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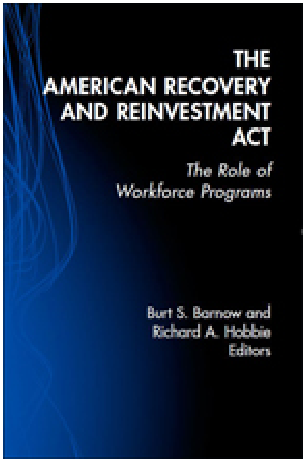

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Workforce Investment Act (WIA) Adult and Dislocated Worker Programs

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The Adult and Dislocated Worker programs under Title I of the Workforce Investment Act of 1998 are designed to provide employment and training services to help eligible individuals find and qualify for meaningful employment, and to help employers find the skilled workers they need to compete and succeed in business (USDOL 2010). Among the key goals of the WIA program are the following:

- To increase employment, as measured by entry into unsubsidized employment
- To increase retention in unsubsidized employment
- To increase earnings received in unsubsidized employment for dislocated workers

Services under the WIA Adult and Dislocated Worker programs are usually provided through One-Stop Career Centers. There are three levels of service: 1) core services—which include outreach, job search and placement assistance, and labor market information, and are available to all job seekers; 2) intensive services—which include more comprehensive assessments, development of Individual Employment Plans (IEPs), and counseling and career planning; and 3) training services—where customers learn skills for job opportunities in their communities, through both occupational training and basic skills training. In most cases, customers are provided a voucher-like instrument called an Individual Training Account (ITA) to select an appropriate training program from a qualified training provider. Supportive services, such as transportation, child care, housing, and needs-related payments, are provided under certain circumstances to allow an individual to participate in the program. "Rapid response" services at the employment site are also available, both for employers expected to close or have major layoffs and for workers who are expected to lose their jobs as a result of company closings and mass layoffs.

States are responsible for program management and oversight, and operations are delivered through local workforce investment areas (LWIAs). Under the WIA Adult Program, all adults 18 years and older are eligible for core services. When funds are limited, priority for intensive and training services must be given to recipients of public assistance and other low-income individuals. In addition to unemployed adults, employed adults can also receive services to obtain or retain employment that will allow them to be self-sufficient. States and LWIAs are responsible for establishing procedures for applying the priority and self-sufficiency requirements.

Under the WIA Dislocated Worker Program, a "dislocated worker" is an individual who meets the following criteria:

- Has been terminated or laid off, or has received a notice of termination or layoff from employment
- Is eligible for or has exhausted UI
- Has demonstrated an appropriate attachment to the workforce, but is not eligible for UI and is unlikely to return to a previous industry or occupation
- Has been terminated or laid off or received notification of termination or layoff from employment as a result of a permanent closure or substantial layoff
- Is employed at a facility where the employer has made the general announcement that the facility will close within 180 days
- 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 or because of a natural disaster

- Is a displaced homemaker who is no longer supported by another family member

The Recovery Act supplied additional funding to support employment and training activities provided by states and LWIAs under WIA. The act included funding aimed at helping states and local areas respond to increased numbers of unemployed and underemployed customers entering the One-Stop system, as well as some specific provisions (discussed in greater detail later in this chapter) that were intended to enhance services provided under WIA. The sections below synthesize findings from an on-line NASWA survey conducted in all states in the summer and fall of 2009 and two rounds of site visits conducted in 20 states with respect to how key Recovery Act provisions have been implemented and have affected WIA Adult and Dislocated Worker program services and operations. The two rounds of site visits to the states, held at two local workforce areas in each state, were conducted approximately one year apart, with the earliest of the Round 1 visits being conducted in December 2009 and the last of the Round 2 visits being conducted in April 2012.[1] The following eight areas under the Recovery Act provisions focusing on the WIA Adult and Dislocated Worker programs are covered in the next eight sections of this chapter: 1) assessment and counseling, 2) changes in training requirements and policy, 3) links to apprenticeships, 4) Pell Grant usage and issues, 5) relationships with institutions of higher education, 6) targeting of low-income individuals, 7) supportive services and needs-related payments, and 8) challenges, including expectations when Recovery Act funding is exhausted.

ASSESSMENT AND COUNSELING

Under the Recovery Act, the workforce system was to place more emphasis on long-term training, on reemployment, and on linking workers to regional opportunities in high-growth sectors. To this end, TEGL 14-08 advised states to consider how assessment and data-driven career counseling could be integrated into their service strategies to support WIA participants in successful training and job search activities aligned with areas of anticipated economic and job growth. The NASWA survey of all state workforce administrators on early implementation of the workforce provisions of the Recovery Act found that the Recovery Act had some early effects on assessment and career counseling services provided by states and local workforce programs:

- Survey results suggested that the percentage of WIA and Wagner-Peyser Act customers receiving assessment and career counseling services had increased in the majority of states: about three-quarters of states reported increases for the WIA Adult and WIA Dislocated Worker programs.
- The majority of states indicated they had made moderate or substantial enhancements to assessment and career counseling services provided to WIA and Wagner-Peyser Act customers—for example, nearly three-quarters of the responding states indicated they had enhanced their triage processes and tools; their skills assessment processes and tools; staff training in areas of triage, customer assessment, and skills transferability analysis; and the availability and use of labor market information.

As discussed below, a slightly different and perhaps more nuanced picture emerges from the two rounds of site visits conducted under this study. As with the survey, a majority of states visited indicated that they had seen an increase in the number of individuals receiving assessment and career counseling. This increase, though, was only partially attributable to Recovery Act funding. Much of the increase in customers receiving assessment and counseling services was a function of the large increase in the number of unemployed and underemployed workers coming into the One-Stop system in search of job leads and training to enhance skill levels. Thus, the Recovery Act funds enabled the states and local workforce areas to respond to the increased demand for services.

