



## ARRA funding for Employment and Training Programs

This document summarizes information about Recovery Act funding for employment and training programs from the Department of Labor. For five of the programs that fall in this category, it details: what the funds can be used for, any major limitations or requirements, some basic recommendations for how the money should be spent, and how much each state will receive. The recommendations are areas in which we think EARN groups can work to advocate for specific policies, but are by no means exhaustive. EARN groups are encouraged to bring these recommendations to their state governors, legislators, Departments of Labor, and/or Workforce Investment Boards as appropriate. Note that information about worker training in growth sectors (Program 6) is forthcoming.

States must submit an implementation plan for these funds by **June 30, 2009**. The funds must be used in *addition* to any previously planned spending, not for replacement. The five programs covered in this paper already exist in the states; the ARRA simply provides more funding for these programs. As a result, the funds are subject to most of the limitations and guidelines given in the Workforce Investment Act (WIA), with a few minor changes.

The underlying law for WIA funds includes the so-called Brown amendment, which requires that the funds be appropriated by state legislatures (NCSL).

### Programs:

- 1) WIA Adult program (\$500 million)
- 2) WIA Dislocated worker program (\$1,250 million)
- 3) WIA Youth program (\$1,200 million)
- 4) Wagner-Peyser Act funding (\$150 million)
- 5) Reemployment Services (\$250 million)
- 6) Worker training in growth sectors (\$750 million) (details not available as of 03/25/09)

### **1) WIA Adult program (\$500 million)**

#### Summary:

These funds are to be used to “provide employment and training services to adults.” This includes job training (from public and private sectors), apprenticeships, adult education and literacy, including English as a second language. The states can “enter into contracts with institutions of higher education, such as community colleges.” In order to ensure that low-income individuals are able to participate, these funds can also be used to provide “transportation, child care, dependent care, housing, and other services” for participants.

### **2) WIA Dislocated worker program (\$1,250 million)**

#### Summary:

These funds are to be used to provide “employment and training services to *dislocated* workers”. See Appendix A for the definition of dislocated workers, but this includes most anyone who was laid off. The allowed programs include all the training activities listed above, but NOT the support services.

#### EPI Recommendations for adult and dislocated worker programs:

- 1) Make sure job training is for ‘good’ jobs or for skills that will improve labor market outcomes, like English language ability. This funding can pay for up to 50% of on-the-job training costs, or 50% of customized training, in which the employer commits to hire the trainee after completion. For both of these activities, it is important that these funds only apply to jobs that meet certain minimum standards. For example, these jobs should pay a livable wage, provide some sort of health benefits, and have

opportunities for advancement. It makes no sense to spend “training” money on training for jobs for which only the most minimal training is required.

2) Inform service providers of easily misinterpreted rules. It may be helpful to inform service providers of the guidelines on “Sequence of Service.” The regulations require that before providing training or ‘intensive’ services, the service providers must first determine that an individual is unable to obtain a job using the ‘core’ services. However, the guidelines specifically state that “the determination of need can be a core and/or intensive service,” and that “the provision of training or other needed services can then be provided sequentially, concurrently, or in whatever order makes the most sense for the individual.”

3) Request explicit targeting of low-income individuals. By law, priority for these funds is to be given to “recipients of public assistance and other low-income individuals.” While the federal law is not explicit on what this means, state laws should be. A certain percentage (say, at least 30%) of funds should be dedicated to these individuals in order to ensure that they do indeed receive them. Encourage the maximum use of support services to facilitate access to training.

4) Monitor and evaluate these programs. The Recovery Bill requires the collection and publication of spending information. This spending should be monitored and evaluated to find out which programs are working for low-income individuals, and which are not working. The DOL is planning to release future guidance on required reporting.

### **3) WIA Youth program (\$1,200 million)**

Summary: This funding can be used for summer employment of youths. Note that the age eligibility has been expanded to a maximum of 24 year olds. Because states have limited time to develop plans for these funds before summer 2009, the guidelines that regulate these funds may be waived by special request if necessary. These positions *cannot* replace laid off workers, and a required 30% of funds *must* be used for out-of-school youth.

