

No Worker Left Behind After Three Years: Successes and Challenges

**Radical Shift to Significant Worker Education Bears Fruit and Will
Continue Unabated**

**Federal Formula Funding Reductions Mean Fewer New People Will
Start School After July 1, 2010**

We Will Make Sure People Who Already Started Training Can Finish



No Worker Left Behind at the Three Year Mark

When Governor Granholm launched No Worker Left Behind in August of 2007, she said she wanted to double the number of Michigan workers who attained job-relevant certificates and degrees to 100,000 over three years.

Now, almost three years later,¹ No Worker Left Behind has done far more than we expected. Here are some highlights of the initiative's successes:

With No Worker Left Behind, Michigan became the first and only state to implement statewide, universal eligibility requirements and benefit levels for workforce training.²

We also became the first state to say openly that we **are replacing the outdated federal policy emphasis on moving people from job to job with a focus on longer term training that can change people's lives and make America more competitive** in the global economy.

New Emphasis: Meaningful Education Instead of Shuffling People from Job to Job

We have already gone far beyond the Governor's goal, **enrolling 131,833 Michigan workers in training** programs for in-demand jobs as of May 31, 2010 (with two months' data yet to come).

We have enrolled more people in training each month than were enrolled the same month of the previous year **for 22 consecutive months**.

¹ We have data through 34 months, August 1, 2007 - May, 31, 2010.

² General eligibility: unemployed; about to be unemployed; working with a family income of \$40,000 or less. General benefits: up to \$5,000 for one year or \$10,000 for two years' worth of free tuition or other supports at any Michigan community college, university, or other approved training program so long as the person agrees to study towards a degree or certificate that leads to an emerging or in-demand job in Michigan. Full details at www.michigan.gov/nwlb.

The **Michigan Works! agencies have shifted resources to training** to make this possible -- from 43.5% in Program Year 2007³ to 55% in Program Year 2008. We believe that figure increased again for Program Year 2009, which ends June 30, 2010.

The outcomes of this shift are already becoming manifest in various ways:

- In Program Year 2008, just 13% of WIA Adult and Dislocated Worker participants nationally were enrolled in training. In Michigan, 59% of them were enrolled in training – **quadruple the U.S. rate.**
- Many more people are pursuing longer-term certificates and degrees. For example, at Macomb-St. Clair Michigan Works!, which has enrolled the most NWLB participants of any Michigan Works! agency, out of 2,739 people currently enrolled in training, 1,898 are studying at community colleges⁴ and 612 are studying at other degree granting institutions.⁵ In other words, **91.6% of Macomb-St. Clair training participants are studying at degree granting institutions.** This truly represents a dramatic shift in priority for Michigan.
- We are already moving the higher education needle. The U.S. Census reports that in 2008 **Michigan had 120,072 more adults with an associate's degree or some college and 90,125 less with only a high school education** compared to one year before – i.e. after one year of No Worker Left Behind.⁶ We believe this trend has continued and will be borne out by data released in the spring of 2011 and 2012.
- Michigan has begun a profound **cultural transformation** away from an expectation that good jobs simply require showing up and being a good and loyal worker **towards a culture of lifelong learning.** Large numbers of workers now flow into the Michigan Works! one-stop centers around the state seeking to upgrade their skills.

Greater Focus on Working with Employers; More People Finding Jobs

Michigan has moved to a model of doing **much more training with specific employers and industrial sectors**, an important strategy to ensure that the highest possible number of workers get good new jobs after completing their training. We have over 40 Michigan Skills Alliances involving hundreds of employers.⁷

Programs like the Academy for Green Mobility to train electric and hybrid vehicle engineers and Delta Colleges' chemical processing technician training are connecting workers with new jobs.

³ Workforce Investment Act (WIA) Program Years (PY) run from July 1 of the enumerated year to June 30 of the next year. So PY 2007 was 7/1/07 – 6/30/08; PY 2008 was 7/1/08 – 6/30/09; and so forth.

⁴ Most are at Macomb or St. Clair Community College, but some attend other community colleges in Oakland and Wayne counties.

⁵ These include Wayne State, Oakland, and Central Michigan Universities and Baker and Walsh Colleges.

⁶ American Community Survey, U.S. Census Bureau.

⁷ <http://www.michigan.gov/rsa>

Michigan workers who receive training through No Worker Left Behind are having better luck finding new jobs than their peers who do not receive training. From August 2007 through December 2009, **59% of core NWLB participants who completed training found a new job.**⁸ This compares favorably with the 33% of unemployed workers who found new jobs in Michigan according to the latest EPIC/MRA poll,⁹ and even more favorably to the 21% of workers nationally who were unemployed and looking for work in August 2009 that had found a job as of March 2010, according to a recent Rutgers University study.¹⁰

We began to put in place the bottom few rungs of the ladder to help people with basic skills challenges get into the game and onto a family sustaining career pathway. Our ongoing **transformation of Michigan's adult education**¹¹ system is accelerating and contextualizing learning for adults who read or do math at lower levels, so they can see an end goal – a good job – from the beginning of their education.¹²

Lansing D's and R's Working Together; Bringing Home Dollars from DC

We showed that **making important public policy can be a bipartisan endeavor**, even in Lansing. Senate Appropriations Subcommittee Chair Mark Jansen and his House counterpart Richard Hammel, other legislators and opinion shapers have all contributed thoughtful ideas and supported No Worker Left Behind's fundamental emphasis on upskilling our workforce.