In addition, the Recovery Act provided additional funding that states were encouraged to use to expand the number of individuals receiving both short- and long-term training (see the next section for details). In order to receive training, all states required WIA Adult and Dislocated Worker customers to first be assessed and to go through intensive services; hence, with the elevated number of customers coming into the One-Stops and the greater number of WIA Adult and Dislocated

Worker customers entering training, it is not surprising a majority of states indicated that they had experienced an increase in WIA customers receiving assessment and career counseling. However, when asked whether they had experienced a change in the percentage of WIA Adult and Dislocated Worker customers who received assessment and career counseling services, states generally indicated (during our visits) that there had been no change. In fact, several states indicated that because the system had been so deluged by unemployed and underemployed customers as a result of the recession, they believed that the percentage receiving counseling and assessment may have declined slightly (though not because of the Recovery Act or a desire on the part of the workforce agency to decrease assessment and counseling activity).

During site visits, state workforce agency officials were asked, "Since enactment of the Recovery Act, has your state issued new policies or requirements on assessment and career counseling under the WIA Program?" Nearly all states indicated that they had not issued new policies or requirements on assessment or career counseling under WIA since receipt of Recovery Act funding. The states that had issued new policies said that such policies were not a result of the Recovery Act, but rather the product of recent or ongoing efforts to enhance assessment and career counseling. Several states indicated that in the year or two prior to the Recovery Act, they had initiated statewide efforts aimed at improving assessment services, usually centered on improving the testing methods used by local workforce agencies.

Table 3.1 provides examples of several states that initiated changes in assessment and counseling procedures, though in most states such changes had been started before receipt of Recovery Act funds. State workforce agencies indicated that while the state workforce agency typically set the tone with regard to assessment policies or procedures and provided guidance as to possible assessment tests and procedures that could be used within the state, local workforce areas had considerable discretion in choosing the specific tests used. A key observation of several state workforce agency officials was that the Recovery Act provided additional resources that helped to continue and even expand or accelerate the use of new assessment procedures within their states. For example, several of the 20 states visited—including Colorado, Louisiana, Michigan, Ohio, Pennsylvania, Washington, and Wisconsin—were at the time of receipt of Recovery Act funding already in the process of

Table 3.1 Examples of Assessment Policies and Procedures in States Visited

State	Assessment policies and procedures
Colorado	The state issued no new policies or requirements on assessment and career counseling under WIA in response to the Recovery Act. Under WIA, the state (and LWIAs) had always placed strong emphasis on assessment, and WIA participants had to be carefully assessed to qualify for WIA training. Because of the emphasis in Colorado on local control or autonomy, there is flexibility with regard to how and when assessment is used by local workforce areas. Prior to the Recovery Act, the state had launched a statewide initiative to emphasize use of the CareerReady Colorado Certificate (CRCC), which is currently based on the National Career Readiness Certificate (NCRC). Recovery Act funding (state discretionary funds) supported the expanded use of the CRCC—as of May 2011, more than 10,000 workers had received certificates. Overall, the Recovery Act did not bring about changes in assessment policies, procedures, or the overall percentage of individuals receiving assessment.
Michigan	Prior to the ARRA, the state and local workforce areas had adopted the Career Pathways model, with an emphasis on WIA intensive/training participants completing the NCRC certification process (covering four areas). ARRA funding provided a resource base that allowed the state and the Michigan Works! agencies (MWAs) to expand the use of the NCRC. Although NCRC testing was initiated before receipt of ARRA funding, ARRA funding facilitated the expanded use of the NCRC by paying for the NCRC testing for WIA and other customers of the MWAs. ARRA funding also provided needed resources for marketing NCRCs to employers, so that employers would increasingly recognize the NCRC during the hiring process. State policy required all WIA, Wagner-Peyser, and TAA participants receiving staff-assisted services to take the NCRC (though participants could opt out of taking the test). ARRA funding was used to pay for thousands of NCRC tests (with a cost averaging about $60 per participant).
Nebraska	Since enactment of the Recovery Act, Nebraska has not issued new policies or requirements on assessment and career counseling under the WIA Adult or Dislocated Worker programs. However, it has increased the role of the Employment Service's provision of these services and emphasized self-directed, on-line assessments. In most offices, the first point of contact is with Employment Services/RES staff. An initial, up-front assessment is a (core or staff-assisted) function of the One-Stop client flow process and the state services model. The initial assessment (using Kuder assessments and additional on-line tools) is available at all points of the system through NEworks. NEworks also allows the state to track the use of self-assessment tools accessed through the One-Stops; this method is under consideration as a performance measure. The movement toward on-line assessment is a practice associated with ARRA resources and increased demand for services.

New York	In October 2009, the state issued revised policies relating to assessment and counseling. The state's policy is that all One-Stop customers are to receive an initial assessment. The only exceptions are customers using self-help or informational services only and UI claimants who are "work-search exempt" (e.g., those who are part of a union with union hiring arrangements or those temporarily laid off or on seasonal layoff). The new policies were not issued as a result of the Recovery Act—the state's position is that assessments should be conducted for all customers as a first step to determining which services should be offered.
Ohio	The state issued no new policies or requirements on assessment and career counseling under the WIA program in response to the Recovery Act. Local workforce areas determine the specific assessment tests used and the policies or procedures. As a result of ARRA, there were no changes in assessment, assessment tools used, or customer flow. Two local areas visited indicated that they wanted to keep the process the same because ARRA funding was temporary. Under WIA, prior to the Recovery Act, the state (and local workforce areas) placed emphasis on assessment, and WIA participants had to be assessed to qualify for WIA training. Among the assessment tools used are the Test of Adult Basic Education (TABE) and WorkKeys (which was the case before Recovery Act funding). Because there was an increase in the number of individuals receiving WIA training with the added ARRA funding, the number of WIA participants assessed increased within the state (though the percentage assessed has decreased slightly).
Pennsylvania	Before the Recovery Act, the state changed its policy to ensure that eligible Pennsylvania CareerLinks customers saw a career specialist and had a one-on-one assessment and counseling session. Before receipt of Recovery Act funding, the state began working with the LWIAs to improve assessment activities. Two LWIAs began enhancing their assessment tools and were experimenting with WorkKeys and KeyTrain. Another LWIA expanded efforts to assess the workforce needs of the economically disadvantaged. From the success of these local efforts, the state and the LWIAs recently agreed to jointly purchase WorkKeys to implement its use in assessment statewide. All staff, including WIA, RES, W-P, and TAA, are being trained by one of the local WIBs to conduct the WorkKeys assessment and read and interpret the results.

