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Beyond “Train and Pray”: State Training Policies to Connect Workers to Good Jobs

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Introduction

Five hundred tollbooth operators lost their jobs instantly last summer when the Pennsylvania Turnpike Commission announced that a temporary expansion of electronic toll collection implemented to slow the spread of COVID-19 would remain in place permanently.¹ Layoffs at Nordstrom Trunk Club, a styling service in Chicago that helped customers pick out new clothes, cost 446 workers their jobs.² In Texas, the Gaylord Texan Resort in Grapevine laid off 1,426 employees between March and June; in July, nearly 900 lost their jobs at three J.C. Penney locations across the state.³

These are just a few examples of the surge in layoffs across the United States caused by the coronavirus pandemic. The pandemic recession put into sharp focus the labor market challenges facing workers, especially those without a college degree.⁴ The federal government in the U.S. spends far less as a percentage of GDP on job training and public employment than most other advanced economies,⁵ and when job loss occurs—even in the absence of a global crisis—laid-off workers may find only patchy support.

But the federal government is not the only source of public funding for job training and skills development. Most states also provide their own funding for workforce development,⁶ often with a focus on short job training programs that aim to help workers move quickly into new careers.

This brief begins by framing state workforce training policies in the context of a growing body of research on certificate and other workforce training programs. I then propose a structural taxonomy of three types of state policies that support workforce training, which focus respectively on program participants, training providers, and employers.⁷ Next, I use case studies of Indiana and Washington to provide examples where participant-, provider-, and employer-focused workforce training policies are combined to better support training access, utilization, and business engagement. The brief concludes with six state policy recommendations as well as suggestions for supporting state workforce training efforts through federal recovery spending.

Literature Review and State Policy Landscape

Over the past decade, short workforce training programs have received increased attention from policymakers, commentators, and the general public as potential paths out of unemployment or dead-end work without the time and expense of a conventional college degree.⁸ Certificate programs, which lead to non-degree college credentials after a few semesters of coursework, have seen surprisingly strong enrollments through the pandemic.⁹ Arguments in favor of policies that support such programs tend to focus on their potential benefits for the economic productivity of the private sector and for the labor market success of workers.¹⁰ This “win-win” for job seekers and employers is not easy to achieve in practice, however. State workforce training incentives must be designed with realistic expectations, attention to past experience, and concrete success metrics in mind.

A growing body of literature on the economic returns to certificate programs can inform discussions of state workforce training policies. A 2021 paper by Sandy Baum, Harry Holzer, and Grace Luetmer provides a comprehensive review of research on short certificate programs and, using regression analysis of the 2016 Adult Training and Education Survey, finds that average earnings of certificate holders are 10 percent higher than those of high school graduates when controlling for demographic characteristics.¹¹ This finding is consistent with a 2017 analysis of eight state-level studies by Belfield and Bailey, which found that certificate attainment measurably increased earnings, albeit much less than associate or bachelor’s degrees.¹² By contrast, an evaluation of workforce services under the federal Workforce Investment Act (WIA) found no significant increases in earnings among participants who received workforce training relative to those who received only “core” job-search services.¹³ Additionally, a recent analysis of Washington State data by New America’s Lul Tesfai found that short-term training programs lasting three months or less tend to lead to post-completion incomes that are above the state minimum wage but below the level necessary to sustain a family.¹⁴

Though postsecondary job training and certificate attainment appear to confer slight economic benefits relative to similar workers who have a high school diploma alone, research also shows that the returns to such programs vary widely by participant demographics and field of study. A study of certificate attainment in Michigan found negligible returns for women who obtained certificates. Separately, analysts at New America have shown that non-degree credentials pay off less for women than for men, reflecting sectoral wage inequalities.¹⁵ In general, workforce training targeted at “technical” fields such as construction, manufacturing, and certain health care occupations produces much higher economic returns compared to programs in humanities, business, or service industries,¹⁶ where credential attainment may have negligible or even negative effects. Although longer non-degree programs are associated with higher

earnings than very short ones, Baum, Holzer, and Luetmer concur with a 2012 study by Anthony Carnevale, Stephen Rose, and Andrew Hanson that identified program length as a much less significant factor in post-program earnings than participant demographics or field of study.¹⁷

Research on the outcomes of certificate attainment or other job training shows inconsistent and often disappointing economic returns, especially for women and workers in less technical fields. However, training models that focus on demonstrably in-demand occupations, and which incorporate direct engagement of employers as well as supportive services for trainees, produce more impressive results. Sector strategies are one such model: these partnerships aggregate talent demand from multiple employers in order to develop training programs to help workers into high-quality unfilled jobs.¹⁸ Sector strategies began to proliferate in the 1990s and have been the subject of several randomized evaluations, with some showing strong and durable earnings effects for program completers.¹⁹ Career pathways initiatives, which share features of sector strategies such as supportive services and a focus on long-term career progression through credential attainment, but typically involve less direct employer participation,²⁰ have also been shown to confer some economic and educational benefits.²¹

Compared to certificate programs delivered without substantive employer connections, sector strategies and the career pathways model are more promising attempts at the “win-win” balancing act between the needs of job seekers and businesses.²² The evidence in favor of employer-connected models is crucial, because, despite the generally unimpressive economic returns to short certificate and job training programs for participants, expanded availability of workforce training programs has remained a politically popular policy objective. As of 2019, 44 states had developed credential attainment goals, embracing workforce training options alongside traditional degree programs.²³ Higher education institutions—attentive to state policymakers’ promulgation of these credential attainment goals and to calls from students and businesses for quicker job-training options—have concurrently expanded their certificate offerings.²⁴ Most recently, the economic crisis triggered by the coronavirus pandemic has intensified calls from some researchers and national advocacy organizations to expand and elevate workforce training, and has spurred some state policymakers to launch new workforce training initiatives or ambitiously expand existing ones.²⁵

State policies can powerfully support effective workforce training, establishing a shared strategic vision and drawing on knowledgeable agencies and actionable data systems to ensure that training reliably connects residents to employment and further education.²⁶ As researchers from the Urban Institute showed in a 2018 report, state policies that establish regular incentive structures may supplement or even substantially exceed federal investments,²⁷ creating opportunities to build large, sustained training ecosystems that deliver quality

programs aligned with broader economic priorities. However, the variety of workforce training programs, the particular characteristics of regional labor markets, and the administrative differences from state to state mean there is no one-size-fits-all approach to workforce training. All successful state policies to support workforce training programs must address issues of program development and alignment, financing and incentives, and outcomes and accountability, but will do so with different methods.

Three Ways to Fund Workforce Training

Because the basic objective of the sector strategies and career pathways models of workforce development is to help learners quickly develop the skills necessary to perform available jobs, such programs must support learners, prospective employers, and training providers. State policies that support workforce training function by allocating public funds to better connect these three key stakeholders through training programs. However, state training policies and programs tend to focus on one stakeholder group as the principal target of financial support, taking the form of **participant-focused**, **provider-focused**, or **employer-focused** initiatives.

Participant-focused state grants and scholarships provide learners with additional funding that they can spend directly on tuition, fees, and other expenses associated with training. Examples include the Work Ready Kentucky Scholarship; Georgia's HOPE Grants, Zell Miller Grants, and HOPE Career Grants; Iowa's Kibbie Grant and Future Ready Iowa Last-Dollar Scholarship; Michigan Reconnect and the Michigan Skills Scholarship; and California's Cal Grant C award. Participant-focused policies each have their own eligibility requirements, both for participants and for the programs where financial aid can be used. Georgia's programs, for example, have GPA requirements, and the Cal Grant C award features income thresholds. The Work Ready Kentucky Scholarship has neither. The Michigan Reconnect community college scholarship is open to students enrolling in any program provided they are over 25 years of age, while Georgia's HOPE Career Grants and Iowa's Kibbie Grant have no age requirement but are available only for certain programs of study. Participant-focused supports are typically not available for learners who already have an associate degree or higher.