Recommendations: The DOL provides a long list of recommendations for this program. Below is a brief summary of some that we at EPI think are most important:

- 1) Assess each youth individually, determine career goals and a path to achieve said goals
- 2) Establish a way to measure work-readiness skills *before and after* participating in the program
- 3) Ensure that the work is meaningful, and the participants are actively engaged
- 4) Ensure that participants are well supervised (Note that 3 and 4 could be covered with regular, i.e., bi-weekly, visits from program administrators)
- 5) Use a combination of public sector, private sector, and non-profit work experiences
- 6) Integrate work and classroom activities
- 7) Focus on the neediest youth (those in foster care, at risk of incarceration or with incarcerated parents, etc.)

### **4) Wagner-Peyser Act Funding (\$150 million)**

Summary: Funding to be used for employment services operations, but NOT reemployment services (see below). This includes job search assistance, skills assessment, and labor market information to job seekers and employers.

### **5) Reemployment Services (\$250 million)**

Summary: Funding to be used to provide reemployment services for Unemployment Insurance (UI) claimants, and to integrate employment service and UI information technology.

EPI Recommendations:

This funding is mostly for administrative costs which provide few opportunities to target these funds. However, policy makers should ensure that a portion of this money is spent in neighborhoods of greater need: that is, areas with high poverty, high unemployment rates, and low skill levels. These workers are not only more likely to need the services, but they are also more likely to benefit from them due to the law of diminishing returns.

Sources:

Most of the information came from Training and Employment Guidance letter 14-08:

<http://wdr.doleta.gov/directives/attach/TEGL/TEGL14-08acc.pdf>

State by state funding numbers are available here:

[http://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=2718](http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=2718)

General information from the DOL about the recovery act can be found here:

<http://www.dol.gov/Recovery/>

Some recommendations were taken or derived from CLASP documents:

[http://www.clasp.org/publications/wia\\_title\\_i\\_recs.pdf](http://www.clasp.org/publications/wia_title_i_recs.pdf)

[http://www.clasp.org/publications/wia\\_testimony\\_062807.pdf](http://www.clasp.org/publications/wia_testimony_062807.pdf)

The Workforce Alliance also has a great list of recommendations:

[http://www.workforcealliance.org/atf/cf/%7B93353952-1DF1-473A-B105-](http://www.workforcealliance.org/atf/cf/%7B93353952-1DF1-473A-B105-7713F4529EBB%7D/WIA_STATEPLANRECOMMENDATIONS04.20.09FINAL.PDF)

[7713F4529EBB%7D/WIA\\_STATEPLANRECOMMENDATIONS04.20.09FINAL.PDF](http://www.workforcealliance.org/atf/cf/%7B93353952-1DF1-473A-B105-7713F4529EBB%7D/WIA_STATEPLANRECOMMENDATIONS04.20.09FINAL.PDF)

[?tr=y&auid=4768294](http://www.workforcealliance.org/atf/cf/%7B93353952-1DF1-473A-B105-7713F4529EBB%7D/WIA_STATEPLANRECOMMENDATIONS04.20.09FINAL.PDF)

Statement about Brown amendment came from NCSL:

[http://www.ncsl.org/print/statefed/LegislativeAppropriationsAuthority\\_Part-II.pdf](http://www.ncsl.org/print/statefed/LegislativeAppropriationsAuthority_Part-II.pdf)

For more information, questions, or comments, please contact Kai Filion at [kfilion@epi.org](mailto:kfilion@epi.org), or 202-533-2566

