

ActionBrief

Ensuring Workers Get the Training They Need Under the Workforce Investment Act

Background to the Issue

Labor's goal for training is to ensure that workers gain the skills they need to increase their employment opportunities and access to good jobs and ensure long-term self-sufficiency. The local Workforce Investment Board (WIB) will be making critical decisions that impact this goal. While state policies may provide guidelines for local policies, the WIBs will determine:

- Who receives training;
- Who provides training;
- How long the training lasts;
- How much training money any one individual can receive; and
- What constitutes quality and effectiveness of training?

Labor representatives on WIBs can help to shape these decisions to meet the employment and income needs of workers and increase the role and contribution of unions.

The relevant section of the Workforce Investment Act of 1998 is Section 134(d) (4).

What can the WIB do to Address this Issue?

The training policies developed by local WIBs must complement, reinforce, and support choices that are described in other WIA policies. These include: priorities established for which participants receive training and intensive services; budget decisions that impact



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the level of resources in the budget devoted to training; the self-sufficiency wage level that should guide training choices; and performance measures that capture good training. This action brief will provide the following:

- A list of the policies on training local boards will need to develop and the decisions that are critical in developing those policies;
- Draft language for those policies;
- A discussion on performance measures that encourage training effectiveness; and
- A special focus on “Work While You Learn” training models since workplace-based learning is emerging as particularly effective for adults and, perhaps even more importantly, most workers need to earn while they are learning new skills.

Training Policies WIBs Must Develop

- Certifying who is eligible for training
- Certifying training providers
- Defining Individual Training Accounts (ITAs)
- Determining when contract training can be used
- Setting standards for On-the-Job Training
- Determining when customized training programs will be developed, for which employers, and with what kind of standards.
- Determining if there are sufficient funds to provide incumbent worker training, the conditions under which it will be provided, and standards for this training.
- Determining how and when to use other funding sources for training.

A. What are the training policies a WIB needs to develop?

WIBs need to develop a number of very important policies including the following and those shown at left:

1. Certifying Who Is Eligible for Training:

What is the issue? If WIA was funded at the same level as the GI Bill, anyone who wanted training could receive it. Since it is not, local WIBs have the responsibility for determining how training dollars are distributed. Labor representatives on WIBs need to decide what policy to advocate. One consideration should be that those workers who need training to obtain a living wage or maintain a wage level receive priority.

Once it is determined who gets priority for training, the certification process should be simple, fast, and non-bureaucratic.

Restrictive work-first policies should not be used to deny workers access to training, and participants who need training should not have to go through a lengthy job search process to prove that they are unemployable. The faster an individual begins training, the faster they can obtain the skills they need to get a job with a good income and benefits.

The WIB will need to establish a policy providing guidance on the criteria to be used for certifying that an individual is eligible for training. With that policy in place, the program counselor should be allowed to directly determine that an individual needs training to obtain new employment. The counselor can work with the participant to assess their current skills, compare those skills to local labor market demand with an emphasis on landing a good job, and develop a training and career plan that works toward that goal. These activities allow the certification process to be made directly and quickly and through a procedure that emphasizes good employment.

2. Certifying Training Providers

What is the issue? Under WIA, training services are to be provided by training providers identified by local boards and approved and listed by the state. The state list of eligible providers will be the information participants use to make training choices. The local WIBs have the responsibility for determining what performance-based criteria will be used to certify local training providers. Boards will also develop “consumer reports” containing verifiable information on provider costs and performance. Continued eligibility for being listed in the Training Provider Database is also determined by the local WIBs through an annual performance evaluation.

Labor representatives on the WIBs have two opportunities to shape the process for certifying training providers. First, as WIB members labor representatives can review, make recommendations, and vote on approving the locally developed training certification process. Second, the governor is required to allow organized labor, as well as business, the opportunity to comment on the process before it is finalized.

3. Individual Training Accounts

What is the issue? WIA legislates that individual training accounts (ITAs) are the primary mechanism for paying for training. While states may develop some guidelines for ITAs, the local WIB will have responsibility for establishing what an ITA will fund, the amount of funding an individual will be allowed, and the length of training that can be provided using an ITA. What are some of the considerations on each of these issues?