(continued)

Table 3.1 (continued)

State	Assessment policies and procedures
Washington	New policies exist around basic front-end triage to determine immediate needs using an initial assessment. The initiative has included training staff on assessment tools and developing local service targets. Very little of the policy development was directly related to the Recovery Act, however, as the changes were already underway when the funding became available. Recovery Act funds simply pushed the changes farther along than they would otherwise have been at this point, given the lack of other resources. Recovery Act funds were used to make the KeyTrain assessment available for statewide use in the One-Stop centers. The only mandated assessment tool is Comprehensive Adult Student Assessment Systems (CASAS) for Adult Basic Education (ABE) and Youth. CASAS was selected because it is the tool used for ABE students in the community college system.

SOURCE: Table is based on site visits conducted in states between December 2009 and April 2012.

implementing or expanding their use of WorkKeys/KeyTrain and the National Career Readiness Certificate (NCRC) to enhance assessment procedures. These efforts were aimed at providing workers an extra credential that would be recognized by employers. Several states indicated that they were disseminating information to employers to increase their knowledge of NCRC and were attempting to make such certification an increasingly important criterion upon which employers select workers to fill job openings.

CHANGES IN TRAINING REQUIREMENTS AND POLICY

Under the Recovery Act, states were expected to use the additional workforce funding to substantially increase the number of customers served and to substantially increase the number and proportion of customers who receive training. Training services provided with Recovery Act funds include many different types: occupational skills classroom training, on-the-job training (OJT), programs that combine workplace training and related instruction (including registered apprenticeship), training programs operated by the private sector, skills upgrade and retraining, entrepreneurship training, job readiness training, adult education and literacy training, and customized training. These funds can also be used to support Adult Basic Education (ABE) training, including English as a Second Language (ESL) training. The NASWA state survey probed states on several issues related to how Recovery Act funding may have affected training policies and practices. Findings from the NASWA survey with respect to training include the following:

- Every state reported encouraging or requiring local areas to increase investments in WIA-funded training, and two-thirds of states reported significant staff efforts to encourage training.
- About one-half of the states reported having set aside—or having required LWIAs to set aside—a certain percentage of WIA Recovery Act funds for training.
- Nearly three-quarters of states reported substantial increases (greater than 10 percent) in the number of customers enrolled in training through the WIA Adult and WIA Dislocated Worker programs.

The site visits to states confirmed these key findings and provided some additional depth of information and examples of how Recovery Act funding affected training policies, number of WIA participants trained, and types of training provided under the WIA Adult and Dislocated Worker programs.

All state workforce agencies visited as part of this study indicated that they had encouraged (in their guidance, technical assistance, and discussions) LWIAs to use WIA Recovery Act funding specifically to support and expand training for the unemployed and underemployed workers served under both the WIA Adult and Dislocated Worker programs. In their discussions with local workforce agency staff, state workforce agency officials typically underscored that WIA Recovery Act funding was a one-time event, should be spent quickly and prudently, should not be used to fund permanent staff increases, and should be devoted to training. For most states, the Recovery Act funding represented additional funding to support training and other WIA activities. In a few states, however, a portion of the WIA Recovery Act funding replaced funding that had been lost because of a decrease in the state's WIA Dislocated Worker formula allocation. Wisconsin, for example, indicated that the Recovery Act WIA Dislocated Worker funds primarily brought the state back to its prior level of funding. (However, for the WIA Adult Program in Wisconsin, Recovery Act funding represented a substantial boost in funds available for training and other WIA services.)

In most states, local workforce agencies were encouraged to obligate and spend Recovery Act funds, to the extent possible, within the first program year (of the two years for which Recovery Act funding was available). Obligating funding to support training activities was generally not an issue or a challenge for most workforce areas, as many One-Stops were overwhelmed with customers who were both interested in and met requirements for training assistance. A few state agencies indicated that expenditures of Recovery Act funding on training lagged in some local workforce areas (mostly for the WIA Dislocated Worker Program) for three reasons: 1) some unemployed workers were primarily interested in finding work and were reluctant (at least until their UI benefits were exhausted) to enter training; 2) there were waiting lists (sometimes lengthy ones, especially for training for certain occupations in health careers) that made it difficult to get some individuals into occupational training that related to their interests; and 3) faced with high customer volume in One-Stop Career Centers, some One-Stops lacked staffing and resources to provide the assessment and other intensive services required prior to approval of training.

It also should be noted that several states had waivers in place in prior years that allowed the transfer of certain funds between the WIA Adult and Dislocated Worker programs. This gave states more flexibility to determine how funding for training was allocated between these two programs. During the site visits, several states indicated that changes in ETA implementation of the waiver policy limited their ability to transfer funds from the Dislocated Worker Program to the Adult Program for the Recovery Act WIA funds.[2]

As shown in Table 3.2, states adopted various policies to encourage local workforce agencies to allocate resources to training versus other allowable activities under WIA. States implemented four basic approaches to encouraging the use of Recovery Act funding for training activities:

1) They set no specific threshold or percentage that local workforce areas had to spend on training, but encouraged (through guidance, technical assistance, and ongoing discussions) LWIAs to use Recovery Act funding for training (e.g., states such as Michigan and Washington used this approach).
2) They required local workforce agencies to spend at least as much on a percentage basis on training with Recovery Act funding as they had spent in the past with their regular WIA formula funds (e.g., Colorado).
3) They applied the same threshold requirement mandated for regular WIA formula funds (e.g., that 50 percent of WIA formula funds be spent on training) to the Recovery Act funds (e.g., Illinois and Florida).
4) They mandated that local workforce areas expend at least a minimum percentage of Recovery Act funds received (ranging as high as 80 percent in states visited) on training or on training and supportive services (e.g., Maine, Montana, Nebraska, New York, Ohio, Texas, and Wisconsin).