Provider-focused funding streams encourage higher education institutions and other training providers to develop and implement programs that meet the needs of learners and employers. While large portions of participant-focused grants and scholarships invariably find their way into institutional coffers, provider-focused policies directly support providers' capacity to create and sustain career-focused training programs. Examples of provider-focused workforce training policies include Florida's Career and Professional Education Act funding, Washington's Worker Retraining Program, California's Strong Workforce Program, and

Michigan’s New Jobs Training Program, which was itself modeled on Iowa’s Industrial New Jobs Training Program.²⁸ Virginia’s FastForward program combines elements of participant-focused and provider-focused aid in a unique cost-sharing arrangement.²⁹

Whereas some participant-focused state aid may be spent on training from private providers (and some, as in Iowa and Michigan, have dedicated workforce grants for attendance at private institutions), state provider-focused training incentives generally target public community colleges. Eligible uses for funding include instructor salaries, employer engagement in curriculum design, and student supportive services. In some cases, as in Washington’s Worker Retraining (WRT) program, pass-through funding may help cover student tuition or living costs. Although WRT functions as a formula grant, provider-focused aid initiatives may also be structured as reimbursement models, where interested employers pay up front for training, and are reimbursed by colleges serving as fiscal agents for public funds once training is complete. In Michigan’s New Jobs Training Program, for example, colleges receive state loans of up to \$500,000 to deliver customized training for employer partners, who then repay the state using new employees’ income tax withholdings.

A final set of state policies provides employer-focused funding, and directly supports the organizations that will employ learners during or after their skills training. Examples of employer-focused initiatives include Washington’s Job Skills Program, Indiana’s Employer Training Grants and Skills Enhancement Fund, and California’s Employment Training Panel (ETP). The ETP, for example, is a massive skills fund that provides between \$60 million and \$100 million annually, funded by a payroll tax on eligible employers, to reimburse training for new and incumbent workers at California companies.³⁰ Companies may provide training in-house, or contract with community colleges, private trainers, or workforce development boards to provide training for them. For companies to be eligible for reimbursement, trainees must be retained and paid a regionally determined minimum wage for at least 90 days after they complete training.³¹

→ EMPLOYER-FOCUSED SKILLS FUNDS

A common complaint about workforce training initiatives among employers—and a common critique among researchers and evaluators—is that programs do not reliably deliver the specific skills that businesses seek, leaving businesses with unfilled job vacancies and participants with no better job prospects than they had before. Although participant-focused and provider-focused workforce training policies can be designed to include best practices from the sector strategies model that help ensure employer

relevance, employer-focused policies that support corporate training can go a step further, assigning some program development responsibilities to employers themselves.

Corporate training has several important benefits. It contextualizes education in real-world applications; participants are paid for working hours, and often for their training hours, too, which can take place at the same location where they work; and it can improve relationships and collaboration between businesses and training partners such as community colleges.³² Well-designed employer training subsidies incentivize businesses to conduct corporate training for incumbent workers as well as new hires, allowing businesses to upskill current employees, support reemployment of displaced workers, and obtain company-level employment and productivity benefits.³³ Employer-focused training policies may also support multiple employers training for shared skills needs, effectively replicating the sector strategies model on a smaller scale.

Some employer-focused policies, such as Indiana's Employer Training Grants, are funded by state appropriations. Others, including California's Employment Training Panel (ETP) and programs in Delaware, Louisiana, and Minnesota (see note 30) are funded using a dedicated payroll tax. This model diverges significantly from typical higher education financing practices, and more closely resembles the federal unemployment insurance (UI) tax. Like federal UI taxes, the Employment Training Tax, which funds California's ETP, is paid by employers and only applies to the first \$7,000 of each employee's annual income. This type of payroll tax provides an especially strong incentive for businesses to participate in workforce training: businesses can use the money, or they lose it.

State workforce training incentives of any structure—participant-, provider-, or employer-focused—can be designed to align with good job opportunities, offset stakeholders' training costs, and maintain high standards in program quality and equity. In Indiana and Washington, states with significantly different economies and politics, different types of workforce training incentives combine in a comprehensive strategy. The similarities and distinctions between these two state approaches are instructive for policymakers considering new or expanded workforce training supports.

Case Study: Indiana

Indiana has made some big changes to its public workforce system in recent years. In June 2018, it received a waiver from the U.S. Department of Labor to dissolve its federally mandated state workforce development board (WDB), replacing it with the Governor’s Workforce Cabinet that was established in statute the year before.³⁴ With its stated intention to be “focused on accomplishment, not activity,” the smaller Workforce Cabinet was aimed at providing a more expansive and collaborative approach to workforce development, including but also exceeding the Workforce Innovation and Opportunity Act implementation functions of the state WDB.

The decision to apply for the state WDB waiver was driven in part by Governor Eric Holcomb’s establishment, also in 2017, of the Next Level Jobs initiative.³⁵ Alongside other changes to Indiana’s career and technical education processes, one of the most notable features of the new initiative’s authorizing legislation was a participant-focused grant program aimed at supporting students in pursuit of “high value workforce ready” training. Although similar workforce training grants had existed since 2007, these were only available for credit-bearing programs. The new Workforce Ready Grants (WRGs) could be used for credit-bearing as well as non-credit workforce programs at Ivy Tech or Vincennes University (Indiana’s singly accredited statewide community college and its statewide, predominately associate-granting university, respectively), as well as at several private providers.

The Workforce Ready Grant program aimed to support quick-turnaround training options at a time when Indiana’s unemployment rate was among the lowest in the country.³⁶ Indiana’s Commission for Higher Education (CHE), charged with overseeing the WRG initiative, had for years engaged in college access efforts aimed at traditional college-age students. But after a 2016 analysis of public institution student records revealed about 750,000 Hoosier students with some college education but no degree, the focus began to shift towards adult learners.³⁷ The Next Level Jobs initiative, which was initially branded as a first-time students’ complement to the “You Can Go Back” college completion grant, preserved a focus on adult postsecondary attainment, but with a view to incorporating credentials besides degrees that could serve students’ economic and educational needs.

Workforce Ready Grants function as a last-dollar scholarship, applied after all other federal or institutional aid for which a student is eligible, which covers all tuition and mandatory fees of credit-bearing programs. There is no prohibition on non-credit programs—though the maximum scholarship for these programs is \$5,500—so prospective students have a wide range of training options to choose from. Ivy Tech is by far the most common choice for WRG-eligible students,

mostly in credit programs, but about a quarter of WRG recipients enroll in non-credit programs offered by private providers.³⁸ Regardless of where they are delivered and their credit status, all WRG programs are jointly administered and approved by CHE and Indiana’s Department of Workforce Development (DWD).

Prior to the establishment of the Governor’s Workforce Cabinet and the state workforce development board waiver, authority over workforce programs in Indiana sat entirely with the Department of Workforce Development. One might expect territorial frictions to emerge under the new regime, but with the shared forum of the Workforce Cabinet—and memoranda of understanding establishing a transfer of funds from CHE to DWD for its role in managing non-credit programs—that has not been the case. However, staff at the DWD recognized in the early days of the Next Level Jobs initiative that the participant-focused Workforce Ready Grants alone would not make the most of short-term workforce training.

In 2017, the Department of Workforce Development identified a \$20 million line item for supporting sector strategies that had “run its course,” according to PJ McGrew, executive director of the Governor’s Workforce Cabinet. So DWD began using those funds for employer-focused training grants. “We wanted to provide individuals with access to training through [Workforce Ready Grants],” McGrew says, “but also a funding stream for employers if they wanted to train their new hires.” In 2018, the Employer Training Grant (ETG) program was codified in law, joining WRGs as a crucial feature of the Next Level Jobs initiative.

