of the next college quarter.

HELP WORKERS EARN COLLEGE CERTIFICATES AND DEGREES OVER TIME BY OFFERING TRANSFERABLE COLLEGE CREDIT FOR TRAINING.

Current training partnerships—particularly incumbent and customized worker training programs—do not appear to offer much of their training for college credit. In part, this is because the process for approving new for-credit programs can be slow, making it difficult for colleges to respond to the rapidly changing needs of business. Instead, colleges may opt to create training on the more nimble non-credit side of their institutions. In addition, for-credit certificate and degree programs often require that students have a high school diploma or GED as well as specific minimum scores on college readiness tests, which can be a barrier for some workers.

We found that training partnerships can find ways to overcome these obstacles and design their training programs to help low-wage workers work toward certificates or college degrees—which has obvious advantages to the low-wage workforce. For businesses, particularly those in states without incumbent worker or customized training programs, for-credit programs can tap into sources of revenue that non-credit programs cannot. These include student aid, such as Pell grants, and state institutional support for colleges, generally allocated according to for-credit student enrollments. One promising

approach is to break longer for-credit programs into shorter modules that are easier for workers to find time to complete. As long as the module is part of a longer approved program, it can generally be offered for college credit.

“Employers want the full package, including basic skills and soft skills.”

—Wendy Thibodeaux,
Program Manager,
Louisiana Incumbent Worker
Training Program

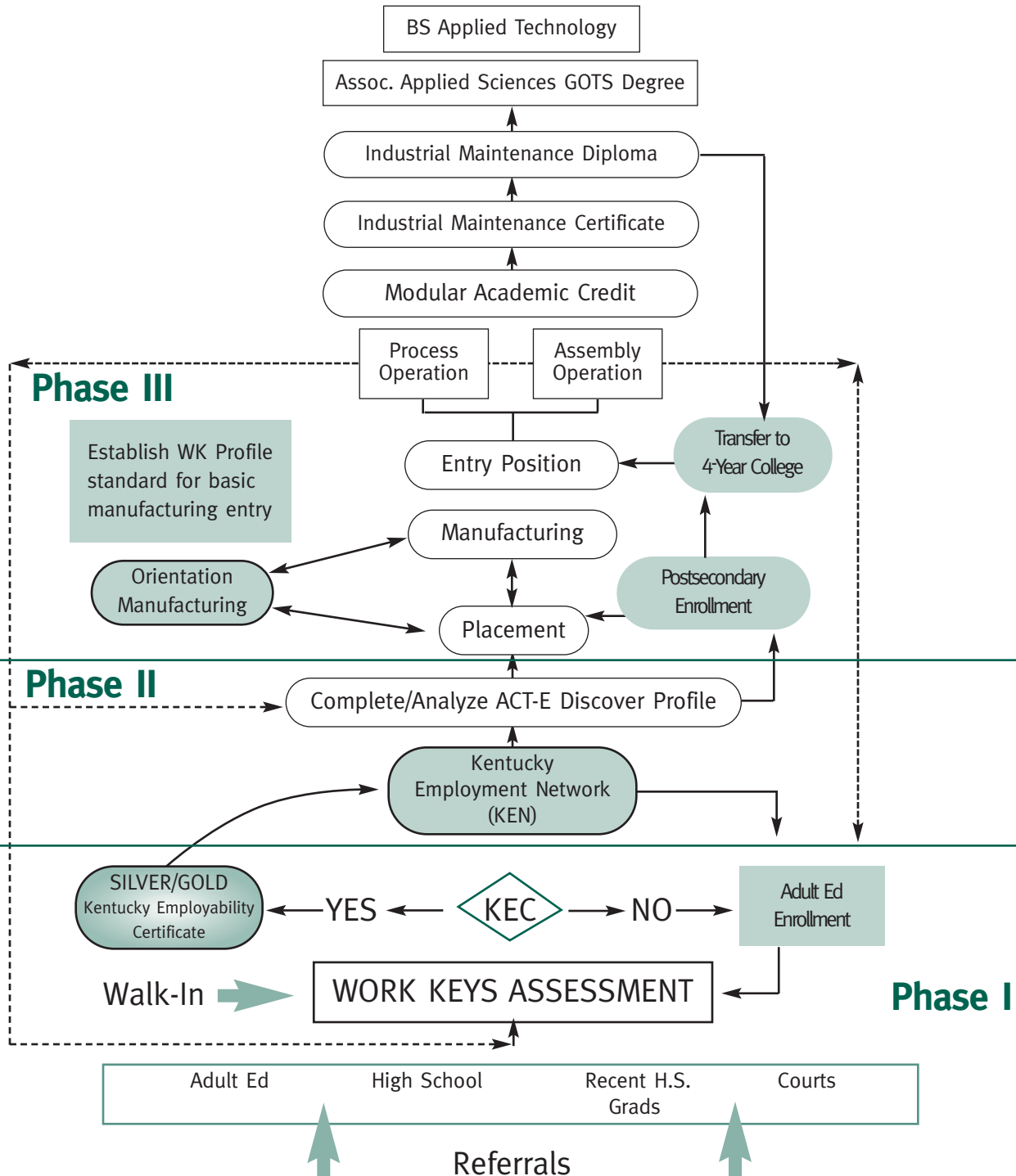


- Georgia’s statewide Certified Specialist Programs and the other 500 technical certificates offered by the technical colleges are all for-credit and most articulate with two-year degrees. The state intends for all credits earned at DTAE institutions to transfer seamlessly within the system.
- The majority of Kentucky’s Career Pathways training will be provided for credit, in part because most of the regions have chosen to develop health career pathways and many health careers require for-credit credentials. Kentucky also requires grantees to document the alignment of their curriculum (both basic skills and certificate/diploma programs) with career path and job requirements.

- Kentucky received approval to run new Pathway programs as one-year pilots, thereby bypassing the typical approval process for new for-credit programs and allowing for quicker implementation. Initially, curriculum committees were hesitant to approve the Pathways’ remedial education modules, so curriculum revision has been slower than the state originally hoped.
- Several Kentucky community colleges are modularizing their for-credit certificate programs as part of the Career Pathways Program. For example, Owensboro Community and Technical College is modularizing its Manufacturing Industrial Technology certificate. Area manufacturing partners have worked with college faculty to identify the technical competencies required for manufacturing workers. Students who complete classes and labs in Applied Math, Electrical Principles, and Maintenance Industrial Equipment are awarded an Industrial Maintenance Trainee Certificate, which fulfills approximately one-third of the requirements for a degree in Industrial Maintenance and one-fourth of those in General Occupational/Technical Studies.
- Louisiana’s Incumbent Worker Training Program is also shifting toward more for-credit training because of a growing emphasis on health careers in the program (see *A Closer Look: New Orleans*, page 18).

Owensboro Community and Technical College's Manufacturing Pathway

Participants are required to take Work Keys assessments in Applied Mathematics, Reading for Information, and Locating Information in Phase I of the pathway. Participants scoring below the level required for a Silver Kentucky Employability Certificate (KEC) can work with the college's adult learning center, SkillTrain, to raise their scores with targeted one-on-one instruction. Those scoring a Silver KEC or above can begin coursework. (For more information on the KEC, see <http://www.kctcs.net/kec>.)



SUPPORT WORKERS' PARTICIPATION IN TRAINING WITH CAREER AND ACADEMIC COUNSELING, TUTORING, SOFT-SKILLS TRAINING, OPPORTUNITIES FOR PEER SUPPORT, AND OTHER SUPPORTIVE SERVICES, SUCH AS CHILD CARE.

In order to succeed in training, many low-wage workers need a variety of services that address career, academic, and personal issues that may interfere with successful participation. Many of these workers have been out of school for some time and may not have had positive experiences there; they may be intimidated by an academic environment and need support from program staff and their peers to gain confidence in their ability to succeed. Some students may need additional tutoring to succeed academically in class. Others may need training in “soft skills” that help them understand workplace skills such as conflict resolution, teamwork, and customer relations.

- In Massachusetts, Extended Care Career Ladder Initiative funds can be used for mentoring and soft skills training in areas such as communication skills, time management, self-esteem, and team building. ECCLI grantees also are required to provide case management and career counseling services so that each employee understands how the career ladder works and designs a plan to accomplish goals. Some sites utilized care facility staff for these tasks, while others con-

**A Closer Look: New Orleans’ Delgado Community College
*Connecting Incumbent Workers to Education***

Delgado Community College in New Orleans has received over \$22 million in grants from the state’s Incumbent Worker Training Program to provide services for over 42 companies. In carrying out these grants, Delgado has found that local companies are very interested in industry-based certifications; thus, the college is creating more for-credit offerings directed at incumbent workers in diverse industries such as insurance, film, telecommunications, and allied health. The college’s Workforce Development and Education Unit hired a staff person from the credit side of the college to conduct assessments of programs and determine credits for them.

The goal, says Sharon Talbert, Executive Director of Community and Economic Development, is to “create a seamless system for the employee to move from credits earned in incumbent worker training on to longer term educational goals.” She noted that the college tries to “touch every student” in their incumbent worker projects and offer them continuing education opportunities. And while the college does much of its incumbent worker training at the worksite, Talbert says that they also make an effort to have workers come to the campus because “we want to expose them to college and [to] think about coming back on their own.”



tracted with community-based organizations.