For example, Texas mandated that 67 percent of Recovery Act funds be spent on training, including expenditures on support services

Table 3.2 Examples of Varying Approaches by States to Encourage Use of Recovery Act Funds on Training

State	State policy guidance on use of Recovery Act funds for training
Arizona	Local areas in Arizona have considerable autonomy in setting training standards and determining training expenditure levels. Prior to the Recovery Act, training was not a high priority in most local areas. Under the Recovery Act, Arizona has encouraged local areas to do more training but did not establish a statewide standard or target for training expenditures. Some local areas identified an increased training emphasis in their local plan modification, but not all. One change as a result of the Recovery Act is that individuals can access training more quickly, after only a brief connection with core and intensive services. Each local area also sets its own Individual Training Account (ITA) spending cap for individuals. In larger areas, such as the city of Phoenix, the training cap is set at $4,000 per person and also requires a participant in-kind match, which might include a Pell Grant, a federal student loan, or personal savings.
Colorado	Colorado did not require a specific percentage of ARRA funding to be used for training. Colorado required workforce regions to use a higher percentage of ARRA funds for training than their regular WIA formula funds.
Illinois	The state implemented its own policy in 2007 which required local areas to spend at least 40 percent of their Adult and Dislocated Worker allocations on training. This policy provided incentive funds to those local areas meeting this requirement and imposed sanctions on those that did not meet them. Initially there was a period of negotiation for lower limits for some of the local areas, but as of PY 2009, all LWIAs were required to meet the 40 percent minimum.
Michigan	There is no state policy requiring that a certain percentage of ARRA funds be used for training—it is left to local areas to determine what portion of ARRA funds are used for training. State administrators indicated that setting such a minimum threshold would have been difficult because of the very different sizes, context, and training requirements of the 25 MWAs across the state. The state let it be known that a high proportion (if not all) of ARRA funds should be used for training (in the form of ITAs) and that local areas should not use ARRA funding to build staff or infrastructure.
Montana	Montana responded to the Recovery Act guidance instructing states to place an emphasis on retraining unemployed workers in areas aligned with anticipated economic and job growth by dedicating 70 percent of all WIA Adult and Dislocated Worker Recovery Act dollars to training and supportive services. The estimate from the Montana Department of Labor and Industry (MDLI) is that twice as many participants received training support as in the years before the recession. The 70 percent set-aside seemed to both state and local-level administrators an effective way to support

	customers in gaining new skills while keeping administrative costs low. Administrators continue to be concerned, however (as is mentioned throughout the book), about their ongoing ability to provide support for training now that ARRA funds have been expended. "We're going to revert back to our previous levels (of providing training), maybe even a bit lower, as we carry those currently enrolled on through," said one.
Ohio	The state set a low threshold of 30 percent of ARRA funding to be spent on training activities for local workforce areas—this modest threshold was easily achieved by the state overall and by each local area within the state. For the majority of people coming in, training is often the preferred service.
Pennsylvania	The state strongly recommended that LWIAs spend at least 60 percent of their Recovery Act funds on training. Workforce Guidance Memo No. 3 stated that spending 30 to 40 percent on training was unacceptable. The memo also noted that the ultimate goal for training must be a recognized skills certification, academic credential, or employment, and that the state agency recommended that all Recovery Act funding be used to prepare and move customers into demand-driven training, postsecondary education, or employment. It also urged LWIAs to keep administrative costs to a minimum.
Texas	Texas mandated that 67 percent of Recovery Act funds be spent on training, including expenditures on support services and needs-related payments. Because of the directive in the Recovery Act legislation that the "majority" of the funds be spent on training, and because the USDOL did not establish a specific standard, the TWC determined that 67 percent would provide an aggressive focus on training while still allowing the boards to meet other needs with Recovery Act funds. Unlike formula funding, Recovery Act funding specifically defined the activities that counted as a training expenditure.
Wisconsin	The state policy required that 70 percent of Recovery Act WIA Dislocated Worker and Adult funds be spent on training. This was double the expenditure requirement for training for regular WIA formula funds (set at 35 percent) and resulted in a substantial increase in the number of WIA Adults that enrolled in training over what would have been the case without Recovery Act funding. State officials noted that Recovery Act funding was mostly a substitute for the 40 percent reduction in WIA Dislocated Worker funding that hit the state that year, and so did not result in an increase in the number of dislocated workers being trained (though without this funding source the state possibly would have enrolled fewer people in WIA Dislocated Worker training).

SOURCE: Table is based on site visits conducted in states between December 2009 and April 2012.

and needs-related payments. Because of the emphasis in the Recovery Act legislation that the majority of the funds be spent on training, and because the USDOL did not establish a specific standard, the Texas Workforce Commission (TWC) determined that a level of 67 percent would provide an aggressive focus on training while still allowing the local boards to meet other needs with Recovery Act funds. The TWC examined data on expenditures and number of customers served monthly to ensure that local boards met training and expenditure benchmarks.

Similarly, Wisconsin mandated that LWIAs spend 70 percent of Recovery Act WIA Dislocated Worker and Adult funds on training activities. This was double the expenditure requirement for training for regular WIA formula funds (set at 35 percent). In contrast, eight of the 20 states visited set no percentage requirements with regard to expenditure of WIA Recovery Act funding on training.

Recovery Act funding provided additional resources for states and local workforce areas to provide training to meet a surge in demand for training and other workforce services as a result of the deep recession gripping the nation. Table 3.3 shows data on the number of WIA Adult exiters, the number of WIA Adult exiters receiving training services, and the percentage of WIA exiters receiving training services under the WIA Adult Program for PY 2008 (July 1, 2008–June 30, 2009), PY 2009 (July 1, 2009–June 30, 2010), and PY 2010 (July 1, 2010–June 30, 2011). Table 3.4 displays this same type of data on the number of exiters and receipt of training for the WIA Dislocated Worker Program. States received Recovery Act funding allocations in the spring of 2009 (near the end of PY 2008) and planned how they would spend these added resources over a several-month period. Most, if not all, WIA Adult and Dislocated Worker Program Recovery Act expenditures on training occurred over the next two program years (PY 2009 and PY 2010). WIA Adult and Dislocated Worker Recovery Act funding was to be spent within a two-year period (with all funding to be expended by June 30, 2011—i.e., the end of Program Year 2010). With a strong emphasis placed on early expenditure of Recovery Act funding (to spur local economies and to assist the growing ranks of the unemployed as soon as possible), states expended a substantial portion of their WIA Adult and Dislocated Worker funding in PY 2009, with remaining funding allocated and spent on training services in PY 2010.