## Training and Employment Services Spending by State

	WIA Adult programs	WIA Dislocated Workers	WIA Youth programs	Wagner-Peyser Act services	Reemployment Services (RES) for UI claimants
Total	\$1,167,200,000	\$493,800,000	\$1,237,500,000	\$252,300,000	\$151,800,000
Alabama	\$5,100,000	\$13,200,000	\$11,600,000	\$1,900,000	\$3,200,000
Alaska	\$1,700,000	\$3,500,000	\$3,900,000	\$1,600,000	\$2,700,000
Arizona	\$7,600,000	\$17,400,000	\$17,800,000	\$2,600,000	\$4,400,000
Arkansas	\$5,100,000	\$7,500,000	\$12,100,000	\$1,200,000	\$2,100,000
California	\$80,100,000	\$221,900,000	\$186,600,000	\$17,600,000	\$29,400,000
Colorado	\$4,800,000	\$14,500,000	\$11,900,000	\$2,300,000	\$3,900,000
Connecticut	\$4,400,000	\$14,900,000	\$11,000,000	\$1,700,000	\$2,800,000
Delaware	\$1,200,000	\$2,000,000	\$2,900,000	\$400,000	\$700,000
District of Columbia	\$1,500,000	\$3,800,000	\$4,000,000	\$500,000	\$900,000
Florida	\$19,400,000	\$80,600,000	\$42,900,000	\$8,300,000	\$13,800,000
Georgia	\$13,100,000	\$43,800,000	\$31,400,000	\$4,400,000	\$7,300,000
Hawaii	\$1,200,000	\$2,200,000	\$2,900,000	\$500,000	\$900,000
Idaho	\$1,200,000	\$2,800,000	\$2,900,000	\$1,300,000	\$2,200,000
Illinois	\$25,800,000	\$68,500,000	\$62,200,000	\$6,200,000	\$10,400,000
Indiana	\$9,400,000	\$26,200,000	\$23,700,000	\$2,900,000	\$4,900,000
Iowa	\$1,600,000	\$5,200,000	\$5,200,000	\$1,400,000	\$2,300,000
Kansas	\$2,700,000	\$5,200,000	\$7,100,000	\$1,300,000	\$2,100,000
Kentucky	\$8,200,000	\$18,700,000	\$17,700,000	\$1,900,000	\$3,200,000
Louisiana	\$8,700,000	\$9,300,000	\$20,000,000	\$1,900,000	\$3,200,000
Maine	\$1,800,000	\$4,600,000	\$4,300,000	\$800,000	\$1,300,000
Maryland	\$4,900,000	\$11,300,000	\$11,600,000	\$2,500,000	\$4,200,000
Massachusetts	\$10,100,000	\$21,200,000	\$24,800,000	\$3,000,000	\$5,000,000
Michigan	\$30,900,000	\$78,500,000	\$73,900,000	\$5,200,000	\$8,700,000
Minnesota	\$7,000,000	\$21,000,000	\$17,800,000	\$2,600,000	\$4,300,000
Mississippi	\$7,800,000	\$14,200,000	\$18,700,000	\$1,400,000	\$2,300,000
Missouri	\$10,500,000	\$25,800,000	\$25,400,000	\$2,800,000	\$4,600,000
Montana	\$1,200,000	\$1,800,000	\$2,900,000	\$1,100,000	\$1,800,000
Nebraska	\$1,200,000	\$2,600,000	\$2,900,000	\$1,300,000	\$2,200,000
Nevada	\$3,400,000	\$14,300,000	\$7,600,000	\$1,300,000	\$2,200,000
New Hampshire	\$1,200,000	\$2,500,000	\$2,900,000	\$600,000	\$1,000,000
New Jersey	\$9,400,000	\$32,700,000	\$20,800,000	\$4,000,000	\$6,700,000
New Mexico	\$2,700,000	\$3,000,000	\$6,200,000	\$1,200,000	\$2,100,000
New York	\$31,500,000	\$66,400,000	\$71,500,000	\$8,600,000	\$14,300,000
North Carolina	\$10,300,000	\$44,400,000	\$25,100,000	\$4,200,000	\$6,900,000
North Dakota	\$1,200,000	\$900,000	\$2,900,000	\$1,100,000	\$1,900,000
Ohio	\$23,400,000	\$58,500,000	\$56,200,000	\$5,600,000	\$9,400,000
Oklahoma	\$3,700,000	\$6,000,000	\$8,700,000	\$1,500,000	\$2,400,000
Oregon	\$6,300,000	\$17,200,000	\$15,100,000	\$1,800,000	\$3,100,000