- Georgia’s Certified Specialist Programs cover a wide variety of work skills. In addition to typical manufacturing skills, such as statistical process control and blueprint reading, Georgia’s Certified Manufacturing Specialist curriculum offers a module on workplace success skills. Topics covered include team interactions/working together, communication style profiles, listening skills, stress management, personal wellness, decision-making, job interview skills, and creating a positive image.
- The Kentucky Community and Technical College System

required colleges to develop supportive services and describe them in Career Pathways applications. Maysville Community and Technical College developed a comprehensive package of services to help promote retention in its health care Career Pathways program. The program coordinator will help students schedule and register for classes, locate additional financial aid, arrange child care, and get academic help. Specialized advisors help students navigate the pathway by providing intensive academic advising and career counseling, and nurses from a partner hospital will serve as mentors. In collaboration with the Adult Basic Education director, the

college has also developed a four-week “Get Ready for College” class that—in addition to math, writing, and reading instruction—addresses the study skills necessary to succeed. The college’s Career Pathways program also includes funding for a nearby child care center to expand its hours.

Ensuring Effective and Sustainable Partnerships

Training partnerships—which typically involve a range of organizations with different missions and goals—can be complex and difficult to establish initially. In our review, we also discovered several potentially strong programs that were no longer operational. When states face severe fiscal constraints, these programs are vulnerable to funding cutbacks or even elimination. The program partners in our study identified several factors that can help partnerships get off to a strong start, and increase the likelihood that these efforts will be sustainable.

REQUIRE THAT BUSINESS AND OTHER KEY PARTNERS BE INVOLVED FROM THE START AND SET GOALS FOR CONCRETE COMMITMENTS FROM EACH PARTNER.

The incumbent and customized worker training programs studied in this paper are designed to ensure business involvement. Awards are made to individual

businesses or consortiums, and training providers cannot receive funds through the program without an employer partner. Other training partnerships may not have as direct a connection with individual employers. Regardless of the program design, beginning the project with all partners involved helps ensure common goals, better coordination, and a clear understanding of expectations, including financial or staff commitments. Some state programs achieve joint involvement by requiring the local training partnership with business to be established in order to receive funding, with approval of the application based in part on the demonstrated commitment of both employers and training providers to the project. By initially emphasizing the partnership aspect, states are better guaranteed success and continued commitment in the long run.

• The Massachusetts Workforce Training Fund strengthens the employer commitment by requiring businesses to match the grants received dollar-for-dollar, either using cash or in-kind resources (for example, employee release time). The state’s Extended Care Career Ladder Initiative requires the involvement of a nursing home or home health care organization to receive funds, and requires them to commit to providing some paid release time for employees while they receive training (see *A Closer Look: Massachusetts*, page 15).

Training partnerships can transform workers into lifelong learners.

Almost all of the Kubota plant workers in the two Certified Manufacturing Specialist classes we observed had never taken a college class before—and nearly all said they planned to come back for more.



• The Kentucky Community and Technical College System’s Request for Proposals for its Career Pathways initiative requires that each partnership involve business as well, with most businesses contributing substantial financial resources and helping determine pertinent skill sets for curriculum redesign. This central focus on up-front employer involvement is partly due to the fact that the Career Pathways initiative is funded through the state customized training program which has always mandated an employer partner. KCTCS also requires partnerships with adult education providers, economic development organizations, Workforce Investment Boards (WIBs), one-stop partners, and human service agencies to har-

“The training here – such as problem resolution – has helped at work and home. My work and private life have improved.”

– Kubota factory worker in the Certified Manufacturing Specialist course at Lanier Technical College in Georgia



ness all of a community’s resources in increasing its workers’ skills.

- Business involvement in Georgia’s statewide Certified Specialist Programs happens initially at the state level. Staff of the Georgia Department of Technical and Adult Education convene groups of businesses with similar workforce needs to identify essential skills and create statewide credentials that are portable across employers and are articulated with college degree programs. With business input, these are updated regularly. Business and industry that participate in creating the credentials agree to guarantee a job interview to anyone who completes the credential and allow their logos to be used in advertisements for the certificates.

BUILD IN SUBSTANTIAL PLANNING TIME—SUPPORTED BY TECHNICAL ASSISTANCE AND FUNDS—TO ESTABLISH PARTNERSHIPS AND DEVELOP PROGRAM DESIGN.

In many of the efforts we studied, the process of bringing partners together was time-consuming and challenging, but initial investments in time and funding led to

stronger projects. Typically, core partners include business, training providers (such as community-based organizations or community colleges), WIBs, and less often, social service agencies. Few of the organizations had worked together in the past, which meant that a range of issues had to be addressed during the initial design phase—including developing an understanding of the goals and

A Closer Look: Georgia

Partnering with Groups of Employers to Address Common Workforce Needs

Georgia has worked with groups of employers at the state level to create standardized, statewide credentials and curricula in five high demand occupational areas:

- Certified Manufacturing Specialist;
- Certified Warehousing and Distribution Specialist;
- Certified Life and Health Insurance Specialist;
- Certified Construction Worker;
- Certified Customer Service Specialist.

College credit is given for these programs and they are articulated with some degree programs. While over 500 for-credit technical certificate programs are offered at the 34 technical colleges and four universities in the state, only five are created through this statewide process with employers, who then help market the certificates with their company endorsements. The state pays for the development of the credentials and curricula—which includes teaching manuals, videos, and other materials—so that the training can be a turnkey operation for the colleges. Tuition, books, and fees for those who enroll in the programs are paid by the Georgia HOPE Grant, the state’s student aid initiative for college programs below the Associate’s degree level. Any Georgia resident can generally qualify for the lottery-funded HOPE Grants, as this aid is not based on financial need or on academic merit. Local colleges often use the availability of these certificates and the HOPE Grants to market their services to individuals and to business. According to one college Vice President of Economic Development, the statewide certificates can open the door for subsequent local partnerships between colleges and business to provide additional, more customized training services on a fee-for-service basis.



perspectives of each group, establishing a training curriculum and schedule that met key partners' needs, and developing a high-quality application for grant funds. Some states developed specific mechanisms to encourage effective collaboration.

- Both Louisiana's Incumbent Worker Training Program and Massachusetts' Workforce Training Fund dedicate state staff to working closely with prospective grantees as they develop their applications. This is at least in part to ensure the partnership between key organizations is well-developed and that training plans are reasonable and achieve business' desired results.

- The Massachusetts Extended Care Career Ladder Initiative requires individual projects to engage the local WIBs—which have experience working with both businesses and training providers—to participate in the planning process and to help forge strong partnerships between these groups.

Massachusetts' Workforce Training Fund has a separate pool of technical assistance funds available to partnerships prior to applying for training grants with the goal of encouraging business to more thoroughly assess their training needs.

- The Kentucky Community and Technical College System provides intensive technical assistance to colleges as they develop their applications for Career Pathways projects and doesn't



Photo courtesy of Louisiana Incumbent Worker Training Program.

mandate a firm deadline for proposals in order to give colleges time to develop relationships with their business partners and clearly develop plans. KCTCS encourages its colleges, in collaboration with employers, to engage in several steps before applying for grants including mapping job advancement opportunities and defining the content of training programs and the type of support services required.

Program managers consistently reported that allowing for a sufficient planning period was critical in order to fully develop a unified vision for the program. Most of these programs did not offer any funds to cover expenses associated with planning; some officials thought the process would have been improved had planning funds been available.

USE TRAINING PARTNERSHIPS TO HELP BUSINESSES IDENTIFY COMMON TRAINING NEEDS.

One of the benefits of training partnerships for workforce development is that the state can play an intermediary role among several businesses to identify common training needs—something that businesses are unlikely to do on their own (Simon, 1997). Using state dollars to support training projects that benefit more than one employer can help stretch state funds and ensure that workers are gaining portable skills and credentials. It can also reduce the competitive risks to companies of investing in training if they and their competitors agree to make similar investments, such as paid release time for those in training.

While the state incumbent and customized worker training programs profiled in this report did

not fund training associated with businesses’ proprietary processes, we did not find a strong emphasis on funding training for skills that are portable across employers. Career Pathways initiatives and state skills certificates and panels appear to do a better job of aggregating training needs because they typically focus on a sector, rather than on an individual firm.

- Massachusetts’ Extended Care Career Ladder Initiative was established to improve the quality of care in nursing homes across the state. While grantees are given flexibility to determine the exact content of the training, the state provides guidance regarding the content of training including a career ladder component, case management and career counseling, basic skills, “culture change” training to improve the environment in nursing homes, and supervisory training.

DESIGNATE SPECIFIC STATE AND LOCAL STAFF TO MANAGE STATE AND LOCAL PARTNERSHIP OPERATIONS.

Gaining funding for an initiative is only the start—there must also be systems in place to address the programmatic issues that often emerge during the operational phase. The programs we studied faced challenges such as developing curriculum, setting appropriate schedules, arranging release time, and identifying an appropriate number of participants. Several of the projects found they worked best if they continued to involve

all partners throughout the tenure of the project—in particular, involving businesses in strategic ways helped minimize the impact of unexpected problems. Most of the projects identified a lead person who was responsible for overseeing both the planning and operational phases of the effort. This person organized monthly or quarterly meetings to convene business and training providers to ensure that the program was proceeding as desired and to address any emerging issues or concerns.

- In the Louisiana Incumbent Worker Training Program, state staff designated to assist local partnerships in applying for grants continue to monitor performance and provide technical assistance to each partnership after a grant is issued (see *A Closer Look: Louisiana*, below).