The Employer Training Grant program provides reimbursements to employers for eligible training delivered to new or incumbent workers. As with the Workforce Ready Grants, ETG training can be delivered through Ivy Tech, Vincennes University, or private training providers, but by contrast, a larger share of ETG funding goes to non-credit programs.³⁹ Six occupational sectors are eligible for ETG funding, training must be at least 40 hours in duration, and the Department of Workforce Development must approve all training plans.⁴⁰ Crucially, all employees trained under an ETG agreement must be retained by the employer for a total of six months before the employee’s training costs can be reimbursed. New employees must also receive a portable credential of value from their training, and incumbent employees must receive both a credential and an increase in wages.

In 2019, DWD reallocated the entire \$20 million sector strategies fund to expand the ETG program. Even with a larger budget, companies have completely snapped up each new round of funding.⁴¹ About 55 percent of employer grantees have 50 or fewer employees, says McGrew, and many are repeat customers. The initial request for training approval takes only a few minutes and can be completed on a cell phone.

Together, the participant-focused and employer-focused supports available under the Next Level Jobs initiative have already had a remarkable impact. Over 43,800 Hoosiers have enrolled in educational programs with Workforce Ready Grant support since its launch, and over 26,500 have received training under Employer Training Grant agreements with over 2,900 employers. State longitudinal data show a roughly \$6,000 payoff in additional wages for ETG program completers, and about \$6,800 for WRG-supported program completers. The ETG program boasts an average hourly wage of \$20.86 for all current trainees.⁴² Though Liz Walker, the Commission for Higher Education’s chief strategy officer, explains that many ETG and WRG programs are non-credit, her agency, the Department of Workforce Development, Ivy Tech, and Vincennes University work together to connect non-credit programs with credit-bearing ones, and to stack credit-bearing certificates into college degrees.

While the Next Level Jobs initiative was built during a time of near-full employment, it has proven adaptable to job market conditions brought on by the pandemic recession. In July 2020, Governor Holcomb announced the state would use CARES Act funding to provide an additional \$22 million in Workforce Ready Grant funding, and an additional \$17 million towards Employer Training Grants.⁴³ At the same time, the state expanded eligibility for both programs, doubling the per-employer ETG cap to \$100,000 per contract, approving 50 new WRG-eligible programs, and suspending the ineligibility of associate or bachelor’s degree holders for WRGs.

The participant-focused and employer-focused aspects of the Next Level Jobs initiative provide different access points for trainees, but both use shared public resources and benefit from government agencies’ commitment to quality and coordination. But the agencies involved are not done yet. McGrew, of the Governor’s Workforce Cabinet, wants employers receiving Employer Training Grants to think more about supportive services to help employees succeed educationally. Walker, of the Commission for Higher Education, hopes her agency can do more to help Workforce Ready Grant recipients performing high-value but low-wage jobs—like nursing assistants or commercial drivers, for example—to find quality placements. Both want to link WRGs and ETGs more closely. Though Walker confesses that “we can take for granted how good we have it in Indiana, compared to the rest of the country,” she would like to see a more fully unified system that lets students and workers evaluate a range of high-quality training options—both short-term and long-term, credit-bearing and non-credit. This could allow WRG-funded students to land good jobs more quickly and continue their education with employers already committed to workforce training through ETGs.

Case Study: Washington

Whereas Indiana’s Next Level Jobs initiative is a relatively recent development, Washington’s state-funded workforce training initiatives have existed for decades. In 1983, the Washington State legislature enacted the Job Skills Program (JSP) with a declaration that cooperative skills training partnerships between industry and educational institutions—and their engagement with residents who could benefit—were a matter of public interest worthy of government support.⁴⁴ And though JSP focuses primarily on short-term training aimed at addressing immediate skills needs, additional state training initiatives now coalesce in a unified workforce strategy that centers on Washington workers’ longer-term educational goals and economic success.

The Job Skills Program and the more recent and much larger Worker Retraining program support workforce training for new or incumbent employees and dislocated or unemployed job seekers, respectively. Though both programs function as provider-focused supports and are both overseen by the State Board of Community and Technical Colleges (SBCTC), important employer-focused and participant-focused features emerge in their actual operation.

Job Skills Program funds are administered by community and technical colleges, which contract with employers in need of job training. JSP contracts cover up to half of employers’ training. Though employers can contribute their 50 percent share in cash payments for training, many fulfill a part of the matching requirement by paying wages of trainees’ supervisors; even more commonly, businesses fulfill the requirement by paying wages for trainees while they are in training and thus doing less productive work.⁴⁵ Private businesses in any industry sector, as well as public or nonprofit hospitals, are eligible to enter contracts. They may pursue three types of training project: training for new employees; training to avert layoffs; and “upgrade” training to secure raises or promotions for trainees.⁴⁶

Though the Worker Retraining (WRT) program receives about four times as much money from the state as the Job Skills Program, the two programs share important similarities.⁴⁷ As with JSP, training providers apply for WRT grants that may be used for training programs in any sector.⁴⁸ Both programs allow for non-credit coursework, although they both prioritize credit-bearing training. Both programs are overseen by a single workforce training advisory committee made up of college, business, and labor representatives.⁴⁹ And both grants require colleges to plan out curricula that will secure well-paid jobs for learners. But while JSP functions as a provider-focused skills fund with employer-focused features—channeling public funds for customized training through public institutions—WRT helps training providers build career pathways and adds a

participant-focused financial aid component to help lower-income learners complete their programs.

The Worker Retraining program was established in 1999 as an expansion of an earlier skills fund, the Employment and Training Trust Fund, and preserves the earlier fund's focus on dislocated workers.⁵⁰ WRT funding is allocated on a formula basis that takes into account both a college's previous-year full-time equivalent enrollment in WRT programs and the college service area's share of statewide unemployment.⁵¹ Each year, colleges submit WRT applications detailing their planned uses of the funding, which can be a mix of different program and staff expenditures, capital expenses, and financial aid to cover student tuition. Colleges also use WRT funds to provide Training Completion Aid, a special type of student grant that can cover non-tuition living expenses for eligible students, as well as training stipends for work-based learning.

Enrollment across Washington's community and technical college system has declined each year since 2010, shedding about 28 percent of the total student head count.⁵² But Worker Retraining and the Job Skills Program have bucked this trend, with overall enrollments for JSP growing each reporting period since 2013, and WRT remaining steady at around 7,000 annual participants since 2015.⁵³ Though WRT and JSP students make up only a fraction of students system-wide, says Peter Guzman, a workforce education policy associate at SBCTC, the programs are an important vehicle for recruiting new students and demonstrating the system's commitment to employer relevance.

When it comes to workers and learners, SBCTC workforce program administrator Danny Marshall says that the system's focus on individuals is critical: "everything we do goes back to how we get a person onto a career pathway, focus on their needs, and build the economy." To do so, SBCTC keeps tabs on many different points of access and advising—including college student services, American Job Centers, and the state's Department of Social and Health Services—where eligible learners might hear about their local college's Worker Retraining programs. As for the jobs learners can train for, SBCTC tempers its openness to funding WRT and Job Skills Program projects in a variety of industries with a steadfast emphasis on upward mobility. WRT guidelines set out living wage requirements for eligible occupations, and SBCTC's Centers for Excellence make recommendations about in-demand occupations and competencies within an industry sector.⁵⁴ Before funding commercial driver's license training for jobs in the state's large sand and gravel industry, for example, SBCTC will work to understand what the next steps beyond those driving jobs might be for students.

Washington State's individualized approach to workforce program design applies to partner employers as well as to students. Annual Worker Retraining allocations help to maintain existing retraining programs and to develop new ones as regional economic needs change. Job Skills Program contracts are even more

personalized. With individual employer contracts sometimes running in the hundreds of trainees,⁵⁵ many employers will contract with colleges to deliver several different short-term curricula to separate groups of employees. On the other hand, for more advanced professional credentials like Six Sigma manufacturing process certifications, colleges may work to identify a consortium of employers with similar skills needs, pooling demand for programs that would not be cost-effective otherwise. These multiple-employer training agreements resemble sector strategies in their structure.