Key Issues in Training Vendor Certification

- Was labor, particularly those unions with specific skill knowledge, involved in developing criteria for selecting service providers and in reviewing training programs for quality assurance?
- Does the certification process ensure that workers receive quality training that leads to a career path and a sustainable wage?
- Are the standards of the certification process fair to those providers that work with individuals with low levels of basic skills and education?
- Were labor unions that represent workers having skills in which training is proposed consulted to review the training and make sure it will lead to demand occupations that pay a living wage?
- Were the building trades consulted regarding policies governing registered apprenticeship programs?
- Are labor representatives involved in reviewing performance outcomes from certified training vendors? In particular, are they involved in reviewing the wage rates for program placement and related data (# of participants gaining full-time, permanent employment with benefits)?
- Do the training vendor eligibility criteria favor large, well-financed training organizations for reasons that have nothing to do with the quality of training provided?
- Will joint labor-management or union training providers be eligible and have their job and skill knowledge and close ties to jobs and employers recognized and valued?
- Do the criteria for eligibility make it hard for unions or small community-based organizations to offer training programs to their communities or to special populations?

Elements to Consider in the Training Provider Certification Process

- **Accessible Training:** Preparation of participants before entering training, entrance requirements that take life experience into account, processes to develop written learning objectives for individual trainees, programs that build on what learners already know and are self-paced.
- **Effective and Efficient Services:** Program designs that integrate basic skills, organizational skills, and occupational skills; orientation training on workplace rights and protections; curriculum that is relevant to getting and keeping a job in the training occupation.
- **Quality of the Instructors:** Experience in a workplace setting, union membership, teaching methods, ability to provide alternative assessments, integration of learner feedback into instruction.
- **Linkages to Jobs and Job Skills:** Links to specific employers or hiring halls and job knowledge tied to specific jobs, particularly permanent jobs that pay a living wage with benefits.
- **Verifiable, Program-Specific Performance Information:** Completion rates, percentage obtaining unsubsidized employment, percentage obtaining unsubsidized employment in training occupation, wages and benefits at placement that meet the self-sufficiency standard, learner satisfaction.
- **Connection with Labor:** Consultation with unions on demand occupations, information collected on union status of the provider's workplace, concurrence with the bargaining agent when a collective bargaining agreement is affected or on registered apprenticeship status, and involvement of teachers' unions in designing and delivering education and training.

Unless other funding is available, ITAs should be able to fund the following kinds of services:

- All fees associated with the training (e.g., student fees at community colleges)
- Books and other materials required for the course work
- Basic skills training
- Occupational skills training
- Courses that integrated basic skills, occupational skills, and/or soft skills such as working in teams.
- Counseling and workshops that assist a participant to choose training, provide information on worker rights, remain in training, and/or find training-related employment.

- a. **What an ITA will fund.** It is important to structure an ITA so that a worker can make a good training choice. That means having good information on training providers, but equally important is that participants have access to assessment and career counseling that helps them understand the skills they have, the skills they need to get good employment, and the training and support plan they need to get those skills. Some local areas are requiring that career counseling take place prior to issuing an ITA, others are including the "cost" of that counseling within the ITA. Whatever method is selected, the WIB's ITA policy should ensure that One-Stop Centers provide individualized counseling to participants prior to selecting a training provider.

One Idea: A Sliding Scale for ITA's Based on Need

In one demonstration program funded by USDOL, workers received ITAs worth different amounts based on their educational level. Education was used as a proxy for need.

Therefore, workers with college degrees received a maximum of \$2000 worth of occupational skills training and workers with less than a high school degree received a maximum of \$4000. Workers who tested below the ninth grade level in reading and math were eligible for an additional \$2000 in basic skills training. In order to receive vouchers, all workers needed to demonstrate barriers to reemployment.

b. The amount of an ITA. In determining the amount of an ITA, WIBs will struggle with the difficult decision of how to maximize the number of workers it can provide training to and at the same time, maximize the amount of training any one individual can receive. Providing many trainees with ITAs for low amounts will not allow workers to take meaningful training. On the other hand, only being able to provide a very small number of high cost training vouchers will not allow the WIB to reach the number of workers who need training. In determining the amount of an ITA, the labor representatives and WIBs need to look at:

- Will the ITAs be sufficient in dollar amount and duration to allow workers to access meaningful training programs that provide skills that lead to living wage jobs?
- What are the range of costs within the local area for high-quality training?
- Are there other training resources that can be linked with an ITA, such as Pell grants, TAA and NAFTA funds, TANF funds, Welfare-to-Work funds, and state funds?
- Is there a fair system in place for distributing ITAs?
- Is there an appeals process in place for workers who are denied ITAs or who receive inadequate funding?

Sample Language in an ITA Policy

“The Workforce Investment Board seeks reasonable balance between the *number* of Individual Training Account (ITA) vouchers it can offer and the worth of each voucher. On an annual basis, we will analyze the use of ITAs and make any needed adjustments to this policy.

For PY2000, ITAs will have a maximum value of \$5000 and a term of two years. These vouchers can pay for basic skills, occupational training, and training that integrate occupational training with basic skills and/or organizational skills. An individual can utilize the ITA to pay for more than one training option as long as the training is within the \$5000 and two-year time limit.

One-Stop operators are authorized to determine the appropriate value of each ITA based on the training need of each eligible customer based on approved criteria and subject to an appeals process.

The One-Stop Centers will be required to provide assessments and the development of training and career plans for all trainees prior to their selection of a training program as well as informing participants of their rights. The WIB has provided funding for support services to the One-Stop Centers and requires that the participants’ training plan include any support services that are required for the individual to remain in training. The One-Stop Centers are also directed to determine what other training resources may be available to participants and to include plans for accessing that support within the training plan.”

Options for Developing an ITA Policy that Ensures Long Term Training

- Create ITAs that extend over a period of one to two years;
- Allow participants to use ITAs for consecutive or complementary training courses as long as this training falls within the amount and time period of the ITA;
- Create linkages within a local area between the initial training provided by the ITA and additional training utilizing Pell grants or other training resources;
- Work with the state to seek a federal waiver on the regulation that counts an individual enrolling in longer-term education as a negative program placement;
- Advocate that the state's unemployment insurance regulations do not penalize an individual in training and receiving unemployment benefits for scheduled semester and other breaks in academic schedules.
- Ensure that support services are available to participants enrolled in longer term training to help them remain in the training.

- Are all workers provided individual counseling before making an ITA decision, or is technology substituting for training counseling?
- Is there an estimation of the number of individuals who will need training within the program years covered by the plan? (Information on need can be estimated by reviewing past program information on the number of individuals re-enrolled in training, waiting lists for training, labor market demand, and local educational levels.)

Labor representatives will want to consider whether everyone eligible for training receives an ITA of equal worth. In several recent demonstration projects utilizing ITAs, a sliding scale was developed for ITAs based on an individual's education level. Individuals lacking higher levels of education were determined to be the priority population for receiving training services. Additionally, there was an assumption that anyone who needed both basic skills and occupational skills generally would require more training funds.

c. The length of training. There is increasing evidence that longer-term education and training has a far greater impact in sustaining good jobs and income than short term training programs. However, it is also difficult for many participants to forego income while they participate in longer-term training. Therefore, WIB labor representatives will want to ensure that the ITA policy provides participants with training of sufficient length. The same policy must also provide enough other kinds of support services to make sure that workers can complete their training. This can be done in several ways:

4. When Contract Training Can and Should Be Used

What is the issue? WIA directs that training should generally be delivered through ITAs. This makes it harder for training providers to know what their income will be since they don't know if enough individuals will want to use their ITAs for the provider's programs. It means that providers now must spend time and resources marketing to potential participants, as well as to job counselors. This is not necessarily bad or good. Labor representatives need to consider the situations.

Exceptions to ITA are identified in Workforce Investment Act of 1998, Section 134(d) (4) (G) (ii).

Training services may also be provided through a contract instead of an ITA in a limited number of circumstances:

- On-the-job training;
- Customized training;
- If the local board determines that there are an insufficient number of training services in the area to have an effective system of ITAs;
- If the local board determines that there is a training program of demonstrated effectiveness to serve special participant populations that face multiple barriers to employment.