- The Extended Care Career Ladder Initiative includes a program manager at the state level as well as individual project managers at each grantee who are closely involved in monitoring the partnership and the services provided.
- Georgia Department of Technical and Adult Education staff manage the partnerships that develop the Certified Specialist Programs. At the local level, each of Georgia’s technical colleges has a Vice President of Economic Development who works with businesses to understand their workforce needs and to market the statewide programs and other college-delivered services such as Quick Start (customized training for new or expanding businesses) and contract training. There are

A Closer Look: Louisiana

Regional Staff Provide Technical Assistance and Ensure Accountability

In addition to central managerial and administrative staff at the state level, the Louisiana Department of Labor (LDOL) employs several staff at the regional level to oversee the Incumbent Worker Training Program. Within each of eight regions, LDOL employs a Regional Manager who markets the program, an application specialist who works with the employer and the training provider to identify and resolve any issues with the application before it is formally submitted to LDOL, and a program advisor who monitors compliance and performance once a grant has been issued (including a site visit to provide technical assistance within 30 days of the grant award). There are monthly conference calls involving staff from all the regions to ensure consistency across regions in the development of applications. Staff from all regions participate in a statewide review team to review applications and provide feedback. LDOL also employs several regional Business Service Representatives who market a range of LDOL programs to employers including the incumbent worker program.



also account managers who are familiar with the industry.

- Kentucky Community and Technical College System state staff noted that curriculum development and approval issues were a stumbling block that slowed implementation; had there been a state staff person hired to oversee these functions, these challenges may have been overcome more quickly. The state recently hired a statewide curriculum and articulation specialist who will offer technical assistance to local colleges and faculty and assess and facilitate implementation.

CREATE MECHANISMS TO ENSURE THAT THE REVIEW AND APPROVAL PROCESS FOR CHOOSING GRANTEES IS TRANSPARENT, FAIR, AND ADDRESSES THE NEEDS OF SMALL BUSINESS.

Training partnerships can suffer when the grant application process for public funds is perceived as being biased—for example, that preference is given to certain employers or training providers based on political or other factors. Businesses may become resentful if grant awards are viewed as unfair, especially when the training is funded through a tax levied on employers (as is the case in Louisiana, Massachusetts, and many other states). Small businesses, in particular, may feel that they are less likely to be considered for and to benefit from these programs than their larger counterparts.

Despite an obvious need for mechanisms to facilitate transparency and accountability, they are not always in place. The programs we studied address these issues by using grant application review committees—which comprise a range of organizations—to determine which partnerships received funding. Some have also established separate programs for small businesses.

- Massachusetts’ Workforce Training Fund has a three-tier review process that includes recommendations from the local WIBs, review by state government staff from a range of agencies, and final decisions by an outside advisory panel consisting of business and labor leaders.
- The Extended Care Career Ladder Initiative has an advisory board composed of key representatives from a range of public and private sector institutions to provide oversight and guidance to the program. The application approval process relies on an interagency team of seven staff to evaluate proposals.
- Louisiana’s Incumbent Worker Training Program gives extra points in the grant application process to small business applicants.
- Both Louisiana and Massachusetts have separate incumbent worker training initiatives for small businesses (those with fewer than 50 employees) that provide aid to individual workers to purchase

“off the shelf” (not customized) training available in the community. Over half of Massachusetts’ grants have been awarded to employers with fewer than 100 workers. (See profiles in Part Three for further details.)

TRACK PARTNERSHIPS’ PERFORMANCE—IN PARTICULAR, OUTCOMES FOR WORKERS, BUSINESSES, AND THE PUBLIC—TO DEMONSTRATE PROGRAM SUCCESS AND IDENTIFY PROBLEM AREAS.

Few of the initiatives we examined for this report collected data on labor market outcomes, such as whether the trained workers experienced wage increases and/or job advancement, or whether the state business environment was enhanced through higher productivity or job growth. It was also difficult to determine the extent to which initiatives actually served low-wage workers.

While it can be challenging to conduct evaluations of these programs, it is critical to collect data on (1) participant outcomes such as retention and wage advancement, and (2) the business environment, including worker productivity, overall job quality, and the influx and retention of companies in the state. This information can be used to demonstrate the effects of the program and raise awareness of the benefits of the approach among policy makers, program administrators, the business community, and the public.

Some programs also use this information to gauge the performance of individual grantees.

Three of the incumbent and customized worker training programs we studied—Louisiana’s Incumbent Worker Training Program and Massachusetts’ Extended Care Career Ladder Initiative and Workforce Training Fund—used performance on past awards as criteria in future grant awards.

- For ECCLI, state staff established certain data items that grantees are required to collect, developed a data system for grantees to use, and monitored the quality of the reported data. These data were incorporated into several policy briefs for the state legislature. The program has experienced some funding uncertainties as a result of the annual appropriations process in the state legislature. The fact that it is now in its fifth year of operation is due in part due to these policy briefs.
- The Kentucky Career Pathways program—still in its infancy at the time of this report—noted in its Request for Proposals that grantees must submit outcomes data on: partnerships established by community and technical colleges; recruitment; curriculum and job alignment; instructional innovation; new hires from the pathway program; wage advancement in the pathway program; and duplication of career pathway model in other sectors.

- For Louisiana’s Incumbent Worker Training Program, performance for each grantee is measured based on wage increases for those who went through the training, the total number of people trained, and the number of jobs created by the grant (which occurs when an individual receiving training is subsequently promoted and the vacated position is filled).

WHERE POSSIBLE, ESTABLISH DEDICATED FUNDING MEANS—FOR EXAMPLE, UI TAX REVENUES—TO ENSURE GREATER GROWTH AND STABILITY.

Some programs experience operational difficulties when funding levels change significantly over time. In our study, programs with the most stable funding were those that had a designated revenue source rather than competing for state general revenue funds.

- The incumbent and customized worker training programs we studied in Louisiana and Massachusetts are funded by employer contributions to the UI tax. Because the taxes are paid by business and funneled back into partnerships that include employers, support for maintaining funding remains high. In fiscal year 2005, Massachusetts increased funding for its program from \$18 to \$21 million per year. This is attributed to increased state revenues through the UI taxes and the popularity of the program with business.
- In Massachusetts, ECCLI—which is appropriated funds by

the state legislature—has faced funding uncertainties; the program has survived with funding intact, albeit reduced.

- Louisiana’s Incumbent Worker Training Program was one of the largest of its kind in the country, on a per capita basis, receiving \$50 million annually from UI employer taxes before Hurricanes Rita and Katrina, which led the state to suspend the program.
- The state lottery funds the Georgia HOPE Grant, which covers tuition, books, and fees for Georgia residents enrolled in the Certified Specialist Programs and other certificate and diploma programs at technical and community colleges in the state.

INSTITUTIONALIZE TRAINING DEVELOPED THROUGH THE PARTNERSHIP SO THAT OTHER WORKERS AND BUSINESSES—OUTSIDE OF THOSE INITIALLY INVOLVED—CAN BENEFIT FROM THE STATE INVESTMENT.

Because training partnerships generally fund training for a specific number of workers, it can be difficult to develop programs that become a permanent part of an employer’s commitment to skill development for their workers. Some of the programs studied in this report focused on developing mechanisms to sustain training in the absence of continued public resources.

- One of Kentucky’s goals with the Career Pathways start-up money is to institutionalize the

program at the local level so that when the state grants end, the pathways will continue. Community college staff report they are confident that the curriculum additions, flexible scheduling, and partnerships built with business will continue, because these are systemic changes that, once established, are not dependent on state money.

- An advantage of Georgia’s Certified Specialist Programs is that, unlike many customized training projects, the offerings are not limited to a set of workers at a particular workplace. Instead, they are easily transferable to other institutions and businesses. The curricula and certificates are standardized, making it easy for every technical college in the state to offer them—which allows equal access across the state and ensures continuation of the certificates regardless of the availability of HOPE Grants.

More than 20 other states have expressed interest in Georgia’s Certified Specialist Programs as a means to increase the skills of their residents. For example, Wyoming community colleges identified a need for short-term training and found Georgia’s certificates met their needs. Wyoming’s community colleges and high schools have offered the certificates for several years, with over 800 certificates granted. When Lowe’s opened a warehouse in Cheyenne, Wyoming, Laramie County Community College offered the Certified Warehousing and

Distribution Specialist curriculum for pre-employment training. Lowe’s said it was their quickest, easiest startup, primarily due to the well-trained workers.

- To lower the costs of providing future training, both Louisiana’s Incumbent Worker Training Program and Massachusetts’ Workforce Training Fund look for opportunities to invest in curriculum and equipment that can be used in subsequent training programs. In Louisiana, equipment purchased as a part of an IWTP training contract with a particular employer continues to be the property of the community college after that grant ends, allowing other businesses and students access to it.

Conclusion and Next Steps

Training partnerships can be effective in helping advance the skills and prospects of low-wage workers. Among the most effective partnerships are those that target the range of workers’ needs—for example, providing basic education and English language training as well as job skills enhancement—and that offer training at accessible times and locations, address common barriers to advancement and “soft skill” issues, involve businesses and key players from the start, and incorporate accountability measures. These, in turn, can help states and localities attract high-quality employers, and enable businesses to advance the skills of their

workforce, boost retention rates, and improve productivity.

The five partnerships discussed in this report represent several of the best-developed strategies for states and localities to work with business to advance low-wage workers—doing so was part of their design, and government and business leaders were involved from the start. Building on what has been learned from these efforts, states and localities can take training partnerships to the next level.

To go to scale and serve a much higher share of businesses and low-wage workers in a state, states and localities must move beyond isolated partnership projects and build the capacity of a state’s entire workforce education system—which includes a wide range of adult and postsecondary education services—to carry out this work. Specifically, the workforce education system should be able to perform the following five tasks.