Michigan has become much more aggressive about seeking **extra federal resources** for workforce training and marketing the programs:

- From 2007 to 2010, we have won **\$44.6M in competitive and discretionary funds** under the Workforce Investment Act to train thousands of more workers under NWLB.¹³
- Even more impressive – and little noticed – has been Michigan's performance in the federal Trade Adjustment and Assistance (TAA) Program. **From FY2005 to FY2010, TAA has grown from an \$11M program in Michigan to a \$71M program.**

⁸ NWLB 2nd Outcomes Report. Data covers Aug 1, 2007 – December 31, 2009. "Core" participants are people funded through TAA, WIA Adult, and WIA DW

⁹ Gray, Kathy. (2010, May 30). Poll: pain of unemployment invades Michigan. *Detroit Free Press*

¹⁰ Borie-Holtz, Debbie, Carl Van Horn, and Cliff Zukin. *No End in Sight: The Agony of Prolonged Unemployment*. Rutgers University Heldrich Center for Workforce Development, May 2010. Web. <http://www.heldrich.rutgers.edu/uploadedFiles/Publications/Work_Trends_21_May_2010.pdf>.

¹¹ *Transforming Michigan's Adult Learning Infrastructure*. Michigan Council for Labor & Economic Growth. <http://www.michigan.gov/documents/mdcd/MI_Adult_Learning_Report_272546_7.pdf>.

¹² Miller, Matt. (2010, June 20) Recession puts Michigan's focus on adult ed reforms. *Lansing State Journal*

¹³ Michigan was awarded a \$6.6M National Emergency Grant in 2008 for auto-related displacements and a \$38M Regional Economic Impact National Emergency Grant for three different regions of Michigan.

- Michigan is outperforming other states with equal or larger numbers of TAA-eligible workers. Since the latest version of the federal program began on May 18, 2009 Michigan has helped 39,192 workers qualify for the program. That's one-third again as many as Ohio (29,097) and twice as many as any other state!¹⁴

Federal Formula Funding Reductions: Fewer New People Will Start Training After July 1

While No Worker Left Behind encompasses many fundamental policy changes in workforce training, adult education, and economic development, **there is one thing we have not yet succeeded in changing: federal policy.**

- **The U.S. government has steadily disinvested in workforce training**, from \$7.6B in 1985 to under \$4B today.¹⁵
- The Workforce Investment Act, the central federal statute in this area, is badly out of date and five years over due for “reauthorization” (reform).
- While Michigan is an active participant in that discussion, and No Worker Left Behind is often cited as a model for the future by the President, members of his administration and members of Congress, federal reform does not appear imminent.
- Finally, because of the vagaries of the statutory federal formula, Michigan’s share of WIA Adult and Dislocated Worker dollars – the core funding for NWLB – has been cut by \$72M (39%) from July 2008 to July 2010, even though our state’s unemployment rate almost doubled during that period.
 - The current federal funding system gives no extra money to states for putting more people into training - \$0.
 - The current law’s performance measures give zero credit for putting people into training.

Since we are putting more workers into longer term training – and the federal system does not allocate money for the entirety of a worker’s training when she or he begins – a higher percentage of our funds must be used to continue the training of workers who began the previous year.

The large federal formula funding cut combined with our emphasis on longer term training mean that **most of the money coming to Michigan for Program Year 2010, beginning July 1, must be used to continue the training of people who have already begun.**

What Does Michigan’s Reduced Federal Funding Mean in Practice?

¹⁴ USDOL-ETA TAA data

¹⁵ USDOL-ETA data adjusted for inflation by DELEG utilizing BLS inflation adjuster

We are going full steam ahead with No Worker Left Behind and the cultural transformation to lifelong learning that it represents. Michigan's emphasis on meaningful training that can change people's lives and make us more competitive will continue.

The state and Michigan Works! Agencies will continue to use the **maximum possible percentage of our resources for training.**

Overall, **we expect 60,000 people to be in state and federal funded training** during this program year, which remains at historic highs.

We will make sure that everyone who has already begun training completes it.

Everyone who was on the NWLB waiting list and had completed all the steps to prepare for training as of June 28, 2010 will be contacted by their local Michigan Works! office to determine if they are still interested in starting training. We will do everything possible to fund training for everyone who was on the waiting list.

As of July 1, 2010, we will no longer maintain a statewide waiting list.

Because federal law requires that 85% of WIA dollars be distributed to the Michigan Works! agencies by formula, **each of the 25 agencies has a different funding situation.** Some will have enough money only to continue the training of people already in the program; others may have money to help new people begin training.

Each Michigan Works! Agency will announce to its local community when it has funds available for new people to enter training.

Michigan workers should continue to go to their local Michigan Works! offices regardless of the local situation to take advantage of the many reemployment services available and to explore and prepare for training if funds become available. All workers found to be eligible for Trade Adjustment Assistance will be able to enter training regardless of the status of other funds.

Michigan will **continue to seek all possible extra federal and philanthropic funds** to expand the number of workers we can train for new careers through No Worker Left Behind.

We will immediately initiate an effort with Michigan Works! Agencies and community colleges to **expand the number of workers who qualify for Pell Grants.**

And of course we will continue to "take No Worker Left Behind national" by working in Washington, DC for a national workforce system based on the realities of globalization and technological change that emphasizes assessing every unemployed workers strengths and interests and properly funds training for all workers who need it. No other single federal reform would do more to make America competitive as we enter the new decade.