As shown in Table 3.3, across all states, the number of WIA Adult exiters receiving training increased from 109,322 in PY 2008 (the year prior to expenditure of Recovery Act WIA funding) to 152,285 in PY 2009 (the program year in which states largely expended Recovery Act WIA funding). This represents a 39 percent increase in the number of WIA Adult exiters receiving training. The number of WIA Adults enrolled in training stayed at just about the same level nationally in PY 2010 (152,813) as in PY 2009.[3] Despite the nearly 40 percent increase in the numbers trained from PY 2008 to PY 2009, the overall percentage of WIA Adults engaged in training remained relatively unchanged, increasing slightly from 11 percent of all WIA Adult exiters in PY 2008 to 13 percent in PY 2009 and 12 percent in PY 2010. This slight percentile increase (of 1–2 percentage points) in the overall number of WIA Adult exiters receiving training came about because while the number WIA Adults in training increased substantially (by nearly 40 percent), there was also an overall increase in the number of total WIA Adult exiters from PY 2008 (1,026,729) to PY 2010 (1,243,907).

Table 3.4 shows that, across all states, the number of WIA Dislocated Workers enrolled in training increased from 56,172 in PY 2008 (the year prior to expenditure of Recovery Act WIA funding) to 105,555 in PY 2009 (the program year in which states largely expended Recovery Act WIA funding), an 88 percent increase in the number of WIA Dislocated Workers receiving training. The number of WIA Dislocated Workers enrolled in training increased by another 21 percent the following program year, reaching 127,557 in PY 2010.[4] Despite the number of WIA Dislocated Workers trained more than doubling (a 127 percent increase) from PY 2008 to PY 2010, the percentage of WIA Dislocated Workers engaged in training remained relatively unchanged, increasing from 16 percent of all WIA Dislocated Worker exiters in PY 2008 to 18 percent in both PY 2009 and PY 2010. As with the WIA Adult Program, this slight change in the percentage trained resulted because while the number of WIA Dislocated Workers engaged in training increased substantially, there was also slightly more than a doubling of the number of WIA Dislocated Worker exiters from PY 2008 (358,233) to PY 2010 (719,846).

Table 3.5 provides a state-by-state breakdown of the percentage change in the number of WIA Adults and Dislocated Workers engaged in training. This table shows the sometimes very substantial changes

Table 3.3 Number and Percentage of WIA Adult Exiters Enrolled in Training

State	No. of WIA Adult exiters			No. of WIA Adult exiters in training			% of WIA Adult exiters in training		
	PY 2008	PY 2009	PY 2010	PY 2008	PY 2009	PY 2010	PY 2008	PY 2009	PY 2010
AK	369	442	312	287	354	255	78	80	82
AL	1,766	2,919	2,479	1,297	2,151	2,083	73	74	84
AR	805	1,358	1,061	692	1,132	956	86	83	90
AZ	3,147	3,005	2,767	1,056	1,542	1,627	34	51	59
CA	78,046	83,509	69,419	5,757	10,072	15,926	7	12	23
CO	2,315	2,189	2,119	1,586	1,714	1,682	69	78	79
CT	1,050	757	1,305	779	582	820	74	77	63
DC	550	862	1,191	290	516	555	53	60	47
DE	424	510	498	418	403	359	99	79	72
FL	17,911	18,309	18,707	13,943	14,380	13,402	78	79	72
GA	2,417	3,386	4,195	1,635	2,421	3,133	68	72	75
HI	188	198	264	131	126	106	70	64	40
IA	495	12,091	27,899	379	443	432	77	4	2
ID	409	610	494	326	470	414	80	77	84
IL	3,697	7,398	5,746	2,098	4,347	3,967	57	59	69
IN	126,274	132,545	114,189	4,787	6,961	8,939	4	5	8
KS	2,131	11,292	7,109	959	1,033	967	45	9	14
KY	3,760	3,842	3,426	1,982	2,757	2,552	53	72	74
LA	121,662	121,036	85,310	2,469	3,617	2,595	2	3	3

MA	1,744	2,328	3,792	1,166	1,729	3,175	67	74	84
MD	1,643	1,762	1,140	793	1,045	714	48	59	63
ME	299	347	431	220	284	359	74	82	83
MI	6,103	12,556	10,561	3,921	9,825	7,669	64	78	73
MN	1,096	1,806	1,701	361	824	928	33	46	55
MO	2,984	3,950	196,370	1,211	1,758	3,029	41	45	2
MS	29,201	29,816	15,370	3,908	4,496	2,338	13	15	15
MT	146	495	483	60	68	225	41	14	47
NC	2,322	5,100	4,016	1,924	3,939	3,486	83	77	87
ND	608	647	507	196	278	295	32	43	58
NE	388	503	452	327	424	351	84	84	78
NH	395	524	448	278	365	270	70	70	60
NJ	2,289	2,948	3,064	1,559	2,094	2,417	68	71	79
NM	1,017	2,551	1,433	637	2,118	1,268	63	83	88
NV	1,172	2,217	2,911	358	671	1,453	31	30	50
NY	326,485	333,658	271,889	9,249	17,788	15,025	3	5	6
OH	8,740	12,013	7,732	5,295	6,646	5,015	61	55	65
OK	53,848	57,398	54,140	941	1,512	1,120	2	3	2
OR	61,392	151,019	151,525	865	2,714	3,008	1	2	2
PA	4,581	4,506	6,930	1,818	2,190	2,711	40	49	39
PR	7,405	6,752	5,620	3,443	2,408	3,034	46	36	54
RI	689	861	1,148	202	482	567	29	56	49
SC	9,020	12,270	9,069	4,414	5,558	4,843	49	45	53
SD	685	597	621	322	286	364	47	48	59

(continued)

Table 3.3 (continued)

State	No. of WIA Adult exiters			No. of WIA Adult exiters in training			% of WIA Adult exiters in training		
	PY 2008	PY 2009	PY 2010	PY 2008	PY 2009	PY 2010	PY 2008	PY 2009	PY 2010
TN	10,263	8,812	9,159	7,152	6,732	6,791	70	76	74
TX	21,094	21,178	20,238	7,931	7,827	8,147	38	37	40
UT	96,918	94,295	104,054	6,062	7,513	6,579	6	8	6
VA	1,489	2,004	3,040	1,066	1,410	2,132	72	70	70
VI	221	518	443	109	373	321	49	72	72
VT	155	453	280	132	316	201	85	70	72
WA	2,549	2,965	3,147	1,127	1,513	1,905	44	51	61
WI	1,427	2,152	2,358	789	1,212	1,453	55	56	62
WV	714	975	955	460	582	518	64	60	54
WY	231	387	390	155	284	332	67	73	85
Total	1,026,729	1,186,621	1,243,907	109,322	152,285	152,813	11	13	12