- 1. Fund statewide innovation and program improvement in workforce education so that the system can better meet worker and business needs.** Needed changes include expanding evening and weekend college offerings and putting in place articulation agreements in high demand occupations so that workforce education credits transfer and lead to a degree.
- 2. Ensure workforce education programs statewide reflect the skills low-wage workers need to advance and businesses need to grow.** The partnerships

described in this report illustrate the ways in which mechanisms such as career pathways and skills certificates can bring together employers with similar workforce needs. States can verify whether their workforce education programs are in fact meeting business and worker needs by using UI wage data to track employment and earnings outcomes for workforce education graduates at all levels.

3. Support success for low-income adults in workforce education programs across the state. States can do this through flexible financial aid for workforce education such as Georgia’s HOPE Grants and Illinois’ Monetary Assistance Program (IMAP)³ grants, through a case management approach to college advising that give workers personalized support, by expanding child care access, and by helping

workers combine work and school through work study jobs and internships.

4. Improve the pipeline of low-income adults into postsecondary workforce education by increasing the speed and volume of transitions between adult education and English language services, job training, and college workforce programs. One promising way for states to do this is by combining adult education and English language instruction with workforce education, as in Washington state’s Integrated Basic Education and Skills Training (I-BEST) pilots or career pathway “bridge” programs in Illinois and Arkansas.

5. Align state policies across programs and accountability systems to support business growth and low-wage worker advancement. States will have more success in achieving these

twin goals if various state policies and programs are not working at cross purposes. A state can do a baseline assessment of its policies across relevant programs, such as welfare, job training, adult education/English as a Second Language, college institutional funding, student aid, child care, and economic development to ascertain where gaps and conflicts lie and address them. For example, if state funding for community and technical colleges systematically gives institutions much less support for adult education and workforce programs than it actually costs to operate them, the postsecondary system will have little incentive to increase its offerings to meet business and low-wage worker needs.

3 The Illinois Monetary Assistance Program (IMAP) is a state-funded, need-based financial aid program that covers college tuition and mandatory fees for undergraduate students enrolled for a minimum of three credit hours.

Section 3

Further Study: Profiles of Government-Business Partnerships for Training

This section provides further detail on the five initiatives profiled in this report. All five government-business partnerships provided training to low-wage workers to help them advance. The types of approaches are as follows.

Incumbent Worker and Customized Training programs give businesses grants to partner with training providers to offer job-specific training of incumbent workers and/or new hires.

- Louisiana Incumbent Worker Training Program (IWTP)

- Massachusetts Workforce Training Fund (WTF)

Career Ladders or Pathways initiatives map the range of jobs and linked educational opportunities, typically within a specific sector, and fill gaps in education and training services.

- Kentucky Career Pathways

- Massachusetts Extended Care Career Ladder Initiative (ECCLI)

State Skills Certificates and Panels convene employers within a particular business or industry sector to ascertain workforce development needs and/or to give individuals occupational credentials that are portable from one employer to another.

- Georgia Statewide Certified Specialist Programs

The following pages detail these initiatives in alphabetical order by state.



Photo courtesy of Louisiana Incumbent Worker Training Program.

Statewide Certified Specialist Programs



Georgia

Goals and Program Context:

To assist businesses in finding skilled workers by developing standardized, statewide, for-credit curricula and credentials in key occupational sectors. The state's HOPE Grants, which pay for up to two years of college for any Georgia resident, are essential to making these certificate programs widely available to businesses and workers (see Funding Levels below).

Lead Agency/Organization and Program Partners:

The statewide Certified Specialist Programs are developed by the Georgia Department of Technical and Adult Education in partnership with groups of businesses. Specifically, staff from the Department's customized training division—Quick Start—are closely involved. The Georgia Department of Economic Development markets the training and credentials to other businesses. The Department of Technical and Adult Education convenes groups of businesses to identify the skill sets needed in a particular occupational cluster and every year these business groups revisit the credential to keep it current. These programs are delivered by the state's 34 technical colleges and four university colleges with technical divisions, which together offer 76 class locations across the state.

Target Population: Generally, the target population is high school graduates or GED holders, regardless of their age or employment status, with the five statewide certifications aimed at those with lower skills.⁴ However, colleges can waive the high school diploma/GED requirement on a case-by-case basis with permission from the state's Department of Technical and Adult Education. College economic development staff work with employers to market the Certified Specialist Programs to incumbent workers and other potential employees. The businesses that use the credentials range in size from 15 employees to 1,500; most are under 250 employees. The Department of Technical and Adult Education sometimes creates classes for small businesses that combine employees from several workplaces.

Funding Levels and Sources:

Funding for development of the curricula and credentials for the statewide Certified Specialist Programs came from the Department of Technical and Adult Education. HOPE Grants—Georgia's financial aid program for public postsecondary programs at the diploma or certificate level or less—cover the tuition and fees and provide a

book allowance (up to a total of 95 quarter hours or 63 semester hours with exceptions for programs requiring more hours or for those returning for an additional diploma or certificate). HOPE Grants can also pay for remedial education courses. To qualify for a HOPE Grant, one must have been a resident of Georgia for 12 months, not have a Bachelor's degree, and not have prior drug charges or defaults on student loans. In addition, the student must be enrolled in a program leading toward a technical certificate or diploma. Students enrolled less than half-time—taking, for example, one course at a time—can receive HOPE Grants. Businesses also sometimes pay for classes for their employees, as tuition remains relatively low at the Department's colleges (\$45-\$46 per credit hour, with tuition capped at 12 credit hours even if a student enrolls for more hours).

Enrollment Levels: The number of certificates awarded through the Certified Specialist Programs has grown rapidly. The Customer Service Certificate is the credential most in demand (over 10,000 awarded) followed by manufacturing (over 7,100 awarded), then construction, and then warehousing. Warehousing is a relatively

4 The Department of Technical and Adult Education requires the following ASSET scores for entrance into the five Certificates: Reading 38, English 35, and Math 35.

new credential, and demand for it seems to be increasing substantially each year. The credentials represent only about 5 percent of all the technical certificates awarded by the technical college system.

Program Design:

- **Employer-created, standardized statewide credentials and curricula offered for college credit in five high-demand occupational areas.** While over 500 for-credit technical certificate programs are offered at the 34 technical colleges and four universities in the state, only five are part of the Certified Specialist Programs and created by employers, in groups convened by the state, who then lend their company endorsements to the certification. These five are:
 - Certified Manufacturing Specialist;
 - Certified Warehousing and Distribution Specialist;
 - Certified Construction Worker;
 - Certified Customer Service Specialist;
 - Certified Life and Health Insurance Specialist.
- **Quarterly enrollment.** Students can enroll each quarter in the programs, and colleges can offer them more often if a business—or a group of small businesses—has enough workers to train to create a class.
- **Length.** The programs are 15 to 16 quarter credit hours. For example, incumbent workers

earning the Certified Manufacturing Specialist certificate at Lanier Technical College attend class two nights a week, three hours a night, for about five months, with 160 hours of class time.

- **Cost.** The Department of Technical and Adult Education charges \$45-\$46 per quarter credit hour for its Technical Certificates of Credit, including the Certified Specialist Programs. The cost to the student of the Certified Manufacturing Specialist credential is approximately \$1,050, almost all of which can usually be covered by the HOPE Grant.
- **For-credit classes.** The five statewide Certified Specialist Programs, as well as the other 500 technical certificates offered by the technical colleges, are for-credit so that students can build toward diplomas or Associate's and Bachelor's degrees. For example, the Certified Manufacturing Specialist is articulated to an Associate's degree in manufacturing technology, which connects to a Bachelor's degree in applied sciences with a manufacturing major.
- **Marketing and outreach.** The five statewide Certified Specialist Programs are marketed to potential students as a way to advance in their careers, and branded with the logos of businesses that helped to create the credential. College Vice Presidents for Economic Development and other college-based Certified Economic

Development Trainers market the credentials to employers. For example, Kubota Manufacturing wanted to find a way to give workers incentives to improve their job performance. The local college, Lanier Technical College, told them about the Certified Manufacturing Specialist training program and Kubota agreed to pay any of its workers who earned the credential \$1 more an hour.

- **Flexible scheduling.** The Department of Technical and Adult Education makes an effort to schedule classes at times that workers can attend them. For example, for the Kubota workers, Lanier agreed to offer classes early in the morning before one factory shift started and again in the evening after another shift ended. They also offer the Certified Manufacturing Specialist course in Spanish, utilizing the state's Spanish curriculum, as many of the workers are Hispanic immigrants. The Department sometimes also compresses the classes for groups of students who have not yet started work (e.g., offering eight hours a day of training for several weeks).

Staffing: Each college has a Vice President for Economic Development who works with area businesses to meet their workforce development needs. The college may partner with Quick Start on a project for an employer and then continue to work with the employer to meet ongoing training needs on a cost-

recovery (fee for service) basis. At the state level, there is an Assistant Commissioner for Economic Development Programs within the Department of Technical and Adult Education.

Program Outcomes: No data on program completion rates or employment and earnings outcomes are available specifically for the Certified Specialist Programs; however, there is information on the numbers of each program specialist certificate awarded. A 1999 survey found that ten years after program completion, 80 percent of graduates of Georgia’s technical education programs were employed in their fields of training (Carl Vinson Institute, 1999).

Lessons:

Make replication easy. Starting new, for-credit occupational programs can be difficult for local colleges. Colleges typically do not have funding for the start-up costs of creating a new program; they often receive state aid (based on Full Time Equivalent enrollment) and tuition only after students are enrolled in it. With Georgia’s statewide Certified Specialist Programs, the state takes on the time-consuming task of bringing together businesses with common workforce needs and pays for development of the curricula and all the instructional materials. This

makes it easier for local colleges to offer the training. Materials for the statewide certifications are intended to include everything a college needs to offer the program, right down to scripts for the instructors to follow. Because of this turnkey nature of the programs, over 20 states have expressed interest in them and three—Illinois, Nebraska and Wyoming—have adopted several of them.