Crucially, both the Worker Retraining program and Job Skills Program are able to respond to regional as well as national economic changes. Mike Nielsen, the director of corporate and continuing education at Green River College, manages at least 20 JSP contracts per year, the largest number of any college in the system. When employer partners are expanding, he says, about three-quarters of trainees will be new employees. When growth slows, as it has during the pandemic, an employer or consortium's trainees might be 90 percent incumbent workers. Though JSP prioritizes new hires, Nielsen says, "at the end of the day, businesses make that decision. We give employers a menu, and the scope of training expands quickly." As for the Worker Retraining Program, which is not intended for incumbent workers, Training Completion Aid funds allow colleges to provide more extensive training to program participants during prolonged economic slumps.

Nielsen says interest among learners and employers in short-term training is likely to drive increased investments in the Job Skills Program, whose biennial state budget allocation was recently increased from \$5.4 million to \$15.4 million. But along with JSP's focus on immediate employment, says Peter Guzman of the SBCTC, a key strength of Washington's state-funded workforce policies is its equal emphasis on longer-term economic and educational goals. The Worker Retraining program is not just intended as short-term training, says Becky Wood, another program administrator with SBCTC, but also as a pathway to college credit and industry credentials that can stack into an associate degree, an apprenticeship, or an applied baccalaureate.⁵⁶ Washington's workforce training investments in its community colleges take various forms, both shorter-term and longer-term—JSP, WRT, and apprenticeship funding, among others—but all contribute to building colleges' capacity to deliver lasting economic returns for learners.

As in Indiana, Washington State's college system practitioners continue to seek out possible improvements to their workforce training policies. Green River College's Mike Nielsen argues that the current system overlooks some non-credit opportunities. Because Job Skills Program trainees do not generate full-time equivalent student funding, colleges receive less funding for their contracted training programs. Nielsen points to North Carolina's state funding formula for non-credit coursework, which reimburses some high-demand programs at the same level as credit-bearing courses, as an enviable example.⁵⁷ "If the state was

supporting that at some level, it would make a huge difference,” he says. Nielsen also acknowledges that both Worker Retraining and JSP require detailed record-keeping that some colleges struggle with. But though these reporting procedures take time, rigorous eligibility requirements and intensive accountability for Washington’s JSP and WRT help ensure the programs pay off for workers and learners alike.⁵⁸

Policy Recommendations

In Indiana and Washington, among other states, policymakers have chosen to adopt multifaceted strategies for supporting workforce training. The success of participant-focused, provider-focused, and employer-focused skills funds all ultimately depend on states' willingness to make strong commitments to educational rigor and job quality. However, these case studies also show that implementing multiple workforce funding programs, targeted at different stakeholders, permits states to serve different regional economies, educational partners, and student and employer communities.

These case studies draw out six recommendations for states interested in creating or expanding policies to support workforce training programs:

- **Establish an employer-focused skills training fund.** Employer-focused initiatives allow businesses to provide training that works for them, reducing the likelihood that workforce training will not result in employment for trainees. These policies should be available for retraining incumbent workers as well as for new hires. Policies should also support accessibility for small businesses. In Washington, for example, employers with less than \$500,000 in gross annual income must adhere to all Job Skills Program guidelines but are not required to match public funding. Where possible, employer-focused initiatives should mirror the sector strategies model with collaborative arrangements that pool demand for shared skills needs from multiple employers. Employer-focused initiatives funded by payroll taxes should be implemented if possible, as they create a clearer financial incentive for businesses to develop training.
- **Implement a participant-focused or provider-focused training incentive—or both.** Alongside employer-focused training policies, states should implement policies that reduce career training costs for participants and build institutional capacity among training providers. Provider-focused policies should support the development of both credit and non-credit programs that respond to the needs of local employers and reliably connect students to job opportunities. Participant-focused state policies should cover tuition and living expenses during training so that learners can participate and succeed in rigorous, job-relevant workforce programs, which are likely to take more than just a few weeks to complete. Participant-focused policies should not be off-limits to learners with a prior degree. As shown by Indiana's decision to allow bachelor's degree holders to access Workforce Ready Grants through December 2020,⁵⁹ degree holders may also need and benefit from additional workforce training. By using participant- or provider-focused supports alongside employer-focused policies, states can ensure that job seekers in different

situations and at different stages of life will find what they need to take their next career step.

- **Require training programs to demonstrate immediate economic opportunity.** Participant- and provider-focused supports may encounter pitfalls when training is not connected to immediate, adequate, and durable economic demand. For these initiatives, states and local institutions should regularly establish and update priority occupations—rather than broader priority sectors—using recent labor market information drawn from occupational wage data, as Washington State has begun to do.⁶⁰ Employer-focused policies should feature wage requirements to ensure that only in-demand jobs with committed businesses are eligible for funding. In Michigan’s New Jobs Training Program, for example, only jobs that pay at least 175 percent of the state’s minimum wage (i.e., \$16.54 per hour in 2019) are eligible for training contracts. Required retention periods for program completers, as seen in California’s Employment Training Panel funds and Indiana’s Employer Training Grants, can provide important additional worker protection.
- **Establish articulation processes.** Short workforce training programs may play an important role for many Americans in the economic recovery from the pandemic recession. However, such programs on their own are unlikely to produce satisfactory earnings over the course of a learner’s career. Non-credit training and industry credentials should be made eligible for college credit for prior learning; credit-bearing certificates should stack into degree programs; and work-based learning should articulate into Registered Apprenticeships or higher education programs. Credentials available under Indiana’s Next Level Jobs initiative have been added to the Credential Engine registry, for example, allowing learners to understand what they are and what the return on investment potential for each might be, all while supporting credit articulation in health care occupations.⁶¹ In Florida, the Career and Professional Education Act has established uniform credit weights for approved certifications, allowing learners to leverage industry knowledge towards their academic goals.⁶² And California’s Employment Training Panel funding, which typically supports shorter-term training, has also been available to support related technical instruction for apprentices and pre-apprentices since 2012.⁶³
- **Create consistent branding and single access points.** One risk of using multiple state initiatives to support workforce training is that employers, providers, and participants may have trouble finding what they need in the system. This problem is especially acute when successive gubernatorial administrations launch new “signature” initiatives or rebrand existing options. Shifting brands, new application processes, and competing options may confuse returning employer and provider

applicants, whose repeat business and institutional knowledge are important to serving healthy numbers of participants. It can also confuse learners themselves. Where possible, similarly targeted programs—such as Indiana’s Employer Training Grants and its Skills Enhancement Fund—should be combined, or at least presented as clearly differentiated components of a unified initiative with a shared vision. The five-year Career Connect Washington initiative, for example, though focused on training for younger residents, has provided Washington State agencies an opportunity to harmonize program offerings in support of a statewide system that delivers long-term educational success and labor market connections for all learners.⁶⁴

• **Support integrated education and training.** When thoughtfully designed and funded, short workforce training programs can support rapid employment of job seekers, a successful start for new hires, and job retention and promotion for incumbents. To be effective, however, workers must be educationally prepared to take on their job training. Because America’s inequitable secondary education systems cannot currently guarantee adequate basic skills preparation, workforce training policies should incorporate supports for contextualized adult basic education that allow all learners to make use of workforce training. California’s Employment Training Panel, Iowa’s 260F jobs training fund, Michigan’s New Jobs Training Program, and Washington’s Job Skills Program all permit funding to be used for adult basic education (ABE). State agencies and higher education institutions should highlight ABE resources to contracted employers. Policymakers may want to consider providing additional incentives to encourage employers to support new hires who require remedial education.⁶⁵

These recommendations can support equitable workforce training programs as part of state economic and education agendas. State and local policymakers should bear in mind, however, that workforce training programs can only be as economically promising or equitable as the labor markets they connect with. Skills alone are not enough to guarantee access to good-quality jobs—even bachelor’s degrees are not as reliably valuable as they once were—and workforce training policies must be considered alongside other, broader efforts to make all work more stable and better-paid.