The state may provide guidelines for when these other forms of training can be used. But, the question for the local WIBs is if—and under what circumstances—these other forms of training should be used.

Standard training programs may not be appropriate to the needs of some groups of workers. For example, some One-Stop customers may need to combine life skills and occupational skills training or ESL and occupational skills training. Some workers may be more successful in programs that are sensitive to cultural concerns or that recognize skills they have already acquired. If One-Stops only provide “off-the-shelf” offerings from vendors and educational institutions, they may be unable to provide real assistance to the very workers who need it the most.

Joint labor-management and union run programs might provide tighter links to specific employers and direct ties to union jobs that offer more stability, higher wages and benefits, and career paths, creating an argument that these training programs fall under the category of specialized programs. Labor representatives must reach out to local unions to identify which ones already provide training or are interested in providing training in their industry, in order to have the best information to bring to the WIB. They also need this information to know for what to advocate.

Another decision a WIB will need to make is whether there are a sufficient number of eligible providers of training in a local area to establish an ITA system. In some rural areas, the training choices can be very limited. However, in this circumstance, the WIB should determine whether there are other qualified providers in nearby regions. If so, it may be useful to craft a “contract training” policy but also to increase the funding for participants’ transportation costs to allow them to access a larger number of providers.

Additionally, the local board will need to develop a policy on “demonstrated effectiveness”. In some areas, there may be local CBOs or other non-profits that have specialized in serving individuals with multiple barriers to employment. If these providers cannot compete within an ITA environment, change their offerings to meet a broader training need, or choose to drop their training offerings,

Demonstrated Effectiveness

The Workforce Development Board will define a training provider as meeting the criteria of demonstrated effectiveness under the following conditions:

- The training provider has developed training and services targeted at the populations within the region that the WIB has determined face multiple barriers to employment at a family sustaining wage;
- There are not enough providers within the region that offer the needed training services to this population;
- And, the training provider has established and maintained effective outcomes in placements, wage attainment, and job retention.

the local area could lose an important resource for serving priority populations. If the WIB determines that there is a need to support this vendor capacity, potential language within a demonstrated effectiveness policy could be the following:

It will likely make sense for a WIB to authorize some contract training for a variety of reasons. Contract training can give the WIBs the market power to shape the types of training that are needed.

5. Standards for On-the-Job Training

What is the issue? On-the-job training (OJT) has had a bad reputation because it has often been abused by low wage employers who receive wage subsidies but provide little real skills training. But there is substantial evidence that effective, substantive training at the job can be extremely useful for some workers (particularly those with limited work experience). The way WIBs can ensure a positive outcome from OJTs is by setting high standards for OJTs that ensure real skills training.

It is particularly critical to the success of the training, as well as for the union, for unions to be involved whenever there is OJT programming. In OJT programming, employers receive public funds directly, so there needs to be a contract between an employer and whichever organization is administering the funding.

Labor representatives will need to insist on a policy that requires union consultation and sign off for OJT programs. They should also

Sample OJT Policy

Any On-the-Job Training provided with WIB funding must adhere to the following standards:

- Union consultation and concurrence is required if there is a union present.
- Union participation in shaping the OJT programming is required at the choice of the union. This will be stipulated in the contract with the employer.
- A training plan must be developed for the participant describing what skills will be developed and how. It should also describe any benefits the trainee will receive as a result of acquiring new skills (i.e., wage increases, promotion, additional benefits).
- The skills being developed through the on-the-job training must be broad enough to be transferable to other employers.
- The OJT position can not displace any current employees.
- The employer must pay 50% of the OJT training wage and that wage must meet the sustainable wage criteria established by the WIB.
- The employer must agree to retain the employee after the OJT training period unless the behavior or performance of the employee would lead to termination under the company's existing personnel policies.
- WIB staff must track the retention record of employers utilizing OJT positions for at least one year after placement. Except for cause, employers who do not retain OJT employees after the end of the training period will be deemed to be ineligible for future OJT, customized or incumbent worker training contracts.

require union involvement in program development and ensure that this stipulation is included in the OJT contracts with employers.