SOURCE: Data are from the USDOL's Public Workforce System Dataset and have been assembled and analyzed by the Upjohn Institute.

between PY 2008 and PY 2010 in the overall numbers of WIA Adults and Dislocated Workers enrolled in training. At least a portion of this increase, and perhaps most of it, was a function of the added resources provided by the Recovery Act and the targeting of these added resources to training within states. As shown in the table, 11 states had a 100 percent or greater increase in the number of WIA Adult exiters enrolled in training between PY 2008 and PY 2010; and another 16 states posted a 50–99 percent increase in the numbers of WIA Adult exiters enrolled in training. Among the states with the largest percentage increase in the number of WIA Adult exiters enrolled in training were Nevada (306 percent), Montana (275 percent), and Oregon (248 percent). Ten states experienced a decrease in the number of WIA Adult exiters trained between PY 2008 and PY 2010, with the decrease reaching as much as 40 percent in Mississippi and 19 percent in Delaware. As discussed earlier, for the nation as a whole, there was an overall 40 percent increase in the number of WIA Adult exiters enrolled in training between PY 2008 and PY 2010.

The percentage increase in the number of WIA Dislocated Workers enrolled in training services was even greater than that for the WIA Adult program. As shown in Table 3.5, 36 states recorded a 100 percent or greater increase in the number of WIA Dislocated Worker exiters enrolled in training between PY 2008 and PY 2010; another six states experienced a 50–99 percent increase in the number of WIA Dislocated Workers enrolled in training. Among the states with the largest percentage increase in the number of WIA Dislocated Worker exiters enrolled in training were several fairly small states (which had a relatively small base of Dislocated Worker exiters in PY 2008), including Wyoming (a 1,200 percent increase), Montana (727 percent), the District of Columbia (681 percent), and Nevada (471 percent). However, several larger states experienced substantial increases in the number of WIA Dislocated Workers enrolled in training as well—for example, Florida (362 percent) and California (316 percent). Only three states experienced a decrease in the number of WIA Dislocated Workers between PY 2008 and PY 2010—Mississippi (−55 percent), Hawaii (−21 percent), and Louisiana (−7 percent). As discussed earlier, for the nation as a whole, there was a 127 percent increase in the number of WIA Dislocated Worker exiters enrolled in training from PY 2008 to PY 2010.

Table 3.4 Number and Percentage of WIA Dislocated Worker Exiters Enrolled in Training

	No. of WIA DW exiters			No. of WIA DW exiters in training			% of WIA DW exiters in training		
State	PY 2008	PY 2009	PY 2010	PY 2008	PY 2009	PY 2010	PY 2008	PY 2009	PY 2010
AK	267	357	216	146	223	157	55	62	73
AL	898	1,793	2,002	773	1,568	1,801	86	87	90
AR	432	745	758	280	500	577	65	67	76
AZ	1,640	2,572	2,604	460	1,182	1,631	28	46	63
CA	19,209	43,524	45,618	2,800	7,265	11,639	15	17	26
CO	611	707	1,188	388	518	863	64	73	73
CT	866	1,034	2,564	586	638	1,376	68	62	54
DC	38	227	455	21	84	164	55	37	36
DE	142	569	973	138	336	633	97	59	65
FL	2,535	4,682	8,866	1,446	3,179	6,681	57	68	75
GA	2,426	3,168	5,469	1,927	2,614	4,675	79	83	85
HI	619	741	330	179	264	142	29	36	43
IA	1,864	6,052	10,255	623	986	1,107	33	16	11
ID	552	1,065	1,287	416	913	1,168	75	86	91
IL	4,514	8,392	9,134	2,299	4,862	5,450	51	58	60
IN	14,843	26,505	24,781	1,935	3,236	4,514	13	12	18
KS	1,205	2,155	1,824	787	519	887	65	24	49
KY	1,578	2,553	3,803	845	1,527	2,374	54	60	62
LA	5,173	11,102	6,258	1,007	1,451	941	19	13	15
MA	3,015	4,723	5,104	1,787	3,043	3,445	59	64	67
MD	1,122	1,695	1,096	463	935	630	41	55	57

ME	538	1,078	1,164	346	664	908	64	62	78
MI	4,274	7,485	8,086	2,764	4,923	5,833	65	66	72
MN	1,536	4,561	4,793	424	1,767	2,272	28	39	47
MO	2,345	4,247	104,772	994	1,777	3,473	42	42	3
MS	24,650	25,732	17,457	3,258	4,487	1,478	13	17	8
MT	130	406	835	51	69	422	39	17	51
NC	2,245	6,624	6,087	1,679	5,152	5,503	75	78	90
ND	139	234	233	57	116	124	41	50	53
NE	239	485	470	185	393	412	77	81	88
NH	564	977	884	317	517	514	56	53	58
NJ	3,030	4,646	5,255	2,335	3,857	4,505	77	83	86
NM	215	277	417	191	232	346	89	84	83
NV	615	1,710	2,533	214	570	1,221	35	33	48
NY	169,956	213,289	217,888	4,659	11,106	9,467	3	5	4
OH	5,338	9,521	8,221	3,180	5,828	5,572	60	61	68
OK	3,779	20,320	15,612	467	682	502	12	3	3
OR	42,140	104,510	134,673	860	2,634	2,888	2	3	2
PA	5,273	9,292	11,959	2,331	3,885	5,379	44	42	45
PR	3,205	3,824	2,972	678	1,227	1,008	21	32	34
RI	518	1,727	1,665	271	1,001	1,018	52	58	61
SC	5,086	7,530	5,907	2,597	3,602	3,312	51	48	56
SD	189	527	516	83	252	320	44	48	62
TN	3,040	4,031	5,336	1,816	3,010	4,392	60	75	82
TX	7,804	10,825	10,669	2,901	4,410	5,953	37	41	56

(continued)

Table 3.4 (continued)