State policymakers should implement wage gain and retention requirements to ensure that employer partners model high-road employment practices. They should engage unions where possible to ensure that training for incumbents and new hires is adequate and equitable. The federal government also has a significant role to play in linking workforce training to high-quality jobs during the ongoing economic recovery. Generous federal spending on infrastructure and publicly subsidized jobs—channeled through educational institutions and

accountable employer partners—could support reemployment and career training at the same time.⁶⁶

→ CALIFORNIA'S HIGH ROAD TRAINING PARTNERSHIPS

The High Road Training Partnerships (H RTP) initiative, which began in June 2017 with an 18-month, \$10 million investment from the California Workforce Development Board, employs a sector strategies approach to meet the needs of employers and workers, especially workers of color and immigrants in low-wage jobs. Each sectoral or occupational partnership is composed of employers and labor groups and must be grounded in the initiative's principles of equity, climate resilience, and job quality.⁶⁷

The H RTP model assigns leadership and responsibility for each partnership to “high road” businesses that compete on the basis of innovation, skill, and environmental stewardship rather than cost-cutting and expediency. According to a 2020 report by the UC Berkeley Labor Center, the H RTP model “upends the traditional approach to workforce development because it allows industry to *pull in* education and training resources rather than [having] the workforce development or community college system try to *push out* solutions they believe may work.”⁶⁸ A 2020 program overview says that “H RTPs are not an infrastructure to build training *per se*, nor simply advisory capacity to training programs in the community,” but they “provide a systemic and dynamic way to sustain work that meets what the industry itself determines is in demand.”⁶⁹

Partnerships have implemented a variety of different training strategies, including customized training, community college coursework, and pre-apprenticeships. This flexibility allows businesses themselves to determine the ideal training format to meet their needs, so long as H RTP's design principles are also followed. The H RTP initiative has grown from its eight initial demonstration projects to a current total of 34 statewide and regional partnerships. In 2019–20, the initiative received \$30 million in appropriations drawn from the state's Greenhouse Gas Reduction Fund.⁷⁰ This year, the enacted state budget allocated a total of \$135 million to the H RTP initiative, with the aim of reaching new industry sectors, encouraging community college collaboration, and expanding H RTP's joint labor-management model of designing and implementing training to other programs receiving state workforce investments.⁷¹

Conclusion

The U.S. does not currently invest enough public money at the federal level to accomplish the costly balancing of the needs and priorities of businesses, training providers, and participants that effective workforce training requires. However, policymakers in Indiana, Washington, and other states across the country have shown that it is possible to create multifaceted policy systems that adequately fund accountable and career-relevant workforce training to help learners into better jobs and further educational opportunities. These systems can valuably supplement federal workforce development funding, and can be built to fit each state's economic needs and administrative profile.

Higher education and skills training alone will not build a more equitable America. The economic catastrophe of the coronavirus pandemic that began in spring 2020 has driven home the need for much more ambitious reforms to the American social safety net. Still, when coupled with near-term federal stimulus and longer-term policy efforts to return dignity and stability to the fissured American workplace, well-designed state workforce training programs can provide crucial support for displaced and underemployed workers. Although future economic shocks and technological change will surely continue to disrupt the working lives of Americans, state investments that connect workers directly to good jobs through further education and training can help ensure that the devastating experiences of tollbooth attendants, personal stylists, hospitality staff, and millions of others in 2020 are not repeated.

Notes

1 “News Release: PA Turnpike Announces 500 Fare-Collection Layoffs Due to Coronavirus Impacts,” *Penna Turnpike Media & Public Relations*, June 2, 2020, <https://www.paturnpike.com/press/2020/20200602154151.htm>

2 *Illinois WorkNet (website)*, “Archived WARN Reports,” June 2020, <https://www.illinoisworknet.com/LayoffRecovery/Pages/ArchivedWARNReports.aspx>

3 *Texas Workforce Commission (website)*, “Worker Adjustment and Retraining Notification (WARN) Notices,” 2020, <https://www.twc.texas.gov/businesses/worker-adjustment-and-retraining-notification-warn-notices#warnNotices> and Natalie Walters, “March-September D-FW Layoffs Include 1,600 Workers at J.C. Penney and Hilton Hotels,” *Dallas Morning News*, July 23, 2020, <https://www.dallasnews.com/business/local-companies/2020/07/23/march-july-d-fw-layoffs-include-1600-workers-at-jc-penney-and-hilton-hotels/>

4 David Autor and Elisabeth Reynolds, *The Nature of Work after the COVID Crisis: Too Few Low-Wage Jobs* (Washington, DC: The Hamilton Project: July 2020), 3, https://www.hamiltonproject.org/assets/files/AutorReynolds_LO_FINAL.pdf

5 Among the 37 generally high-income economies represented by members of the Organisation for Economic Co-operation and Development (OECD), only Mexico spends less as a percentage of GDP (0.0 percent) than the U.S. (0.25 percent) on labor market investments such as training and public employment. OECD Data (website), “Public Spending on Labour Markets,” <https://data.oecd.org/socialexp/public-spending-on-labour-markets.htm>

6 Forty states provide some non-federal funding for workforce training initiatives, such as scholarships for certificate programs or grants or reimbursement for incumbent worker training. For a discussion of state incumbent worker training programs, see Amanda

Bergson-Shilcock, *Funding Resilience: How Public Policies Can Support Businesses in Upskilling Workers for a Changing Economy* (National Skills Coalition, August 2020), <https://www.nationalskillscoalition.org/wp-content/uploads/2020/12/08-18-2020-NSC-Funding-Resilience.pdf>, which details such programs in 30 states. In this brief, I also describe state workforce training initiatives in Florida, Georgia, Michigan, and Virginia. Arizona, Kansas, Maine, Missouri, North Dakota, and Ohio also use state funds to support workforce training initiatives but are not discussed in this brief.

7 In this paper, the term *participants* is used to refer to individuals enrolled in workforce training programs. I use this term instead of *students* to avoid implying that all are enrolled in colleges. *Participants* in incumbent worker training programs, for example, may not be. Job seekers would exclude incumbent workers who participate in training while already employed.

8 The long history of short, career-focused training programs in the U.S. is reviewed in a recent report by Wesley Whistle, *Short Memories Lead to Long-Term Consequences* (Washington, DC: New America, January 13, 2021), <https://www.newamerica.org/education-policy/reports/short-memories-lead-long-term-consequences-higher-education-policy/>. The Great Recession in particular raised the public profile of training programs as a remedy for unemployment. In May 2009 remarks, President Barack Obama called for “every American to commit to at least one year or more of higher education or career training.” “Remarks by the President on Job Creation and Job Training,” Office of the Press Secretary, The White House, May 8, 2009, <https://obamawhitehouse.archives.gov/realitycheck/the-press-office/remarks-president-job-creation-and-job-training-5809>

9 Hari Sreenivasan, “How the Pandemic is Propelling Demand for Short-Term College Programs,” *PBS NewsHour*, January 26, 2021, <https://www.pbs.org/>

newshour/show/how-the-pandemic-is-propelling-demand-for-short-term-college-degrees; and Heather Long, “Millions of Jobs Probably Aren’t Coming Back, Even after the Pandemic Ends,” Washington Post, February 17, 2021, <https://www.washingtonpost.com/road-to-recovery/2021/02/17/unemployed-workers-retraining/>

10 See, for example, Katie Brown, *Powerful Partners: Businesses and Community Colleges* (National Skills Coalition: July 18, 2021), 4, <https://www.nationalskillscoalition.org/resource/publications/powerful-partners-businesses-and-community-colleges/>; and Aspen Economic Opportunities Program’s UpSkill America initiative, “About UpSkill America,” Aspen Institute, <https://www.aspeninstitute.org/programs/upskill-america/about-upskill-america/>