Labor representatives will need to establish a process to ensure that unions are identified and reached out to in cases of OJT proposals from employers.

6. Customized Training

What is the issue? Customized training for an employer or group of employers, where those employers have committed to hiring the trainees, can be an extremely successful strategy for getting workers into new jobs. It can be a useful form of programming for unions that are linking to community groups or developing an industry training strategy in conjunction with union employers.

It also can be a very effective economic development strategy. Customized training can be especially valuable in the case of emerging new industries and jobs; when an industry faces a sudden skills shortage; or when a major employer moves into the region or needs to add a significant number of new jobs. This form of training is a direct subsidy to employers, so should be held to high standards of positive impact on good jobs and the community.

Similar to the training issues with on-the-job training, the WIB needs to ensure that the workers are learning a real skill, and it is not just a subsidy to low wage employers. Additionally, the WIB needs to determine which employers are appropriate targets for the development of customized training. The policy should also address whether and when a relocating business is eligible for training funds, the wages and benefits provided by the employer, and the career ladder possibilities. There is no reason public funds need to be used to support “low road” employers.

7. Incumbent Worker Training

What is the issue? There is also growing evidence that incumbent worker training—when it imparts genuine basic or occupational skills—often provides the greatest payback to workers in the form of income and career mobility. Incumbent worker training also has the very serious advantage of allowing workers to earn while they learn. But states have very limited WIA funds and many states have large programs of employer-focused training that provide skills development for incumbent workers. What is special about WIA is that it directs its incumbent worker training funds toward the working poor.

Because of this tension between the value of incumbent worker training on the one hand and the very limited resources for it on the other, labor representatives need to consider how the WIB’s incumbent worker training policy should be informed by its policy on “Earning While You Learn” strategies in general and by its efforts to link funding sources (see both discussions below).

Sample Language for a Customized Training Policy

“The WIB will develop customized training for an employer or group of employers under the following conditions:

1. There is union concurrence if a union is present.
2. There is union participation in training design and oversight if the union chooses.
3. The training will be provided to individuals targeted by the WIB as training priorities for the region.
4. The employer(s) will provide guaranteed jobs at the end of the training that provide wages and benefits meeting the self-sufficiency standard.
5. The training being provided provides the trainees with transferable skills.
6. The employer agrees to the retention of the trained employees for at least ninety days after the hiring except for cause.”

Alternative Sources of Funds for Training

- **Pell Grants:** Pell Grants are one form of federal financial aid to students. To qualify, applicants must demonstrate financial need and be enrolled at least half time in an accredited program of education or training.
- **Temporary Assistance to Needy Families (TANF):** TANF provides education and training for welfare recipients, former welfare recipients, and now some working poor. Pre-employment education and training is relatively short-term, but long-term support is available for employed workers.
- **Welfare-To-Work:** This is a program for the most at-risk welfare recipients. It also provides supports for post-placement training, education, and support services.
- **WIA Title II Education and Literacy Activities:** These funds support an array of basic skills programs (such as ABE, GED, ESL) both in a classroom setting and in workplaces.
- **Trade Adjustment Assistance:** TAA provides generous training funds for dislocated workers who lost their job because of foreign competition.
- **Vocational Rehabilitation:** These funds provide training for workers with disabilities.

8. Use of Alternative Funding Sources

What is the issue? The legislation stipulates that WIA dollars should be used as the funding of last resort for training. The danger in this language is that it could reinforce the attitude that training is not needed; any job is a good job. The opportunity that could be missed is that these dollars can provide the incentive to identify, utilize and link other training resources in a manner that supports both longer-term training and life-long learning.

Labor representatives can encourage their WIBs to support and develop connections among training resources as a part of their WIA plan. A part of the WIB's effort will need to be directed at state policies and legislation.

The local WIBs needs to understand what resources are available locally including Pell grants, affordable post-secondary education, Trade Adjustment Assistance funds, state programs, and privately funded training, such as bargained training funds.

Additionally, other federal funding sources that are directed at local areas can be utilized for training. These possibilities include funding from Welfare-to-Work, Housing and Urban Development (HUD), Community Development Block grants, and the US Commerce Department's Economic Development Administration.

