

Job Training

GLOSSARY

Economic Development Job-Training Program (EDJT)

A state grant program to help Michigan businesses create new jobs and/or retain jobs that otherwise would be at risk.

Job-Training Partnership Act (JTPA)

A federal program to promote partnerships between local government and the private sector; organized and funded by service delivery area.

Service delivery area (SDA)

An area of the state delineated in accordance with the JTPA for the purpose of delivering job-training services; there currently are 26 in Michigan. These same areas are used by the Michigan Jobs Commission for much of its programming—e.g., Michigan Works!, work-force development boards.

Work-force development boards (WDBs)

The system of 26 local boards through which the Michigan Jobs Commission discharges many of its responsibilities; local business leaders and elected officials comprise the boards, giving program administrators policy guidance and providing oversight.

BACKGROUND

Michigan's future economic well-being depends in large part on the skill and education of its work force. The world's highest concentration of engineering manufacturing is in Michigan. Over half the world's 100 largest automobile suppliers are located here, as are major producers of office furniture, information technology and software, machine tools, chemicals, pharmaceuticals, and plastics. This high-technology employment base makes maintaining a skilled work force and continual training public policy imperatives.

Throughout the country, and certainly in Michigan, job training has been a complex and variable affair. As recently as five years ago, there were more than 70 state and federal job-training programs in Michigan. These were administered by myriad state and federal agencies, including the U.S. departments of Labor, Education, and Health and Human Services, the Governor's Office on Job Training, the Michigan Employment Security Commission and the (then) Michigan departments of Labor, Education, and Social Services. Exhibit 1, developed by the Michigan Jobs Commission (MJC), presents an overview of the major federal funding streams for job training and the resulting "job training maze" that existed only a few years ago.

Not surprisingly, this complex system had its critics. The complaints were that (1) poor coordination meant that some job-training candidates were underserved, while others received too much help; (2) far too much money was spent on administration and far too little on training; and (3) absent a way to properly evaluate the programs, there is no way to know if job-training programs meet employers' and workers' real needs.

Such criticism is leading policymakers in both Lansing and Washington to embrace several changes in the job-training system, most of which are aimed at making it more intelligible and accessible and better coordinated with other economic development efforts. In Michigan the most apparent change is the administration's designation of the Michigan Jobs Commission as the state's lead job-training agency and in the agency's subsequent introduction of its "No Wrong Door" policy, designed to help both job seekers and employers.

During the 1990s, the job-training focus changed in other ways as well. Traditionally, job training has been seen as an aspect of economic policy, but it recently has come to be seen also as an aspect of education and social welfare policy; this reflects policymakers' endorsement of career preparation as an im-

EXHIBIT 1. Former Job Training Maze: Overview of Major Federal Funding Streams

*SOURCE: Chart provided by the Michigan Jobs Commission.
NOTE: There currently are 26 service delivery areas, not 27 as shown on this chart.*

portant consideration in education, and employment as an important goal of welfare.

Michigan Jobs Commission

In this large state agency, created in 1993, have gradually been consolidated many economic development and job-training programs formerly found in the departments of Labor and Commerce as well as other state agencies. The MJC is Michigan's lead economic and work-force development agency. Its stated mission is to

- retain, expand, and attract jobs,
- improve the state's business climate, and
- maintain a premier work force for Michigan businesses.

The agency describes itself as a "one-stop business assistance center" offering a "seamless system of service delivery to the business community." Its approach to job training is guided by the belief that job training should be closely integrated with economic development and that workers should be trained for the actual jobs employers are providing. The MJC assumed even greater responsibility in February 1998 when it took over all employment-related functions of the Michigan Employment Security Agency (MESA), formerly the Michigan Employment Security Commission. However, one aspect of the reorganization is being litigated. The state shifted to local work-force development boards (WDBs) the MESA's employment services—essentially privatizing them. The U.S. Department of Labor, believing that this action was inconsistent with federal law, withheld \$24 million from the state in federal aid for unemployment services. The state appealed to U.S. Circuit Court, which allowed the sanction to remain in place but agreed to an expedited hearing on the matter in May 1998.

No Wrong Door

The MJC discharges many of its job-training responsibilities through a system of 26 local work-force development boards, the service areas of which have the same boundaries as the 26 Michigan Works!

agencies already established through the federal Job-training Partnership Act (JTPA) program. The WDBs began operating in January 1996 and in 1997 implemented the No Wrong Door system.