11 Sandy Baum, Harry J. Holzer, and Grace Luetmer, “Should the Federal Government Fund Short-Term Postsecondary Certificate Programs?” (IZA Institute of Labor Economics, February 2021), 18–26 (literature review) and 33 (regression analysis), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3789376#

12 The report uses an individual fixed effects methodology to estimate quarterly earnings returns to credential attainment while controlling for both measurable and unmeasurable personal characteristics. The authors find a quarterly earnings impact of \$530 or \$740 for certificate attainment over no college (men and women, respectively), compared to a \$1,160 or \$1,790 quarterly earnings impact for an associate degree relative to no college. Clive Belfield and Thomas Bailey, “The Labor Market Returns to Sub-Baccalaureate College: A Review,” (Columbia University Teachers College Center for Analysis of Postsecondary Education and Employment: March 2017), 8–9, <https://ccrc.tc.columbia.edu/publications/labor-market-returns-sub-baccalaureate-college-review.html>

13 “Providing Public Workforce Services to Job Seekers: 15-Month Impact Findings on the WIA Adult

and Dislocated Worker Programs” (Mathematica Policy Research, May 30, 2016), <https://www.mathematica.org/our-publications-and-findings/publications/providing-public-workforce-services-to-job-seekers-15-month-impact-findings-on-the-wia-adult>. Though this evaluation did not find positive earnings impacts for training services under the federal Workforce Investment Act of 1998 (WIA), the authors caution that at the time of publication it was “too soon to judge the effectiveness of training.” Additionally, significant changes to federal workforce training have since occurred under the reauthorized Workforce Innovation and Opportunity Act of 2014 (WIOA). See “New Study Finds Positive Impacts of Staff Assistance, Inconclusive Evidence of Training Effectiveness for Participants in Two Large Publicly Funded Employment Programs,” Mathematica, January 17, 2019, <https://www.mathematica.org/news/new-study-finds-positive-impacts-of-staff-assistance-inconclusive-evidence-of-training-effectiveness>

14 Lul Tesfai, *Training as a Path to an Equitable Post-Pandemic Recovery* (Washington, DC: New America, June 2, 2021), 18–23, <https://www.newamerica.org/education-policy/reports/training-as-a-path-to-an-equitable-post-pandemic-recovery/>

15 P. R. Bahr, S. Dynarski, B. Jacob, D. Kreisman, A. Sosa, and M. Wiederspan, “Labor Market Returns to Community College Awards: Evidence from Michigan. A CAPSEE Working Paper” (Columbia University Teachers College Center for Analysis of Postsecondary Education and employment, March 2015), 26, <https://eric.ed.gov/?id=ED557080>; and Lul Tesfai, Kim Dancy, and Mary Alice McCarthy, *Paying More and Getting Less: How Nondegree Credentials Reflect Labor Market Inequality Between Men and Women* (Washington, DC: New America, September 13, 2018), <https://www.newamerica.org/education-policy/reports/paying-more-and-getting-less/>. In *Training as a Path to an Equitable Post-Pandemic Recovery*, 21–22, Tesfai finds that programs for early childhood educators and nurse assistants, two female-dominated occupations for which short-term

training is common in Washington State, tend to lead to hourly earnings that are at or slightly below the state's minimum wage.

16 Baum, Holzer, and Luetmer, 5–7.

17 Anthony Carnevale, Stephen Rose, and Andrew Hanson, *Certificates: Gateway to Gainful Employment and College Degrees* (Washington, DC: Georgetown University Center on Education and the Workforce, 2012), 4, <https://eric.ed.gov/?id=ED532679>

18 *Presenting evidence from randomized evaluations suggesting 11 to 40 percent earnings gains for completers of sector training programs*, L. F. Katz, J. Roth, R. Hendra, and K. Schaberg propose three causal mechanisms for the effectiveness of such partnerships: that they remedy systemic under-provision of training by employers; that they are more responsive to changes in skills demands in different sectors; and that they provide wraparound services that support participant success. The authors do not conclusively identify one mechanism and suggest that all three may be at play in the returns to sectoral training strategies. “Why Do Sectoral Employment Programs Work? Lessons from WorkAdvance,” NBER Working Paper 28248 (NBER: December 2020), https://www.nber.org/system/files/working_papers/w28248/w28248.pdf. For case studies of different sector strategies, see Kyle Fee, Matt Klesta, and Lisa Nelson, *Addressing Employment Needs through Sector Partnerships: Case Studies from Across the Federal Reserve's Fourth District* (Federal Reserve Bank of Cleveland: August 15, 2016), <https://www.clevelandfed.org/newsroom-and-events/publications/special-reports/sr-20160815-addressing-employment-needs-through-sector-partnership.aspx>

19 See Kelsey Schaberg, *Meeting the Needs of Job Seekers and Employers: A Synthesis of Findings on Sector Strategies* (MDRC: September 2020), https://www.mdrc.org/sites/default/files/Sectoral_Work_Synthesis_Brief.pdf

20 Christopher T. King and Heath J. Prince, “Moving Sectoral and Career Pathway Programs from Promise

to Scale,” in *Transforming U.S. Workforce Policies for the 21st Century*, eds. Carl Van Horn, Tammy Edwards, and Todd Greene (W. E. Upjohn Institute for Employment Research: 2015), 199, <https://www.kansascityfed.org/documents/7360/transformingworkforcedevelopmentpolicies.pdf>

21 Deena Schwartz, Julie Strawn, and Maureen Sama, “Career Pathways Research and Evaluation Synthesis” (Abt Associates: February 2018), 14, <https://www.abtassociates.com/sites/default/files/2018-06/2-Career-Pathways-Research-and-Evaluation-Synthesis.pdf>

22 See Suresh Naidu and Aaron Sojourner, *Employer Power and Employee Skills: Understanding Workforce Training Programs in the Context of Labor Market Power* (Roosevelt Institute: December 4, 2020), <https://rooseveltinstitute.org/publications/employer-power-employee-skills-workforce-training-programs-labor-market-power/>. Though the authors emphasize the low effectiveness of workforce training in the U.S. relative to other countries, and caution that “the scale of income inequality [in the U.S.] outmatches training programs’ potential to reduce it,” they find sector strategies to be promising because they include prescreening, job-matching, and job retention supports alongside training.

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24 The number of non-degree certificates conferred annually by postsecondary institutions nearly doubled between 1999 (555,883 certificates) to 2018 (954,738 certificates), peaking with over one million conferred in 2010. “Table 320.20: Certificates below the associate's degree level conferred by postsecondary institutions, by race/ethnicity and sex of student: 1998–99 through 2017–18,” *Digest of Educational Statistics* (National Center for Educational Statistics: 2019), https://nces.ed.gov/programs/digest/d19/tables/dt19_320.20.asp

25 In April 2020, Michigan Governor Gretchen Whitmer used \$24 million in federal CARES Act funding to launch Future for Frontliners, a free community college program for state residents who worked in essential jobs for the first three months of the pandemic. In February 2021, the initiative was extended and expanded as Michigan Reconnect grant, which will be funded with state appropriations. In Indiana, CARES funding was also used to expand workforce training opportunities. See Sara Weissman, “Free College Offer Lures Thousands,” *Inside Higher Ed*, May 5, 2021, <https://www.insidehighered.com/news/2021/05/05/adult-learners-flood-michigan-reconnect-program> and

26 See *State Guide for Preparing the Future Workforce Now: Workforce Policy Reimagined* (National Governors Association: July 2020), <https://www.nga.org/futureworkforce/>. The project provides 10 policy “pathways” for states to adopt in order to transform their workforce systems to support lifelong, adaptable, and well-resourced training, with examples of policy strategies implemented by 28 states.

27 Kelly S. Mikelson and Ian Hecker, *Public Funding for Job Training at the State and Local Level: An Examination of Massachusetts, Texas, and Washington* (Urban Institute: June 2018), 22, https://www.urban.org/sites/default/files/publication/98625/public_funding_for_job_training_at_the_state_and_local_level_1.pdf. In Massachusetts, for example, state job training spending is equal to 128 percent of WIOA Title I funding.