Some of the major programs are described briefly. Rather than viewing these funding sources as a maze of confusing programs, labor representatives should encourage their WIBs to understand the resources available, aggressively pursue them for their communities,

and develop methods of linking programs through coordination of curriculums, credit recognition of earlier offerings, and the development of standards. A potential policy statement from a WIB on alternative funding sources is below:

B. Performance Measures That Support Good Training

Training policies establish the expectations and rules for a local area's use of funding. To be effective, these policies must be supported by the performance measurement system. Ironically, under the Job Training Partnership Act and now under WIA, programs have a *negative* incentive for allowing participants to choose education. A participant who returns to school for additional education after completing a training program is counted under WIA as a negative placement.¹

This has multiple ripple effects: One-Stop Centers are judged on the basis of their placement rates; states and local areas receive monetary incentives and sanctions for succeeding or failing to meet performance standards; training vendors are certified based on their placement rate. Placement rates are important, of course. But the more education individuals have, the more likely they are to earn a decent living. Making "return to education" a negative placement, discourages One-Stops from placing participants in training, especially longer-term training.

The law does allow One-Stops a way around this negative outcome. They can continue to track a participant in a long-term training program for the year or two it takes him or her to finish. But One-Stops are likely to be reluctant to do this since it takes a lot of time and energy.

What should labor representatives consider that a WIB do? Labor representatives can consider advocating for several different things for the WIB to do.

First, the WIB can encourage the state to request a federal waiver allowing a placement to higher education to be neutral to the program operator. This would remove the incentive for program operators to discourage participants from this option.

Second, if the state is unwilling to seek this waiver, the WIB can establish an additional performance measure for its One-Stop Centers. This measure can track the number of individuals receiving training that

"The Workforce Investment Board will perform an annual mapping of all potential resources that may be available for workforce development within our region. We will develop a plan to coordinate the training resources available to support our residents' abilities to secure good jobs, opportunities for life-time learning and a high quality of life, and the means to build strong communities."

¹ The exception to this negative placement is in Youth programs where individuals who are 18 and 19 and enroll in higher education are counted as a positive placement. Additionally, employed workers receiving training funded by WIA are considered positive exits when they choose to enroll in higher education.

Advantages of “Earn While You Learn” Strategies

- Individuals receive income while in training;
- Work-based learning can be one of the most effective learning models. This form of learning provides learners with a real life context for the knowledge they are gaining;
- The training is based on solid linkages and information from employers increasing the likelihood that the training will be relevant;
- The linkages with employers established in work-based models can be important for the WIB in creating its overall workforce development strategy and programming.

choose to continue their education after completion of that training whether or not they obtain employment. The first year can establish a baseline measurement by tracking the number of individuals returning to school. With that information, the WIB can then determine a standard for performance in this category.

Third, the WIB can require that training providers track the participant outcomes for two years after completion on the program. Research has shown that the much greater income and job retention impact of longer-term training is not evident until a year or two after completion of a program. If programs track outcomes only after six months they might think that long-term and short-term training are equally effective, but if they do long-term tracking, it will be clear that there is a much greater payoff to longer education and training programs.

C. Earn While You Learn Strategies

While longer-term training and education can help an individual earn a decent living, it is a struggle for most people to live without an income while they are in training. The longer the training, the more difficult it is to survive without income. There are two basic kinds of “earn while you learn” strategies. The first makes it easier for adults to go to school after work. The second brings training to the workplace.

Earlier in this Action Brief, we discussed one strategy to make it easier for adults to go to school after work: Allow ITAs to be spread over several years so that working adults can take one course at a time and still end up with a valuable skill. Another way WIA can support this strategy is by providing after work childcare while a participant is in training. But funding streams other than WIA can also be used to support this strategy. Temporary Aid to Needy Families (TANF) in particular offers former welfare recipients and the working poor a rich array of training options and support services.

Even better than this strategy, some training models such as on-the-job training, incumbent worker training, and apprenticeship provide both income and learning at the same time. They are also generally considered to be more effective training models because the learning is placed within the context of actual experience.