The No Wrong Door approach is geared to give both job seekers and employers access to a wide range of job-training services that are both easy to get and customized to meet individual needs. Although services still are provided by various state agencies, employers and job seekers can access all of them through a local work-force development board. For example, the JTPA programs housed in the MJC, the Job Opportunity and Basic Skills program housed in the Family Independence Agency, and adult education programs housed in the Department of Education, all may be accessed through local WDBs; in other words, any of these "doors" will give job seekers and employers access to training programs.

The basic customer services offered by all WDBs are listed in Exhibit 2. The boards also may offer expanded services, in accordance with local needs and conditions.

EXHIBIT 2. No Wrong Door: Basic Customer Service

For Job Seekers

- Self-serve resources/vast information access
- Common intake
- Personal plan of action
- Eligibility review/program enrollment
- Job matching
- Job-search training
- Case management
- Information to support customer choice as well as on-program performance and customer satisfaction

For Employers

- Worker recruitment and screening
- Identification of training needs/plans
- Business retention and expansion assistance
- Labor market information
- Workplace accommodation
- Safety assessment
- Alien labor certification
- Customer-choice information as well as customer reports on programs/services

SOURCE: Michigan Jobs Commission.

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In FY 1997–98, state and federal funding for job training in Michigan totaled more than \$358 million. Although changes in programs make year-to-year comparisons difficult, the job-training budget of most states have been declining due to federal budget reductions.

Current Job-Training Programs

This listing describes the types of programs currently in place in Michigan. They fall into three major program categories: work-to-work and unemployment-to-work; welfare-to-work; and school-to-work.

Work-to-Work and Unemployment-to-Work

Job-Training Partnership Act Approximately \$114 million will go to JTPA programs in FY 1997–98. These programs, which create a partnership between local government and the private sector, are organized according to service delivery areas (SDAs), of which there currently are 26. In each, local business leaders and elected officials comprise a private industry council that gives program administrators policy guidance and provides oversight. The 26 JTPA programs receive technical support from the MJC Workforce Development/Job Training Division, which also is responsible for monitoring JTPA program performance, providing financial oversight, and conducting data collection and analysis.

Economic-Development Job Training (EDJT) The EDJT program is a state competitive-grant program (\$31 million in FY 1997–98) designed to help Michigan businesses create new jobs and/or retain jobs that otherwise would be at risk. The program is targeted at businesses that are likely to have the most positive effect on the state economy: manufacturers, world headquarters, warehousing and distribution centers, and enterprises that export state goods and services. Companies that agree to create or retain jobs paying at least \$7 an hour are eligible to receive education and training services under the EDJT program.

Welfare-to-Work

Work First Program The federal Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 ushered in an era of welfare

reform; states now have a good deal of freedom to change their welfare programs, including introducing work requirements as a condition of state welfare assistance. Michigan was ahead of the national action, having received federal permission to establish its own welfare-to-work program nearly two years earlier.

The goal of the Work First is to help welfare recipients make a first connection with the labor market, thereby gaining valuable work experience, learning transferable skills, and opening the door to future training and employment opportunities. The program is a collaborative effort between the MJC and the Family Independence Agency. Under the program, many state welfare recipients are referred to their local work-force development board for participation in the Work First Program.

Participants are expected to attend Work First for at least 20 hours a week and perhaps more, depending on whether they are a member of a one- or two-parent family. Failure to attend leads to reduction and eventual loss of their grant. Participants ultimately are placed in the best job for which they qualify that provides at least 20 hours' work a week at not less than the minimum wage. FY 1997–98 funding for Work First is about \$94 million.

School-to-Work

Michigan School-to-Work Initiative Michigan's emerging school-to-work system is the result of a partnership between the MJC and the Michigan Department of Education. The effort received a major boost when the state was awarded a \$49-million competitive federal grant over five years to develop state and local partnerships to help young people acquire the knowledge, skills, abilities, and familiarity with the labor market they need to make a smooth transition from school to work.

These partnerships are expected to build on and enhance such existing programs as Tech Prep, Cooperative Education, School-to-Registered Apprenticeship, Business-Education Compacts, trade academies, and occupationally focused charter schools. The MJC

lists three core components of the School-to-Work Initiative. First is *work-based learning*: a structured, progressive program of job training and experiences leading to skill certification; paid work experience; workplace mentoring; job shadowing; and instruction in workplace skills. Second is *school-based learning*: career awareness and counseling; challenging academic and skill standards; an integrated curriculum; and evaluation. Third are *connecting activities*: experiences directly linking the classroom and the workplace; post-secondary education and training; and registered apprenticeships.