Source: DOL

[http://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=2718](http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=2718)

### Training and Employment Services Spending by State (cont'd)

	WIA Adult programs	WIA Dislocated Workers	WIA Youth programs	Wagner-Peyser Act services	Reemployment Services (RES) for UI claimants
Pennsylvania	\$16,500,000	\$42,500,000	\$40,600,000	\$5,700,000	\$9,400,000
Rhode Island	\$2,100,000	\$7,900,000	\$5,600,000	\$900,000	\$1,500,000
South Carolina	\$10,400,000	\$24,700,000	\$24,700,000	\$3,500,000	\$5,600,000
South Dakota	\$1,200,000	\$1,000,000	\$2,900,000	\$1,700,000	\$2,800,000
Tennessee	\$10,800,000	\$28,400,000	\$25,100,000	\$2,800,000	\$4,600,000
Texas	\$34,300,000	\$53,800,000	\$82,000,000	\$10,200,000	\$17,000,000
Utah	\$1,800,000	\$3,500,000	\$5,100,000	\$1,600,000	\$2,700,000
Vermont	\$1,200,000	\$1,700,000	\$2,900,000	\$500,000	\$800,000
Virginia	\$5,200,000	\$14,100,000	\$13,000,000	\$3,300,000	\$5,500,000
Washington	\$9,700,000	\$22,100,000	\$23,400,000	\$3,100,000	\$5,100,000
West Virginia	\$2,400,000	\$3,600,000	\$5,300,000	\$1,200,000	\$2,000,000
Wisconsin	\$5,200,000	\$16,100,000	\$13,800,000	\$2,700,000	\$4,600,000
Wyoming	\$1,200,000	\$600,000	\$2,900,000	\$800,000	\$1,300,000

Source: DOL

[http://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=2718](http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=2718)

## Appendix A:

A dislocated worker is one who falls into at least one of the following categories:

**Category A – General Dislocated Workers.** To qualify, an individual must meet the following three criteria:

1. Has been terminated or laid off, or has received a notice of termination or layoff, from employment;
2. EITHER is eligible for or has exhausted entitlement to unemployment compensation; OR has been employed for a duration sufficient to demonstrate, to the appropriate entity at a One-Stop Career Center referred to in WIA section 134(c), attachment to the workforce, but is not eligible for unemployment compensation due to insufficient earnings or having performed services for an employer that were not covered under a state unemployment compensation law; and
3. Is unlikely to return to a previous industry or occupation.

**Category B – Plant Closure.** To qualify, an individual must meet one of the following three criteria:

1. Has been terminated or laid off, or has received a notice of termination or layoff, from employment as a result of any permanent closure of, or any substantial layoff at, a plant, facility, or enterprise;
2. Is employed at a facility at which the employer has made a general announcement that such facility will close within 180 days; or
3. For purposes of eligibility to receive services other than training services described in WIA section 134(d)(4), intensive services described in WIA section 134(d)(3), or supportive services, is employed at a facility at which the employer has made a general announcement that such facility will close.

**Category C – Self-Employed or Unemployed.** To qualify, an individual must meet the following criteria:

1. Was self-employed (including employment as a farmer, a rancher, or a fisherman) but is unemployed as a result of general economic conditions in the community in which the individual resides or because of natural disasters.

**Category D – Displaced Homemaker.** To qualify, an individual must meet the following three criteria:

1. Has been providing unpaid services to family members in the home;
2. Has been dependent on the income of another family member but is no longer supported by that income; and
3. Is unemployed or underemployed and is experiencing difficulty in obtaining or upgrading employment.