28 Craig Thiel and Erin Grover, *The Economic Benefits of the Michigan New Jobs Training Program* (Anderson Economic Group: April 25, 2013), 9, https://www.andersoneconomicgroup.com/Portals/0/upload/MNJTP%20final%20report_4_25_13.pdf

29 Sunny Deye, “Virginia’s FastForward Credentialing Program,” *National Conference of State Legislatures*, December 17, 2018, <https://www.ncsl.org/research/education/virginia-s-fastforward-credentialing-program.aspx>

www.ncsl.org/research/education/virginia-s-fastforward-credentialing-program.aspx

30 The Employment Training Tax that funds California’s ETP is assessed as a component of the state’s unemployment insurance taxes at 0.1 percent of the first \$7,000 of employee income. “Rates, Withholding Schedules, and Meals and Lodging Values,” California Employment Development Department, https://www.edd.ca.gov/payroll_taxes/rates_and_withholding.htm#Rates. Similar taxes are used to fund skills programs in Delaware (Blue Collar Training Program), Louisiana (Incumbent Worker Training Program), and Minnesota (Workforce Development Fund), among other states.

31 Kevin Potter, Bruce Kessler, and Lesley Miller, *Credits & Incentives Talk with Deloitte: California Employment Training Panel* (Deloitte Tax LLP: January 2017), <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-credits-and-incentives-california-employment-training-panel.pdf>. For current regional wage requirements, see “Employment Training Panel—Trainee Wages: Minimum Wages for Calendar Year 2021,” California Employment Training Panel, <https://etp.ca.gov/wp-content/uploads/sites/70/2020/09/ETP-2021-Wage-Table.pdf>

32 Robert Sheets and Stephen Crawford, *State Strategies for Using Employer Investment to Increase Postsecondary Credential Attainment, National Commission on Financing 21st Century Higher Education, white paper 5* (University of Virginia Miller Center: August 2016), 16, <http://web1.millercenter.org/commissions/higher-ed/SheetsNo5.pdf>

33 For a review of the limited research on employer benefits from corporate training, and a recent mixed-methods evaluation of California’s Employment Training Panel, see Marian Negoita and Annelies Goger, *State-level Policies to Incentivize Workplace Learning: Impacts of California’s Incumbent Worker Training Program* (Brookings Institution: July 22,

2020), <https://www.brookings.edu/research/state-level-policies-to-incentivize-workplace-learning/>

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35 Indiana Senate Enrolled Act no. 198, 2017, <http://184.175.130.101/legislative/2017/bills/senate/198>

36 In 2017, Indiana’s statewide unemployment rate was 3.5 percent, compared to 4.4 percent nationwide. “Local Area Unemployment Statistics: Unemployment Rates for States, 2017 Annual Averages,” Bureau of Labor Statistics, last modified March 3, 2021, <https://www.bls.gov/lau/lastrk17.htm>

37 This figure is claimed in a 2017 CHE marketing product and was confirmed to the author by CHE staff. “You Can. Go Back. Initiative Overview,” Indiana Commission for Higher Education, January 2017, https://www.learnmoreindiana.org/wp-content/uploads/2017/01/2017_Lumina_YCGB_Information_Sheet_01_27_17.pdf

38 *According to author’s interview of CHE staff, about 9,000 of 43,800 total enrollments have been at not-for-credit, private providers.*

39 *According to figures provided by the Indiana Department of Workforce Development, 77 percent of Employer Training Grant contracts to date have focused on non-credit specialized training. The remaining 23 percent involved training from providers on the state’s Eligible Training Provider List, which may be credit-bearing or non-credit.*

40 Indiana Code 22-4.1-26-5, “Eligible employees; retention requirement and waiver, eligible employment,” <http://iga.in.gov/legislative/laws/2019/ic/titles/022/#22-4.1> See also “What type of training

is eligible?” in “FAQs: Employer Training Grant,” NextLevel Jobs Indiana, <https://nextleveljobs.org/employer/faqs/>

41 *For the 2021–23 budget, the annual appropriation for the Employer Training Grant program was reduced from \$20 million to \$17.1 million. House Enrolled Act No. 1001, effective July 1, 2021, <https://www.in.gov/sba/files/HB1001-Final.pdf>, 43.*

42 *Author’s interviews of CHE and DWD staff; and November 6, 2020 NextLevel Jobs Initiative infographic shared with author by DWD staff.*

43 Mary Roberts, “Holcomb Expands Jobs Program Through End of Year,” *Inside Indiana Business*, July 6, 2020, <https://www.insideindianabusiness.com/story/42330182/holcomb-expands-jobs-program-through-end-of-year>

44 According to Washington Engrossed Second Substitute House Bill No. 231 (1983), “the legislature finds that it is in the public interest of the state to encourage the formation of cooperative relationships between business and industry and educational institutions which provide for the development and significant expansion of programs of skills training and education consistent with employment needs and to make interested individuals aware of the employment opportunities presented thereby.” <https://leg.wa.gov/CodeReviser/documents/sessionlaw/1983ex1c21.pdf?cite=1983%201st%20ex.s.%20c%2021%20C2%A7%204>

45 SBCTC describes this as the opportunity cost to employers of providing training. See “2017–19 Job Skills Program: Report to the Legislature,” 2, <https://www.sbctc.edu/resources/documents/colleges-staff/grants/job-skills-program/2017-19jssp-final-legreport.pdf>

46 *In 2017–19, about 71 percent of JSP grants went awarded to manufacturing projects, accounting for 4,072 out of 5,560 trainees over the same period. Outside of manufacturing, health care employers accounted for the largest share of JSP training by*

sector, with 1,044 trainees from 2017–19. See “2017–19 Job Skills Program: Report to the Legislature,” Washington State Board of Community and Technical Colleges, December 2019, 5, <https://www.sbctc.edu/resources/documents/colleges-staff/grants/job-skills-program/2017-19jsp-final-legreport.pdf>

47 Washington’s 2021–23 enacted budget included a total of \$66,522,000 for the Worker Retraining program and \$15,450,000 for the Job Skills Program. Engrossed Substitute Senate Bill (ESSB) 5092, enrolled April 25, 2021, <http://lawfilesexternal.wa.gov/biennium/2021-22/Pdf/Bills/Senate%20Passed%20Legislature/5092-S.PL.pdf?q=20210428145030>, 436–7.

48 Washington Engrossed Second Substitute House Bill 2630 (2010) assigned priority to aerospace, health care, advanced manufacturing, construction, forest products, and renewable energy occupations in WRT funding. See “Worker Retraining for Community and Technical Colleges: 2019–21 Program Guidelines,” Washington State Board of Community and Technical Colleges, October 2020, 6, <https://www.sbctc.edu/resources/documents/colleges-staff/grants/wrt-ctc/fy21-wrt-ctc-program-guidelines-v2.pdf>

49 The workforce training customer advisory committee, which oversees both JSP and WRT, is set out in RCW 28C.04.390, “Worker retraining program funds—Workforce training customer advisory committee,” <https://app.leg.wa.gov/RCW/default.aspx?cite=28C.04.390>

50 See Revised Code of Washington (RCW) 28C.04.390, <https://app.leg.wa.gov/rcw/default.aspx?cite=28C.04.390>; and Enrolled HB 1988, and Mikelson and Hecker, *Public Funding for Job Training at the State and Local Level*, 28, https://www.urban.org/sites/default/files/publication/98625/public_funding_for_job_training_at_the_state_and_local_level_1.pdf. Note that other categories of worker are now eligible for WRT.