Students who successfully complete a school-to-work program are rewarded with an endorsed high-school diploma and skills certificate, a first career-oriented job, acceptance into a registered apprenticeship program, or admission to college.

Youth Registered Apprenticeship Tax Credit Beginning with tax year 1997, employers may take a state tax credit of \$2,000 per apprentice if they train high school students through registered apprenticeships that meet federal or state standards. The credit is intended to help offset the high employer cost of work-site training for young people while providing them with training and exposure to the theoretical and practical aspects of various jobs.

To be eligible, an employer must train registered apprentices aged younger than 20 who have not obtained a high school diploma and are enrolled in a high school or GED test-preparation program.

Michigan Career Preparation System The career preparation system was established by a governor's executive order in 1997 and amendments to the FY 1997–98 School Aid Act (P.A. 93 of 1997). The key features are (1) developing regional plans in which business, industry, and educational institutions work together to develop school curriculum and tests, coordinate funding, and devise work-site learning experiences for students; (2) forming a State Council for Career Preparation Standards, the primary responsibilities of which include maintaining an information system regarding employment opportunities, setting career competency standards, and disseminat-

ing information on career options to students, parents, and other interested parties; (3) expanding opportunities for collaboration among private businesses, labor representatives, and educators, for the purpose of improving work-based learning experiences for students; and (4) developing a system of accountability and quality control through competency standards, measures of student achievement, regional peer-review committees, and continuously updated information made available to students and parents.

The program's primary objective during 1997 was to develop the regional plans, for which \$1.1 million in state funds were allocated under P.A. 93. For the 1998–99 school year, just under \$24 million in additional funds were allocated to the career preparation system.

Governor's Career Scholarship Program In response to an increasing demand for skilled workers, the Engler administration recently announced plans to devote up to \$50 million in state "renaissance" funds to a two-step job-training initiative. The program will create as many as 10,000 scholarships for students who enroll in selected associate degree or certification programs. Qualifying trainees will receive one-half the cost of their training, up to \$2,000. To address the long term, the program calls for allocating \$30 million to establish at least five new technical training centers at community colleges and Focus Hope.

DISCUSSION

Changes in the state and federal approaches to job training enjoy broad support from across the political spectrum—as well as criticism from many of the same sources. The system still is very complex, and many of the traditional complaints—that it is poorly coordinated and evaluated and administratively top-heavy—remain.

Funding for major federal programs such as the Job-Training Partnership Act still come with many strings attached. Some observers believe that the money could be more productively spent if it were distributed to the states in the form of block grants. Such

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an approach, it is argued, would maximize innovation and allow programs to be tailored to local needs. Supporters of the current program, on the other hand, argue that the restrictions on JTPA and other federal programs are appropriate because Congress has the right to appropriate national dollars to address what it identifies as national priorities.

Within Michigan, the MJC's approach to job training has elicited praise and criticism. The agency is undeniably a big, activist public agency. To the degree that in implementing its programs it has awarded priority to certain types of businesses, the MJC is said by some to be setting state industrial policy as well.

Some critics complain that this "big government" approach is inappropriate; they decry attempts to have government, as opposed to the private marketplace, decide which sort of industries are most desirable. Further, they denounce the practice of redistributing public tax dollars to private corporations in the form of economic development job-training grants—a practice that they describe as "corporate welfare." In this they are joined by more liberal critics who object to government spending being taken out of programs for the poor and given to large corporations for job-training activities that they believe the firms should finance themselves.

Supporters of the MJC approach argue that like it or not, incentives are part of the way the economic development game is played in the 1990s. In their view, economic competition among states is a fact of life. Major corporations can and do demand incentives as part of plant-location decisions. If Michigan wants to be in the running for certain business investments, it is argued, it must offer the sort of incentives and assistance that competitor states do. Supporters of the MJC point to Michigan's sterling economic perfor-

mance during the 1990s as evidence that its approach is working.

See also Community Colleges; Economic Development: State Financial Incentives; Information Technology and Society; Urban Revitalization; Welfare Reform.

FOR ADDITIONAL INFORMATION

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