Avoid duplicate efforts. Creating these skills certificates at the state level ensures that local colleges are not duplicating each other’s curriculum development efforts. Local colleges can still customize training for local businesses when that is what is truly needed, but in many instances a skills set is common to a group of occupations across multiple employers in a state.

Make student aid available. The fact that training is paid for by the HOPE Grant makes it possible for large numbers of businesses and workers to use these certificates. States that offer statewide skills certificate programs without such student aid may find that they are not as widely used.

Address the needs of lower-skilled workers. Generally workers must have high school diplomas or GEDs to enter these pro-

grams and they must score at a certain level on the ASSET test (see footnote #4 on page 28.) This prevents some lower-skilled workers from entering the programs. It is unclear whether the high school credentials and ASSET scores required for entry into the certificate programs truly reflect the skills needed in those particular jobs. If they do, one way to address this issue would be to create bridge programs that are customized to the basic skills and English language demands of the job and that prepare individuals to enter the certificate programs.

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Career Pathways Initiative

Kentucky



Goals and Program Context:

The Kentucky Career Pathways initiative, spearheaded by the Kentucky Community and Technical College System (KCTCS), gives grants to local partnerships of community colleges and businesses to develop and implement career maps that focus on job and educational advancement for low-income individuals and meet business needs. Based on employer input, these pathways lay out a sequence of connected skills upgrading and job opportunities, with each education step on the pathway leading to a job or further training. KCTCS expects the pathway initiative to strengthen links between local employers and colleges, and promote better coordination between the remedial, workforce, and academic sides of the community colleges.

Kentucky received a Ford Foundation “Bridges to Opportunity” grant, which allowed the state to embark upon a strategic planning process, including stakeholders from the public and private sectors, to determine how to help Kentuckians gain the skills and resources to advance in the workplace and achieve economic self sufficiency. The Career Pathways initiative grew out of this planning process. Several local college officials said they had been exploring the pathways concept prior to the state initiative, but

that the KCTCS money provided the impetus and ability to move to implementation much more quickly. KCTCS perceives its funding as seed money to initiate pathways with hopes that the colleges will permanently integrate them into their work.

Lead Agency/Organization and Program Partners:

KCTCS is the lead agency with implementation by the 16 community and technical colleges, in partnership with business. Business partners help colleges determine which courses and material to include in the curriculum and provide referrals for training and employment opportunities, as well as funding. Other partners may include adult education providers, local Workforce Investment Boards (WIBs), local One-Stop Centers, economic development agencies, Chambers of Commerce, welfare agencies, high schools, and four-year colleges.

Target Population: Low-skilled, low-income individuals (employed and unemployed). The state hopes that employers will fill jobs vacated by incumbent workers who move up the career ladder with newly trained unemployed individuals, such as hiring additional Certified Nursing Assistants (CNAs) when former CNAs advance to Licensed Practical Nurse (LPN) positions. There are multiple entry points, depending

upon prior education. The pathways include remedial bridges and the KCTCS open admissions policy allows students to be enrolled without a high school diploma/GED as well as the dual enrollment of students in KCTCS and adult basic education or GED programs. Some of the pathways have adult education partners that can provide remediation as well.

Funding Levels and Sources:

KCTCS is providing between \$100,000 to \$300,000 in two-year grants to the 16 participating colleges or districts. The funding comes primarily from the Kentucky Workforce Investment Network System (KY WINS), the state’s incumbent worker training fund. KCTCS does not require business partners in Career Pathways to provide a cash match, although several business partners offer financial support ranging from \$31,000 to \$120,000 for a total of over \$800,000. Businesses are making substantial in-kind donations totaling nearly \$3 million. For instance, in Elizabethtown, the college negotiated the use of facilities and equipment with the hospital and the hospital is subsidizing the cost of the nursing professors (salary and health benefits). Several businesses are providing release time for employees and some are paying tuition. In some places, WIBs are providing financial support,

such as \$40,000 for a mobile classroom. Some students, including those attending part time, receive state and federal financial aid, including TANF or WIA funding.

Enrollment Levels: Sixteen colleges have received Career Pathways grants. By January 2006, 15 had started implementation of their pathways. Over half of those began working to implement Career Pathways in the fall of 2004. In Fall 2005, over 400 Career Pathways students were enrolled at 11 of the colleges. Nearly 1,000 students have been served overall. These students have been, or are currently being, served through for-credit coursework at colleges, or engaged in such non-credit coursework as workforce training and Adult Basic Education and GED programs.

Program Design:

- **Application process.** KCTCS released its request for proposals in September 2003, and approved its first pathway in the summer of 2004. KCTCS has provided substantial technical assistance to colleges in refining their proposals so that pathways are clearly articulated when approved. Colleges that submitted strong applications are mentoring colleges that submitted less developed applications.
- **Planning process.** Before applying, KCTCS encouraged institutions to engage in several

steps focused on mapping job advancement opportunities and designing programs to support advancement along pathways in targeted occupations. It asked the colleges and their partners to consider how to create articulated educational pathways to degrees and careers, create a coordinated assessment and enrollment system, provide the supports students need to advance along career pathways, ensure adequate funding of career pathway programs and services at all levels, redesign programs within partner institutions, establish systems to track student progress, and obtain buy-in from business partners. Colleges generally took about a year for this planning process.

- **Pathway design.** Colleges had great flexibility in designing their pathways, including choosing the sector, the structure of the pathway, and how best to use the KCTCS funds. Business is helping identify skills and competencies needed for modules, as well as assisting faculty with strategic sequencing of skill sets.
 - Thirteen of the KCTCS colleges/districts are developing allied health career pathways.
 - Two colleges are building manufacturing pathways.
 - One college is specializing in construction.
- **Business partners.** All of the institutions pursuing allied health pathways include one or more major medical centers as partners to assist in designing the pathway and providing

resources to the project, such as clinical sites, clinical staff, and use of labs and training/classroom space. Businesses are also offering tuition reimbursement, scholarships, employer funded or subsidized instructors, and flexible work schedules to allow incumbent workers to access training.

- **Role of adult education.** Adult education providers are seen as potential entry points into the pathway and in some cases, will deliver basic skills instruction customized to the career pathway. The role of adult education varies by geographical location according to each college's relationship with the provider and the needs of participants.
- **Bridge programs.** Colleges are encouraged to develop bridge programs that teach basic skills like math, reading, and workplace skills in the context of training for jobs and help move the student from one step to the next on the ladder.
- **For-credit/non-credit.** The pathways are primarily credit-based training which may be augmented with non-credit customized training as necessary. KCTCS colleges have flexibility to pilot their career pathway curricula (and new courses or certificate program) for one year with the permission of the Chancellor without going through the formal curriculum approval process. KCTCS intends for the pathways at the two-year institutions to articulate with certificates, diplomas, and Associate's and Bachelor's

degrees for those students who wish to pursue additional education.

- **Curricular innovation.** The Career Pathways approach is encouraging KCTCS institutions to offer curriculums in modularized formats, at alternative times (such as evening and weekends), and at alternative sites, such as at the workplace. Modularization—breaking longer programs down into relatively small chunks with credentials awarded for each chunk—helps meet the needs of low-wage workers by allowing students to move through a certificate or degree program at their own pace. KCTCS is encouraging its colleges to jointly develop curriculum so as to avoid duplicative efforts.
- **Support services.** The colleges are utilizing an intensive case management approach which may include providing access and/or referral to child care, transportation assistance, financial aid, tutoring, mentoring, academic advising, career coaching, and job placement.
- **Building capacity.** Colleges are using the state and business funds in a variety of ways. Some colleges are hiring dedicated staff to assist with coordinating support services, such as career counseling and case management. One college hired two nursing instructors. Other colleges are hiring coordinators who will oversee the implementation of the pathway. KCTCS also hopes to provide faculty stipends for English,

reading, and math curriculum design.

Staffing: The state Career Pathways steering team comprises seven KCTCS staff who reviewed and assisted with applications, and provide technical assistance with development and implementation. Each KCTCS institution has a Career Pathways team that has guided local efforts. KCTCS funds can be used by colleges to hire full-time coordinators or other staff.

Program Outcomes: The state hopes that the outcomes will demonstrate that such strategies are effective in advancing low-income adults and meeting business' needs. At the time this report was published, KCTCS was finalizing outcome measures and determining how to collect data that will meet the demands of the KY WINS, KCTCS, and the Ford Foundation while not burdening local colleges. The state would like to track the number of students transitioning from Adult Basic Education, high schools, and vocational education to the college pathways. Colleges will also collect information on the number of pathway students receiving work experience through the pathway program; and their employment status (field of employment, hours per week employed, income level) prior to entering the pathway, at separation or completion of a program, and three quarters after separation or completion. The proposed process evaluation is collecting

information on a variety of variables including, but not limited to: number of partners, targeted recruitment from different partners, specialized counseling for pathway entry and advancement, the variety of program funding, curriculum alignment, and instructional innovation. One tricky issue is how to define a Pathways student—at what point in the process of preparing to enter a pathway should someone be counted as a participant?

Lessons:

Build relationships with business. The initiative requires that career pathway efforts include business from the start. Efforts must also consider how their educational programs interface with the labor market. This was partially due to using KY WINS, the state's incumbent worker training program, as a funding source, since KY WINS grants must include business partners. The involvement of college workforce development staff has also helped keep the focus on meeting business workforce needs.