51 “Worker Retraining for Community and Technical Colleges: 2019–21 Program Guidelines,” 6 and 21, <https://www.sbctc.edu/resources/documents/colleges-staff/grants/wrt-ctc/fy21-wrt-ctc-program-guidelines-v2.pdf>

52 A total of 469,907 students enrolled at Washington community and technical colleges in 2009–10, while only 337,618 were enrolled in 2019–20. “Table: System Totals” in “Enrollment Data Dashboard,” Washington State Board of Community and Technical Colleges, Variables: (Period: Annual), (Selected Programs: All Programs), <https://www.sbctc.edu/colleges-staff/research/data-public/enrollment-data-dashboard.aspx><https://www.sbctc.edu/colleges-staff/research/data-public/enrollment-data-dashboard.aspx>

53 According to the Job Skills Program’s annual reports, 4,674 trainees were enrolled in 2013–15, 5,319 in 2015–17, and 5,560 in 2017–19. “Reports to Legislature” in “Job Skills Program (JSP) Grant,” Washington State Board of Community and Technical Colleges, <https://www.sbctc.edu/colleges-staff/grants/job-skills-grant.aspx>. The Worker Retraining program has enrolled between 10,055 and 11,621 each year since 2015. “Table: System Totals” in “Enrollment Data Dashboard,” Washington State Board of Community and Technical Colleges, Variables: (Period: Annual), (Selected Programs: Worker Retraining), <https://www.sbctc.edu/colleges-staff/research/data-public/enrollment-data-dashboard.aspx><https://www.sbctc.edu/colleges-staff/research/data-public/enrollment-data-dashboard.aspx>

54 As part of their applications for Worker Retraining funding, colleges must provide evidence that training will lead to jobs that pay at least \$13 per hour, or \$15 per hour in King County, WA. “Worker Retraining for Community and Technical Colleges: 2019–21 Program Guidelines,” 21, <https://www.sbctc.edu/resources/documents/colleges-staff/grants/wrt-ctc/fy21-wrt-ctc-program-guidelines-v2.pdf>. SBCTC’s 10 sectoral Centers of Excellence,

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55 In 2017–19, the highest number of trainees in one JSP contract was 909. Eighteen contracts involved 100 or more trainees. “2017–19 Job Skills Program: Report to the Legislature,” Washington State Board of Community and Technical Colleges, (2019), 3.

56 For background information on Washington’s applied baccalaureates as well as evaluation of student outcomes, see Elizabeth Apple Meza and Debra D. Bragg, *Washington Bachelor’s of Applied Science Graduate Employment and Earnings Outcomes, Community College Research Initiatives at University of Washington*, June 2020, <https://www.washington.edu/ccri/newba-dn7/>

57 In 2011, North Carolina’s General Assembly implemented a four-tiered funding structure for the state’s community colleges. All credit-bearing and continuing education courses receive a full-time equivalent student allocation based on their tier. Tier 1A, for example, includes credit-bearing courses in “health care and technical education courses that train North Carolinians for immediate employment;” Tier 1B includes “short-term, workforce continuing education courses that help prepare students for jobs in priority occupations,” among others. Each tier earns 15 percent more or less in FTE funding than the tier above or below it, respectively. See John Quinterno, “How the ‘Open Doors’ Stay Open: Funding North Carolina’s Community Colleges,” North Carolina Center for Public Policy Research, March 14, 2019, <https://nccppr.org/how-the-open-doors-stay-open-funding-north-carolinas-community-colleges/>; and “Funding for North Carolina’s Community Colleges: A Description of the Current Formula and Potential Methods to Improve Efficiency and Effectiveness,” North Carolina General Assembly

Program Evaluation Division, October 10, 2016, https://www.ncleg.net/PED/Reports/documents/CCFunding/CC_Report.pdf

58 For every \$1 of public money invested in JSP, SBCTC received \$1.53 in employer matches—nearly \$1,000 per trainee. “2017-19 Job Skills Program: Report to the Legislature,” Washington State Board of Community and Technical Colleges, 2. Washington State claims that WRT participants have yearly earnings, including benefits, worth \$6,900 more than non-completers on average. “2021 Workforce Training Results: Worker Retraining,” Washington Workforce Training & Education Coordinating Board, <https://www.wtb.wa.gov/research-resources/workforce-training-results/#open>

59 Mary Roberts, “Holcomb Expands Jobs Program Through End of Year,” *Inside Indiana Business*, July 6, 2020, <https://www.insideindianabusiness.com/story/42330182/holcomb-expands-jobs-program-through-end-of-year>

60 In October 2020, Substitute House Bill 2308 amended RCW 50.12.070 to require employers to include standard job titles or occupational classifications in their quarterly unemployment insurance reports. This followed a recommendation from Washington State’s Future of Work Task Force recommending the inclusion of an occupation category to improve wage data to “allow for more accurate occupational trend analyses, and more effective evaluation of education and training programs and whether or not they lead to particular occupations.” Substitute House Bill 2308, 2020 c. 334 § 2, <http://lawfilesexternal.wa.gov/biennium/2019-20/Pdf/Bills/Session%20Laws/House/2308-S.SL.pdf#page=1>

61 Ken Sauer and Stephen Crawford, “Indiana Gives Credential Engine a Boost,” *EdCentral* (blog), *New America*, December 13, 2017, <https://www.newamerica.org/education-policy/edcentral/indiana-gives-credential-engine-boost/>

62 Michael Prebil and Mary Alice McCarthy, “How Broward College Is Rebundling Degrees with Certifications,” *Building Better Degrees Using Industry Certifications*, *New America*, September 17, 2018, <https://www.newamerica.org/education-policy/reports/building-better-degrees-using-industry-certifications/how-broward-college-is-rebundling-degrees-with-certifications>

63 This arrangement provides Registered Apprenticeship sponsors with a larger training reimbursement than they would otherwise receive and provides learners with another layer of educational quality assurance and labor market connection. “Apprenticeship Training: Pilot Summary,” California Employment Training Panel, https://etp.ca.gov/wp-content/uploads/sites/70/2018/11/02-25-2019_ApprenticeshipTrainingPilot_Summary.pdf

64 See “History of Career Connect Washington” in “About Us,” *Career Connect Washington*, <https://careerconnectwa.org/about-us/>

65 Bergson-Shilcock suggests, on page 8 of *Funding Resilience*, that states can match a larger proportion of training costs or provide application credits to employers that address basic skills needs through incumbent worker training.

66 For more on opportunities to support recovery through publicly subsidized jobs, infrastructure spending, and workforce policies, see the final reports of the Better Employment and Training Strategies Taskforce, <https://www.newamerica.org/education-policy/collections/better-employment-and-training-strategies-taskforce-final-reports/>

67 “The High Road in Workforce Development,” *California Workforce Development Board*, August 2020, https://cwdb.ca.gov/wp-content/uploads/sites/43/2020/08/OneSheet_HRTP_ACCESSIBLE.pdf

68 *Italics in original. Taking the High Road: High Road Training Partnerships—A Path to Reimagine & Rebuild our Economy*, UC Berkeley Labor Center, May

2020, 3, <https://laborcenter.berkeley.edu/wp-content/uploads/2020/07/Taking-the-High-Road-High-Road-Training-Partnerships-A-Path-to-Reimagine-and-Rebuild-Our-Economy.pdf>

69 “Essential Elements of High Road Training Partnerships,” *California Workforce Development Board*, January 2020, 2, https://cwdb.ca.gov/wp-content/uploads/sites/43/2020/01/HRTP-Essential-Elements_ACCESSIBLE.pdf

70 7120 California Workforce Development Board, “2020–21 California State Budget, enacted June 26, 2020, 1, <http://www.ebudget.ca.gov/2020-21/pdf/Enacted/GovernorsBudget/7000/7120.pdf>.

71 The \$135 million 2021–22 allocation to the HRTP initiative was made from California’s General Fund, and includes \$10 million for High Road Construction Careers projects focused on residential construction as well as \$25 million to support HRTPs aligned with community college curricula. “7120 California Workforce Development Board,” 2021–22 California State Budget, enacted June 28, 2021, 1–2, <http://www.ebudget.ca.gov/2021-22/pdf/Enacted/GovernorsBudget/7000/7120.pdf>.



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