On-the-Job training was discussed earlier in this Action Brief. Its advantages are that OJT is easier than other forms of workplace-based training to implement and can parallel Individual Training Accounts in form; that is, OJTs can be offered to single individuals in separate workplaces. The danger with OJTs, as noted, is that they often subsidize the wages but offer workers little in the way of transferable skill development.

On-the-job training is for new hires. Incumbent worker training is for the existing employees of a company. Pre-employment training for

unemployed workers can “follow” people into workplaces and continue their training there. Programs can be crafted for a whole set of workers, using the range of different funding streams for which each individual is eligible.

Because such service delivery designs are very complex, One-Stops rarely employ them. Labor representatives need to encourage the use of these more effective strategies that allow an entire group of workers to be trained.

Without these longer term programs, workers who need support the most rarely can move up the skill ladder through just a short-term training program. Therefore, it makes sense to couple an initial school-based program with follow-up support after the worker is employed.

Remember also that WIA permits local WIBs to use their funds for incumbent worker training only for those workers who are unable to meet the self-sufficiency standard. Governors’ funds are more flexible and can be used without restrictions to train incumbent workers.

Incumbent worker training is rarely delivered on an individual basis, although it could be. That is, One-Stops could provide a special kind of ITA to workers unable to make a family-sustaining wage that allows them to receive on-the-job training. There is a critical difference, however. In an OJT, employers receive a subsidy for a portion of the learner’s wage, up to a maximum of 50%. In the case of incumbent worker training, the payment would go to the employer (or a training vendor the employer uses) for the training provided. As in the case of OJTs, WIBs would have to develop careful policies to ensure that the training provided the worker with skills that are useful in the wider labor market.

Most incumbent worker training is provided to groups of workers in a single workplace or a group of workplaces that have come together for this purpose. These kinds of programs can have the greatest impact for workers, employers, and communities. Employing this strategy, WIBs can target specific occupations, industries, or firms and develop training programs that address specific problems. But these programs cannot be bought “off-the-shelf”. They have to be developed in close collaboration with unions and employers. One-Stops do not have to design the programs themselves; they can contract or collaborate with community colleges or other public or private training vendors.

Unions can play several important roles to support the success of incumbent worker training. As the representative of the workforce, unions can monitor programs to ensure that access to training is distributed equitably among eligible workers. They can also ensure that contractual agreements on seniority or other systems remain in place. Another important role for unions is to defend the principle of upgrade training. In other words, if workers receive training that improves skills, that improvement should be rewarded by upgrades in

A Useful Resource

The National Governor’s Association has published a comprehensive and enormously useful guide to state-funded employer-focused job training programs across the nation.

This publication is:

A Comprehensive Look at State-Funded, Employer-Focused Job Training Programs, Regional Technology Strategies. Published by the Employment and Social Services Policy Studies Division of the National Governor’s Association, Center for Best Practices.

Labor representatives and WIBs should use it to understand their own state’s programs as well as the kinds of offerings available in other places.

pay and/or benefits. In some cases, unions have been able to negotiate training on work time or in a fifty-fifty split with workers spending half a class on their own time and the employer paying for attendance for the other half. When unions fail to address these issues, incumbent worker training can become a source of conflict among the workforce

Labor representatives, state federations, and local labor councils need to take a role in making the many options for incumbent worker training familiar to unions.

D. State funded training

Employer-focused and employer-based training is becoming a big business and more and more of it is publicly funded by states. A decade ago, total state spending for these programs was approximately \$350 million; by this year it had reached at least \$600 million. Forty-seven states now have at least one employer-focused training program and some have special funding for other types of workforce development.

Depending on the program, these funds can support new entrant training, new employee training, or incumbent worker training. The funds – again depending on program design can be used to attract new employers, retain an existing workforce, or improve a company's productivity.

Labor representatives and WIBs should become familiar with the range of these state-funded programs in their own state. Unfortunately, there often is little connection between these programs and those administered by the Workforce Investment Boards.



The AFL-CIO Working for America Institute works with unions and their allies to create and retain good jobs and build strong communities through promoting high road economic strategies for individuals; employers and industrial sectors; and public economic and workforce development systems.

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