Bridge the gap between adult education and postsecondary education. These connections are critical to making Career Pathways accessible to those with lower skills, but often different institutions are providing those services, making it more difficult for students to transition from one to the other. Adult education recently moved at the state level to the Council on Postsecondary

Education, putting it under the same administrative roof as the community colleges and making it easier to collaborate at the local level. Local adult education services, however, are still typically delivered by local school districts, not by the community colleges.

Anticipate that curricula development will be a major challenge. The flexibility encouraged by the Career Pathways initiative does not fit easily with the more rigid structure of the for-credit divisions of the local colleges. For example, some curriculum committees were originally hesitant to approve curriculum revisions, which slowed down implementation. One KCTCS official noted that the effort might have moved more quickly had the system hired a state-level curriculum specialist at the start to guide colleges through the process. The state recently hired a statewide curriculum and articulation specialist who will offer technical assistance to local colleges and faculty and

assess and facilitate the pathways' implementation. KCTCS also realizes that curriculum design is a challenging task for professors teaching at least 15 credit hours, and so will offer faculty stipends to support such work.

Strike a balance between meeting the needs of business and workers. An ongoing challenge for the initiative has been meeting the demands of business for qualified individuals who are well-trained in a timely manner while providing students with portable credentials tied to credit and degrees. Translating non-credit, quick turnaround courses on the workforce development side into for-credit career pathways has been a continual challenge.

Modularize courses to make it easier for workers to participate. In order to meet the needs of working adults, who may be juggling family, job, and school, and the demands of business, it is necessary to pursue non-traditional delivery methods.

Although modularization is attractive because it gives students the flexibility to pursue a certificate, diploma or degree in smaller chunks, it is challenging and time consuming to develop modules that meet the demands of curriculum committees and qualify for financial aid.

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Incumbent Worker Training Program (IWTP)

Louisiana



Goals and Program Context:

The Incumbent Worker Training Program (IWTP) is designed to benefit business and industry by helping existing employees improve their job skills. The IWTP aims to promote the career and wage advancement of workers and to help companies grow. Grants are provided to partnerships of employers and training providers for the provision of customized training to incumbent workers. The program was established in 1998, and began issuing grants in 1999.⁵

Lead Agency/Organization and Program Partners: The program is operated by the Louisiana Department of Labor (LDOL), with oversight provided by the Governor's Office of the Workforce Commission.

Target Population: The program is designed only for individuals who are currently working. New hires are eligible but can receive training only after they have been hired. It does not target any population of workers specifically, although some preference is given through the grant approval process to employers who have hired public assistance recipients and ex-offenders recently (but does not require that these

individuals be included in the training). The program focuses on the provision of training for jobs with career ladders.

Funding Levels and Sources:

The program is funded by a portion of the state UI tax dedicated solely to customized training. The program started at a funding level of \$6 million in 1999, and subsequently reached a funding level of \$50 million per year. There is a \$4.5 million cap on the level of each individual grant. Grants average about \$380,000, but there is a large range across the awards (from about \$28,000 up to the cap amount). Up to 10 percent of the award can be spent on admin-

istrative costs. The IWTP encourages but does not require an employer match. Employer contributions are factored into a rating form used to evaluate all IWTP applications and employers receive points based on the percentage of contributions. Most employers contribute about 10-15 percent of the grant amount.

Enrollment Levels: Since 1999, the program has trained about 90,000 workers for 870 companies in more than 40 industries. Over this period, LDOL has issued close to 600 grants and they generally issue at least 100 grants per year. Since 2004, the Small Business Employee Training



IWTP training, courtesy of Louisiana Incumbent Worker Training Program.

⁵ Note: In September 2005, the state suspended the program in order to re-evaluate its funding commitments in light of budgetary demands resulting from Hurricanes Rita and Katrina.

(SBET) program, a component of IWTP, has trained about 400 workers for 84 companies. Nearly 250 awards have been issued.

Program Design:

- **Employer eligibility requirements.** To be eligible, an employer must have been operating in the state for three years, and contribute to the state UI tax. Employers must plan to train at least 15 employees (smaller businesses can receive IWTP funds through SBET, which is described below).
- **Content and nature of the training.** In the past, training could last up to two years and employers could only receive one grant award within a two-year period. A recent rule change now allows employers to apply for shorter training plans and reapply as often as they like. Another recent change was made to allow the Secretary of Labor to approve three-year training plans. This new provision is intended to be used only in cases where the selected curriculum for the employer justifies a longer training plan (e.g. LPN, RN and other Allied Health training programs). Most of the training is non-credit, although recent efforts to focus more on the health care industry will likely result in more for-credit courses being provided. Training covers a wide range of industries and occupations, with the major grants recipients in

chemical, oil and gas, manufacturing, and hospitality (hotel and motel). Training must be provided in industries with projected job growth and in growth occupations, and the program does cover some instruction related to basic reading and math skills provided it is job related.

- **Training providers.** The employer selects the training provider and can use public or private providers, although preference is given to those using public entities. Training providers must demonstrate a history of successful training and collaboration with the targeted industry. About three-quarters of the awards go to public institutions, primarily community and technical colleges.
- **Application and approval process.** After proposal development and negotiation with regional LDOL staff (see staffing section), IWTP applications are submitted to the state LDOL office and approved by LDOL management staff and the Secretary of Labor. The approval process takes about three months from the time of submittal. Applications are graded and can receive up to 220 points, and must receive over 100 points to be granted an award. Points are given based on a number of criteria, including:
 - whether the business has selected a public training provider;

- whether it has received previous IWTP awards;
- whether it has listed job openings with LDOL;
- whether it has donated materials and equipment to a public training provider;
- whether it has hired recently incarcerated individuals or those receiving public assistance;
- the level of projected wage increase to result from training;
- the availability of release time for training;
- the creation of new jobs;
- the cost-effectiveness of the proposal;
- the size of the business; and
- the level of contributions the business proposes to invest in the training.
- **Marketing and outreach.** The program is marketed regionally to employers by LDOL staff (see below) and Regional Business Liaisons contracted out by LDOL through eight local Chambers of Commerce, often through face-to-face meetings. They also meet with employer groups/industry associations and training providers to inform them about options available under the program and have used some television and radio commercials.
- **Accountability.** Performance on each grant is measured based on wage increases for those who went through the training (they prefer a goal of about a 10 percent increase), the total number of people

trained, and the number of new hires resulting from the grant (which occurs when an individual receiving training is subsequently promoted and the vacated position is filled). The measures of performance for the small business grants are more limited and are either based on worker wage gains or on whether paid release time is provided. Performance on past awards is taken into account if the employer and/or training provider apply for subsequent grants.

• **Training for small businesses.**

In January 2004, Louisiana established the Small Business Employee Training (SBET) program which reimburses employers for training received by individual incumbent workers through training programs available generally in the community. Unlike other training funded under IWTP, this training is not customized to the individual employer. SBET is designed for employers with 50 or fewer employees.

Approximately 2 percent of IWTP funds are allocated to the SBET program. The program covers the costs of tuition and textbooks for up to \$3,000 per worker per year. The employer submits the application on behalf of the worker to LDOL and is reimbursed directly upon completion of the training.

Staffing: In addition to central managerial and administrative

staff, LDOL employs several staff at the regional level to oversee the program. Within each of eight regions, LDOL employs a Regional Manager who markets the program, an Application Specialist who works with the employer and the training provider to identify and resolve any issues with the application before it is formally submitted to LDOL, and a Program Advisor who monitors compliance and performance once a grant has been issued (including a site visit to provide technical assistance within 30 days of the grant award). There are monthly conference calls involving staff from all the regions to ensure consistency across regions in the development of applications. In addition, Application Specialists statewide review each other's applications. In order for an application to go forward, at least three of the seven Application Specialists must recommend it. LDOL also employs several regional Business Service Representatives who market a range of LDOL programs to employers, including the IWTP and the SBET.

Program Outcomes: There are statewide performance objectives for the number of employees who complete training, the average wage increase over 24 months and the number of jobs to be created. For IWTP, those who complete the training have an average wage increase of 13.9 percent.

Lessons:

Keep the application simple.

The application process was initially cumbersome, but the state has streamlined it. The application used to be longer and required a narrative and more detailed cost information; the state has eliminated the narrative and reduced the cost categories from 23 to 6. The state recently implemented a Web-based application system, after requests from employers and training providers, which will facilitate more systematic data collection for program evaluation purposes.

Allow grants to be spent on equipment.

Through the program, colleges receiving IWTP grants have been able to invest in various types of equipment needed for IWTP training and then keep that equipment to use in subsequent training programs. This increases colleges' capacity as outmoded equipment for training can frequently be a problem in public training programs.

Personal contact is the most effective marketing.

In marketing IWTP, the state has found that face-to-face meetings with employers, using training providers to help make connections with employers, and word-of-mouth have been the most effective methods.

Regional staff can play a valuable role. The state has found the regional staffing arrangement—

which evolved over time—to be critical to allowing employers and colleges to create high quality applications as regional staff help these local partnerships work through application issues around the content and delivery of training before formal submission. The Program Advisor position at the regional level was created to address past problems with performance so that in future grants those problems could be addressed and resolved during implementation.

Business and workers find portable, industry-based certifications valuable. Some companies are interested in industry-based certifications and some training providers, such as Delgado Community College, are doing more to offer for-credit training in areas such as insurance, health, and telecommunications. Staff at Delgado community college report that this provides an opportunity for students to think beyond the employee training program and focus on longer-term education goals.