	No. of WIA DW exiters			No. of WIA DW exiters in training			% of WIA DW exiters in training		
State	PY 2008	PY 2009	PY 2010	PY 2008	PY 2009	PY 2010	PY 2008	PY 2009	PY 2010
UT	325	947	899	305	896	863	94	95	96
VA	1,741	3,084	4,296	891	1,319	2,108	51	43	49
VI	90	220	205	74	193	177	82	88	86
VT	148	389	194	135	310	161	91	80	83
WA	2,461	3,295	3,779	1,242	2,066	2,815	50	63	74
WI	2,241	4,200	5,936	991	1,869	2,905	44	45	49
WV	824	1,567	1,462	564	866	773	68	55	53
WY	6	46	86	6	32	78	100	70	91
Total	358,233	581,967	719,846	56,172	105,555	127,557	16	18	18

SOURCE: Data are from the USDOL's Public Workforce System Dataset and have been assembled and analyzed by the Upjohn Institute.

In their more qualitative assessments (offered during site visits) of the number of individuals receiving training services, officials in most of the 20 states visited indicated that the added Recovery Act funding (typically representing an almost doubling of WIA funding) increased the number of individuals in the WIA Adult and Dislocated Worker programs enrolled in training. This is similar to the results of the NASWA survey and the results shown in Tables 3.3–3.5. Despite their being able to temporarily increase the number of individuals enrolled in training, several states worried about their ability to sustain training levels once Recovery Act funding went away. Most states indicated that once Recovery Act funding had been spent, levels of training returned to pre–Recovery Act levels, both in terms of expenditures and number of participants enrolled in training. Several states indicated that as they were winding down their Recovery Act funding they worried about not meeting expectations that job seekers might have with respect to enrolling in WIA-funded training. Several states indicated that despite the end of Recovery Act funding, their local areas continued to face very high levels of unemployment and, therefore, elevated levels of demand for training and other services that could not be met post–Recovery Act. In fact, several states and local areas indicated that once Recovery Act funding had been exhausted, some of their local workforce areas imposed waiting lists for training. These waiting lists were likely to continue well into the future because local economies continued to be stressed and there was a likelihood that WIA funding would remain flat or decline in the future. Examples of states with concerns about their ability to meet demand for training when Recovery Act funding was fully expended include the following:

- **Michigan.** The main challenge with regard to training has been Michigan Works! agencies (MWAs) having sufficient resources to sustain training levels with Recovery Act funding fully spent, and needing to rely upon regular WIA funding (especially WIA Dislocated Worker Program funding, which has sharply declined). A year after ARRA funding had been fully expended, many MWAs across the state found they did not have the necessary funds to sustain training levels at the levels they were able to offer with ARRA funding. This has been a disappointment to some unemployed workers who anticipated being able to enroll in subsidized training (in part, because they had heard about

Table 3.5 Percentage Change in Number of WIA Adult and Dislocated Worker Exiters Enrolled in Training, PY 2008 to PY 2010, Sorted by Percentage Change from PY 2008 to PY 2010

% change in WIA Adult exiters enrolled in training				% change in WIA DW exiters enrolled in training			
State	PY 2008–09	PY 2009–10	PY 2008–10	State	PY 2008–09	PY 2009–10	PY 2008–10
NV	87	117	306	WY	433	144	1200
MT	13	231	275	MT	35	512	727
OR	214	11	248	DC	300	95	681
VI	242	−14	194	NV	166	114	471
RI	139	18	181	MN	317	29	436
CA	75	58	177	FL	120	110	362
MA	48	84	172	DE	143	88	359
MN	128	13	157	CA	159	60	316
MO	45	72	150	SD	204	27	286
WY	83	17	114	RI	269	2	276
VA	32	51	100	AZ	157	38	255
NM	232	−40	99	MO	79	95	249
MI	151	−22	96	OR	206	10	236
GA	48	29	92	NC	207	7	228
DC	78	8	91	WI	89	55	193
IL	107	−9	89	UT	194	−4	183
IN	45	28	87	KY	81	55	181
WI	54	20	84	ID	119	28	181
NC	105	−12	81	ME	92	37	162
WA	34	26	69	GA	36	79	143
ME	29	26	63	TN	66	46	142
NY	92	−16	62	VI	161	−8	139
AL	66	−3	61	IL	111	12	137
NJ	34	15	55	VA	48	60	137
AZ	46	6	54	CT	9	116	135
VT	139	−36	52	IN	67	39	133
ND	42	6	51	AL	103	15	133
PA	20	24	49	PA	67	38	131
AR	64	−16	38	WA	66	36	127
KY	39	−7	29	NE	112	5	123
ID	44	−12	27	CO	34	67	122

Table 3.5 (continued)

% change in WIA Adult exiters enrolled in training				% change in WIA DW exiters enrolled in training			
State	PY 2008–09	PY 2009–10	PY 2008–10	State	PY 2008–09	PY 2009–10	PY 2008–10
OK	61	−26	19	ND	104	7	118
IA	17	−2	14	MI	78	18	111
SD	−11	27	13	AR	79	15	106
WV	27	−11	13	TX	52	35	105
SC	26	−13	10	NY	138	−15	103
UT	24	−12	9	NJ	65	17	93
NE	30	−17	7	MA	70	13	93
CO	8	−2	6	NM	21	49	81
CT	−25	41	5	IA	58	12	78
LA	46	−28	5	OH	83	−4	75
TX	−1	4	3	NH	63	−1	62
KS	8	−6	1	PR	81	−18	49
NH	31	−26	−3	WV	54	−11	37
FL	3	−7	−4	MD	102	−33	36
TN	−6	1	−5	SC	39	−8	28
OH	26	−25	−5	VT	130	−48	19
MD	32	−32	−10	KS	−34	71	13
AK	23	−28	−11	AK	53	−30	8
PR	−30	26	−12	OK	46	−26	7
DE	−4	−11	−14	LA	44	−35	−7
HI	−4	−16	−19	HI	47	−46	−21
MS	15	−48	−40	MS	38	−67	−55
Total	39	0	40	Total	88	21	127

SOURCE: Data are from the USDOL's Public Workforce System Dataset and have been assembled and analyzed by the Upjohn Institute.

the availability of training for up to two years under Michigan's No Worker Left Behind initiative). Some MWAs had to institute waiting lists for training under the regular (formula) WIA Adult and Dislocated Worker programs as early as the first or second quarters of their program years the year after ARRA funding had been exhausted. The state indicated that all of those who had entered longer-term training with ARRA funding had been able to complete training (often with regular formula funding if ARRA funding had been exhausted during the second year). However, among those who had originally entered training with ARRA funding, sustaining some of them with regular formula funding meant that there was less available formula funding to pay for new WIA participants during the program year following exhaustion of ARRA funding (and therefore the need to institute waiting lists in some MWAs). So while there is little doubt that ARRA funding promoted the entry of many more into training than would have been the case without ARRA funding, it has been impossible for MWAs to sustain the levels of training established under ARRA.

