

Wisconsin Workers: Training Today Meets the Needs of Tomorrow

An In-house Study by the Wisconsin Workforce Development Association by Allison S. Brost

A faltering US economy combined with increasing unemployment made 2008 a difficult year for many states' workers, including those in Wisconsin.

Adding to the strain was the approximately 20% decrease in WIA funds that occurred between 2002 and 2007. Even without such decreases there remain significant limitations for the monies, including inability to support incumbent worker advancement and operational inflexibility.

For many states, the answer has been found in new education and training programs that complement their current unemployment insurance program and are funded through payroll contributions.

These programs typically offer assistance for incumbent and low-skilled workers, grant flexible funding to manage unique state needs and garner support from both unions and the business community.

Today nearly half of the fifty states have similar programs, including states such as Minnesota who began their program in 1991 as a resource for laid-off workers.

This program is funded through a 0.1 percent surcharge on taxable wages and is often supported by a dollar-for-dollar business match. The program yields around \$35 million annually in training funds and allows the state flexibility to adjust to changing economic conditions and business needs.

The funds support dislocated workers, customized

training grants, a health care and human services grant program and a low-income worker grant program, among others. A 2007 evaluation of the program showed a post-training wage increase of 24 percent for those who remained in the industry in which they received training.

Such successes have not been limited to only Minnesota. Since its inception in 1992, the New Jersey Workforce Development Partnership (WDP) has focused on customized training and individual training grants. In FY2008 alone the program trained an estimated 74,323—a stark contrast to the 7,736 funded through WIA. The WDP also finances such programs as the Dislocated Worker Individual Training Grants program, Youth Transitions to Work and the Supplemental Workforce Fund for Basic Skills program.

Multiple reports such as those by the National Employment Law Project and the Workforce Alliance have shown the effectiveness of training for both participants and employers. Studies reveal significant increases in earnings amongst post-training participants as well as new marketable skills and knowledge. Additionally, employers experience less demand on UI funds as trained workers are able to obtain more stable jobs and costs decrease overall in their demand on UI. In other words, training dollars spent today save both the employer and the participant in the future.

For more information on state education and training funds please visit:

http://nelp.3cdn.net/5c6528a372ab1c0ff6_8vm6bhjlr.pdf

State	Who Pays?	Who is Served?	Who Governs?	Key Services	State Education & training Fund Revenue, FY 07 (in millions)
Minnesota	UI-covered employers	Employers, incumbent workers, dislocated workers, and public assistance recipients	Minnesota Job Skills Partnership	Various (customized training, industry partnership with educational institutions, and skills training for low-wage and unemployed workers)	\$43.9
California	UI-Covered Employers	Employers, incumbent workers, and jobseekers	Seven-member Employment Training Panel	Customized training	\$67.3
New Jersey	Employers, workers	Employers, incumbent workers, dislocated workers, and youth	New Jersey Department of Labor	Various (customized training, individual grants, educational assistance, youth transitions)	\$125.4
Maine	UI-covered employers	Low-income workers and jobseekers	Bureau of Employment Services	Training grants for low-income workers for high-wage and demand occupations	\$2.9 (FY 08)