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Extended Care Career Ladder Initiative (ECCLI)

Massachusetts

Extended Care Career Ladder Initiative

Goals and Program Context:

The Massachusetts Extended Care Career Ladder Initiative (ECCLI) is part of a broader state initiative to address the quality of care in nursing homes.⁶ It was developed by the Massachusetts state legislature to address high turnover and vacancies among Certified Nursing Assistants (CNAs) in long-term care. Enacted in 2000, the program aims to improve the quality of care through instituting career ladders and promoting skill development and other supportive practices among nursing home staff. ECCLI focuses primarily on CNAs who are generally responsible for all aspects of direct resident care in nursing homes. Some of the career ladders funded focus on lower-level jobs, such as food service and patient care assistant up through various levels of CNAs, while more recent grants focus on building the upper part of the career ladder to help CNAs move up to Licensed Practical Nurse (LPN) positions. The program provides grants to nursing homes and home health agencies who may partner with other long-term care facilities, community colleges, community-based organizations, regional Workforce Investment Boards (WIBs), and others to create new career ladders for direct care staff and to address

staff training, work environment, and quality of care issues.

Lead Agency/Organization and Program Partners:

The program is operated by the Commonwealth Corporation, a quasi-public state agency in Massachusetts responsible for the development and oversight of many education and training initiatives for adults and youth. The ECCLI State Advisory Committee plays an important role in providing overall guidance on the project. This committee is composed of representatives of key partners in the program including the state Department of Labor and Workforce Development, Department of Education, Department of Public Health, Executive Office of Community Colleges, AFL-CIO and other unions, Workforce Investment Board Association, the Paraprofessional Health Care Institute, and others. The lead agency for individual projects is generally a nursing home or occasionally a home health care organization. The lead agency generally partners with organizations to provide training and other services. Key training partners in the individual projects vary but include community colleges, com-

munity organizations, and for-profit organizations. Regional WIBs are a required partner in the initiatives and provide performance management to the projects in their local area.

Target Population: The target population for ECCLI is entry-level CNAs in nursing homes or other long-term care facilities. CNAs are not required to have a high school diploma, but are required to pass a state qualifying exam. Average pay for entry-level CNAs is in the range of \$9.50 to \$10.50 per hour. The majority of CNAs are women (many are single parents) from diverse racial and ethnic backgrounds.

Funding Levels and Sources:

From 2000 through 2003, ECCLI received funding totaling \$7.2 million. The state legislature has appropriated an additional \$8.2 million for 2004-2007. Since its inception in 2000, seven rounds of grants have been issued. 81 projects have been funded overall. The grant size for each project is typically around \$150,000.

⁶ ECCLI is one of three initiatives under the Nursing Home Quality Initiative. Other components include a \$10 million pass through to increase wages for direct care workers by 10 percent and a \$1 million scholarship program for entry-level Nurse/Home Health Aides.

Enrollment Levels: Over 4,000 entry-level workers and 700 managers have participated in the ECCLI project since 2000. About 20 percent of the nursing homes in Massachusetts participate in the project.

Program Design:

• **Career ladders.** As specified in the legislation, ECCLI projects are required to build career ladders for CNAs. ECCLI funds may also be used to add career ladder steps to other entry-level jobs such as food service or housekeeping. Developing career ladders for CNAs has been the focus of most of the initiatives, with most projects developing ladders from CNA 1 to CNA 2. Workers are required to receive a wage increase when they progress a step on the career ladder, with the amount determined by the individual site (although ECCLI funds cannot be used to pay wages or increases in wages). Wage increases have ranged between \$.20 and \$1.20 per hour. A few sites also have developed career ladders from CNA 2 to CNA 3. In addition, some of the grantees that had already successfully implemented CNA ladders have participated in later grant rounds to develop ladders, including bridge programs, for CNAs who wish to become Licensed Practical Nurses (LPNs).

• **Type of services provided.** The services provided under the grants vary across the proj-

ects but generally consist of those listed below. Site flexibility and discretion are a hallmark of the ECCLI project, so individual projects can differ significantly. Training services are typically provided on-site at the long-term care facility.

• **Technical training.** Technical training (non-credit) in a substantive area such as Alzheimer’s and dementia care, death and dying, restorative care, palliative care, or psychiatric care is generally required to move up the CNA career ladder. Typically, the completion of approximately 25 hours of training—often over a three to four month period—are required in at least one of these areas to move from CNA 1 to CNA 2. This training is typically provided by a community college, although other training organizations were involved in some projects.

• **Soft skills.** ECCLI projects can also include “soft skills” such as mentoring, leadership, communication skills, time management, self-esteem, and team-building. Most sites offered a total of at least 12 hours of training on three or more of these topics.

• **Case management and career counseling.** Grantees are required to provide case management and career counseling services so that each employee knows and understands how the career ladder works and what is required of them. Some sites used their own staff to conduct this activity, while others contracted with other entities. Most programs begin with

an assessment of individuals’ needs and skills.

• **Basic skills.** Some sites also provide basic education and English as a Second Language to workers who are not ready to participate in the career ladder. Some of these workers eventually move to the career ladder training. The most recent Request for Proposals for ECCLI grants requires projects to include English language training.

• **Culture change.** ECCLI funds can also be used to support “culture change” within the nursing home. This was done as part of the career ladder project in order to improve the nursing home environment for both residents and staff, to reorient staff to better understand their mission, and to improve communication at all levels.

• **Supervisory and management training.** Most of the sites provided some training to managers and supervisors on topics such as leadership, supervision, time management, coaching, and counseling. These classes were generally intended to support the career ladder training, and were shorter and less intensive than the training for other workers.

• **College bridge programs.** One of the later grant rounds focused on funding projects that provided training for CNAs to prepare themselves for college-level work or to enter an LPN program. This training generally consisted of pre-college reading, math, and science. These initiatives were implemented by sites who had

already successfully implemented the initial CNA career ladder.

• **Application process.** ECCLI projects begin with responding to a Request for Proposals from the Commonwealth Corporation. This competitive process requires nursing homes to complete a needs assessment and to outline their projects with specific, clear work plans. Each grant round has a different focus—for example, some focused on projects new to ECCLI while others focused on those who had received ECCLI grants in the past. One round was designed exclusively for home health care organizations rather than nursing homes. The Commonwealth Corporation uses an interagency team of seven internal and external staff to evaluate the proposals. Applications are graded based on a needs assessment, the level of employee participation in the design and implementation of the project, project design and implementation, sustainability, demonstrated past performance (if applicable), and budget. Approximately 70 percent of the applications are awarded ECCLI grants. Some applicants who are rejected reapply in a later round.

• **Employer match.** ECCLI requires grantees to provide paid leave time to each worker while they are receiving ECCLI-funded training. Workers must receive at least 50 percent of their hourly wages for time spent in ECCLI training, although sites were

encouraged to pay 100 percent of wages and also make in-kind contributions when possible.

• **Marketing.** Until recently, marketing has not been a major aspect of this program. The Commonwealth Corporation has sponsored forums across the state where current grantees discuss the benefits of participating in the program.

Staffing: Staff from the Commonwealth Corporation are in the lead of the day-to-day management of ECCLI; however, they work with an interagency group consisting of four staff from the Commonwealth Corporation as well as representatives from Massachusetts' Extended Care Federation, Workforce Investment Board Association, Executive Office of Community Colleges, and Worksource Partners (a for-profit training and technical assistance organization involved in many of the ECCLI sites). Two full-time staff at the Commonwealth Corporation work on ECCLI, and each individual site has a project coordinator.

Program Outcomes: Data collection and evaluation are important pieces of the ECCLI initiative. The Commonwealth Corporation developed a mainframe system to collect program and outcome data. Key data that are collected include the length and intensity of training, position changes, hiring and termination data, wage increases, and credentials obtained. The Commonwealth Corporation is also conducting an evaluation of

the program (in part by contracting with outside researchers), including studies of both the implementation of the program (which focused primarily on Round 2) as well as program outcomes. Outcomes data show that seventy percent of trained workers received a wage increase, that vacancy rates for CNAs declined in Rounds 1-3 (the only rounds analyzed at this point), and that retention rates improved in Rounds 2-3 (but not Round 1).

Lessons:

Anticipate the serious challenge of freeing up time for training. One of the most significant challenges was scheduling training and other activities in the nursing home, which were often short-staffed and facing funding constraints. Generating buy-in among charge nurses (who must cover shifts or arrange for cover during training release time) was difficult. Program managers worked closely with supervisors in rearranging schedules, and the reluctance of these staff largely dissipated as the program progressed and the benefits of the training became apparent.

Support services and remedial education are essential. CNAs also face difficult barriers to steady employment, including child care issues and language barriers. Some work two jobs, many have young children which made scheduling difficult, and entry-level workers often needed more educational preparation than expected by staff.

Most grantees included soft skills instruction, such as time management and budgeting, as well as basic skills and ESL services to address these issues. Some also provided individual counseling to help participants address child care and other needs.

Employee input is key to participation. Virtually all of the successful ECCLI facilities found that identifying and incorporating employee needs into planning and delivery of training and education was the only way to ensure effective employee participation. Grantees generally involved employee representatives in the grant application and implementation process.

Use independent staff, rather than the employer, to provide career counseling. A key component of the career counseling component was the participation of a neutral party to help the employee set goals, conduct an assessment, and create a career plan.

Create the bottom rungs of the career ladder first. Over time as initial challenges have been overcome, focus has shifted to sustainability and extending career ladders. Grantees in later rounds include sustainability as a criteria in obtaining an award. As the project has continued, they have added additional rungs to the career ladder, such as moving from CNA to LPN.

Share career ladder lessons among all businesses in the industry. To improve information sharing about useful program strategies, the Commonwealth Corporation worked with individual grantees to develop their own promising practices. These findings are available in the report, “In Their Own Voices,” online at <http://www.commcorp.org/about/spotlight.html>.

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Workforce Training Fund (WTF)

Massachusetts



Goals and Program Context:

The purpose of the Workforce Training Fund (WTF) is to provide businesses and labor organizations with resources to train workers and to maintain and promote the economic strength of Massachusetts' employers. Through the grants, the state intends to create a well-trained workforce and hopes to foster job growth, job retention, and wage increases. The state encourages private investment in training by prioritizing projects where employers have committed to invest significantly in training during and after the grant. The program was established by the state legislature in 1998.

Lead Agency/Organization and Program Partners:

The Department of Workforce Development, Division of Career Services, administers the program. The Massachusetts Office of Business Development of the Department of Economic Development and the Commonwealth Corporation, a quasi-public organization, are partner agencies. The WTF has an Advisory Board comprised of business and union leaders who provide input to the program.

Target Population: The program targets newly hired or incumbent workers in Massachusetts. The WTF legislation states that the pro-

gram must prioritize low-skilled, low-wage workers, but rather than explicitly target those groups, the state seeks to meet the legislation's goals by funding grants to those communities with larger proportions of low-wage, low-skilled workers, when possible. One indication of the population served is that an estimated 10 to 15 percent of grant funds go toward basic skills training. In addition, in 2005, the state began a pilot initiative for training grants focusing primarily on adult basic education and/or English for Speakers of Other Languages (ESOL).

Funding Levels: WTF is financed through employer contributions to the UI tax fund. Between 1999 and 2005, WTF awarded \$107 million to 2,258 companies. State appropriations for the program increased from \$18 million to \$21 million in fiscal year 2004-05, with \$22.7 million in grants awarded in 2005. The program was recently extended through 2008.

Training grants typically range from \$2,000 to \$250,000 for training that does not exceed a two-year period. The typical grant averages between \$60,000-70,000. Under new legislation effective January 1, 2004, grants over \$250,000 and up to \$1 million could be awarded with preference for training that results in significant job creation and job retention.

Enrollment Levels: In fiscal year 2005, 665 training grants were awarded to train over 27,000 in the WTF programs, with 157,000 individuals trained between 1999 and 2005.

Program Design:

• **Type of partnerships funded.**

Employers, labor organizations, training providers, and employer groups (trade associations, Chambers of Commerce, and Regional Employment Boards, as well as informal groups of individual employers) may apply for training funds. Unlike labor organizations or business/employer grantees, training providers must partner with more than one employer, an employer group, or a labor organization in order to receive funds. During fiscal year 2005, the most recent year for which such technical data were provided, the occupational breakdown of grantees was as follows: Production/Construction (40 percent), Professional/Sales/Clerical (48 percent), and Service (12 percent). Over 40 percent of fiscal year 2005 grantees employed fewer than 100 workers.

• **Application process.** The following criteria are emphasized when awarding grants:

- consistency with WTF mission;
- how the training will specifically benefit the workers and

company as seen in measurable objectives;

- whether the training plan and goals are realistic;
- whether the training costs are reasonable;
- whether there is a commitment on the employer's part as shown by the proposed match; and,
- whether the company is economically sound.

The state believes that the most successful training plans are those that can be easily implemented, are clear and measurable in how the company will benefit, have a sound budget, and include the support of senior management, workers and, if relevant, the union. The WTF staff and area Workforce Investment Boards (WIBs) have provided technical assistance to companies completing applications (the WIBs received compensation for this) and the state recently began using the services of the Commonwealth Corporation in providing help with applications. There is no requirement to increase the wages of employees after training, though applications with such increases are viewed more favorably during the application process.

Every grant application undergoes a three-tiered review process. In the first tier, the local WIBs provide recommendations on applications from their area. These recommendations are not binding, but are taken into consideration in subsequent tiers. In the second tier, applications undergo a

comprehensive evaluation by state and/or local government staff. Seven to eight review teams are led by a staff person from the Division of Career Services or Division of Unemployment Insurance and all include a financial reviewer. The rest of the team includes staff from the other two agencies or other state/local government agencies involved in workforce development, including staff from the local WIBs and Labor, Education, or Economic Development departments. Reviewers attempt to achieve consistency across teams during the review process by participating in an all-team debriefing prior to the review, but different perspectives on teams can lead to some variations in recommendations. The final decision regarding grant requests is made by the WTF Advisory Panel, which is comprised of nine business and labor leaders. The grant decision process takes about 60 days. The Board directly reviews and approves approximately 55 percent of all applications.

- **Employer match.** Grants must be matched dollar-to-dollar (either with cash or in-kind) by the applicant and its partners, if any. According to state staff, if an employer with a large grant (over \$100,000) attempts to meet the match solely through employee wages for paid release time, the state may require other forms of match, such as space and equipment. WTF takes into consideration the size of the company and whether it

is non-profit or for-profit when evaluating the match.

- **Type of education and training provided.** The WTF allows employers to choose the training provider, content and outcomes, but training must be job specific and not already in process. Employers can fine-tune the training plan during the grant. A degree-granting program or for-credit course that is specific, technical, and necessary to the company's continued competitiveness is eligible for funding. Training must be completed within two years and primarily occurs at the worksite. The majority of training providers are for-profit institutions, followed by community colleges, and then community-based organizations. The employer contracts with the training provider and the state does not give preference to certain types of trainers.

According to state staff, the Advisory Board was initially hesitant to fund basic skills instruction, such as ESOL and basic math and reading, because they believed other systems provided sufficient funding for it. Eventually these services were funded by WTF as they discovered the demand for basic skills services actually outpaced supply in the state and many employers promoted providing ESOL and other basic skills as meeting a legitimate business need, particularly in order to promote from within the company. The majority of basic skills training is ESOL-related with some basic math

and reading. The state believes applications that provide for at least four hours of basic skills training per week are generally more successful and have offered some employers funding to provide more as needed. In February 2005, the WTF started a pilot project targeting basic education and ESOL training.

- **Training for small businesses.** The WTF Express Program started in 2001 with the idea of providing quick turnaround training to businesses with 50 or fewer employees. Employers apply online and select from existing courses from training providers that apply to the Division of Career Services. The program requires a cash match (which cannot be met through employee wages) of 50 percent and will award up to \$3,000 per person per course, with a total grant request not to exceed \$15,000 over the course of one year. The Express Program funds many of the same types of training as the larger program, although there is a greater emphasis on computer courses. About 200 small employers have received funds each year. The WTF Express Program receives \$800,000 in funding annually. The skill levels of employees trained under the Express Program vary from basic ESOL to senior-level skills training. The Express Program also requires a final evaluation from employers.
- **Technical assistance grants.** Grants that fund technical assistance are available to help an employer, or a group of employers or employees, determine a

set of training needs. Technical Assistance grants are awarded to industry associations, labor organizations, community colleges, WIBs and other entities with expertise in providing technical assistance to employers. These grants range from \$5,000 to \$25,000 over six months. Grantees conduct needs assessments and develop curriculum for employers to provide a stepping stone to a larger training grant.

Outreach: The Executive Office of Economic Development markets the program through its Business Resource Team, on which two WTF staff members serve. Field Operations staff also market the program by distributing informational materials and providing marketing sessions at companies. At the local level, WIBs, Chambers of Commerce, business organizations, and training providers also market the program on their own.

Evaluation of Grantees: WTF grantees must complete a self-evaluation at the conclusion of the grant. The self-evaluation includes an examination of whether the employer met their training goals, if the grant made an employer more productive or competitive, and documents wage increases, promotions, and retention of employees' trained.

Staffing: Ten full-time and two part-time staff administer the WTF. Staff include: Director, Deputy Director for External Relations, Director of Operations, Express Program Director, Grants

Coordinator, Database Manager, and field staff for outreach and monitoring grant recipients. Once awards are granted, the field staff assist employers with documentation and paperwork, as well as serving as grant reviewers. These staff also conduct at least two site visits to all grant recipients.

Program Outcomes: According to the WTF 2005 Annual Report (the most recent available), 90 percent of companies report that workforce training has increased their company's productivity, and 50 percent of companies report that workforce training has led to employee pay increases.

Lessons:

Make grants easy for business to access. The WTF places a high priority on keeping the program easy to understand for employers—it simply asks what the employer needs, how it will accomplish its training plan, and what the rationale is for this plan. The state does not want to make employers provide unnecessary information that is irrelevant in designing a workable training program.

Ensure that grants serve business goals. The WTF maintains a strong focus on the fact that the program is funded by employers for employers. This helps keep program staff and the Advisory Board focused on the goal of helping companies train to increase worker productivity, and helps companies understand that their grant

requests should dovetail with their business plans.

Have an open and competitive award process. The WTF does not pre-select companies in certain industries, and the review process is based solely on the application information provided by the employer. Employers' plans are funded on a case-by-case basis.

The Advisory Board should reflect the businesses and workers served. Officials believe the combination business-labor Advisory Board adds credibility among employers and employees. The Board includes people who have the appropriate knowledge and expertise; typically they have run businesses or have public and private sector experience.

Target low-wage workers in ways that maintain credibility with business. Although the enabling legislation prioritizes the

needs of low-wage workers, the program does not explicitly market itself that way. The state meets this goal by funding applications that serve these populations when possible, thus allowing for approximately one-third of grants to go to low-wage, high-unemployment areas. In addition, business has made it clear that serving low-wage workers meets their needs, too.

The review process can be key to successful performance. Shortening the review time in the program would allocate money more quickly, but officials believe the review process of including the teams and Board contributes to the Fund's success. A process is now in place to award smaller grants (up to \$50,000) more quickly.

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