- **Ohio.** Beginning in July 2010, when WIA funding under ARRA had been fully spent, some local workforce areas within the state implemented waiting lists. Some of these local workforce areas have continued to keep such waiting lists in effect over much of the time since ARRA funding was exhausted. There were simply not enough funds available to meet the demand for training. Some local areas had to use regular WIA formula funding to support those who had initially been funded using ARRA dollars and had not completed training by the time ARRA funding was exhausted. Overall, ARRA funding provided added resources to put substantial numbers of WIA Adults and Dislocated Workers through training, but when it was exhausted local workforce agencies reverted back to pre-ARRA training levels and even below those levels. The state expects a substantial decrease in the number of new enrollments in training in the coming year, as well as a reduction in the length of training.
- **Wisconsin.** ARRA funding was largely expended during the first year in which it was available. With ARRA funding depleted, some LWIBs found they were short on funding to cover training expenses for those already in training. This problem of running out of funds to sustain individuals in training once they were midway through training was somewhat alleviated for Dislocated Workers by the availability of additional National Emergency Grant (NEG) funding distributed to LWIBs in the

> state. Officials at the state and local areas visited indicated that despite the availability of NEG funding, some customers were at least temporarily unable to take additional courses to complete their degree or certification along their career pathway. Additionally, once ARRA funding was exhausted, some LWIBs had to institute waiting lists for new WIA Adults and Dislocated Workers who were eligible for and interested in entering training.

The NASWA survey results suggested that Recovery Act funding had been used to provide a variety of types of training, with a particular emphasis on using ITAs to provide classroom training. For example, survey results indicated that states had used Recovery Act funds to provide the following types of training under the WIA Adult program (with similar percentages reported for the WIA Dislocated Worker program): ITAs (95 percent of states), contracts with community or technical colleges (69 percent), on-the-job training (67 percent), registered apprenticeships (49 percent), contracts with community-based organizations (31 percent), customized training (31 percent), and contracts with four-year institutions (15 percent).

Generally, the site visits confirmed the findings of the NASWA study with respect to the types of training being provided and suggested that some states were using Recovery Act funds to emphasize (and expand) the use of certain types of training, including OJT and customized training. Table 3.6 provides several illustrations of the ways in which states used Recovery Act funds for training. States indicated that Recovery Act funding was used in most instances to support the same types of training—particularly ITAs for classroom training—at similar training institutions (selected from the state's eligible list of providers) as were being used under the regular (formula) WIA Adult and Dislocated Worker programs. It should also be noted that some states used Recovery Act funds to expand training opportunities—particularly with respect to providing increased OJT, customized training, or sectoral initiatives (for example, see Florida and Wisconsin in Table 3.6).

Table 3.6 Examples of State Approaches to Using Recovery Act Funding to Support Training Activities

State	Various state approaches to use of Recovery Act funds to support training
Arizona	Arizona used the same Eligible Training Provider List (ETPL) for both Recovery Act and formula WIA funding. State workforce staff held a training conference to help establish new relationships between the local workforce area staff and training providers on the ETPL. The intent was to improve connections between the workforce system and local training providers, with the ultimate goal of fostering more training approvals in some local areas. Targeted, shorter-term training, built upon the knowledge and skills of participants and leading to professional certifications for high-demand and emerging occupations, became more prevalent during and after receipt of ARRA funding.
Colorado	As a result of ARRA funding, the number as well as the percentage of participants in training statewide increased, both for the WIA Adult and Dislocated Worker programs. The ARRA funding has been mostly spent on ITAs, mostly for short-term training conducted at community colleges and proprietary schools. While there were no substantial changes to the types of training provided, there was an increase in the number trained as a result of additional ARRA funds and the state requirement that a higher percentage of ARRA funds than of regular formula funds be spent for training. With ARRA funding, there was some increase in both customized training and OJT (though OJT still remains a small portion of overall training provided); there was also an increased emphasis on green jobs and sector-based training.
Florida	The majority of ARRA training funds were used for ITAs, and the number of ITAs increased substantially because of Recovery Act funding. There was a push to train in green jobs occupations, emphasized by the DOL; most boards tried to reflect this, and they worked with local colleges and tech centers to implement it. A critical challenge for local workforce agencies was what to do at the end of training when there were few jobs available into which to place trainees. The majority of training with ARRA funding was in the health field (as had been the case with formula funding prior to ARRA), where jobs were projected to be available.
Illinois	Illinois reported a dramatic increase between 2007 and 2009 in the overall percentage of WIA funds spent on training. Illinois used Recovery Act funds to support all of its training services and placed special emphasis on class-size training contracts to increase the capacity of training institutions to provide sector-based training for customers. Additionally, to the extent possible, Recovery Act funding was used to prepare low-education/low-skill customers for degree/certification-based training programs by bridging the gap between their current knowledge base and the expectations and requirements necessary to enter a degree/certification training program. ARRA funding was also used to fund training for incumbent workers (i.e., training aimed at keeping people in jobs and advancing their careers).

Michigan	Most ARRA funding was expended on ITAs, which was the case prior to receipt of ARRA funds. The state also used ARRA funding to establish the "No Worker Left Behind (NWLB) Green Jobs Initiative." The goal of this ARRA-funded initiative was to focus on high demand/high growth occupations with an emphasis on green jobs. The NWLB Green Jobs Initiative increased access to training opportunities in a variety of renewable energy and energy efficiency programs focused on alternative energy production and efficiency, green building construction and retrofitting, and organic agriculture and natural resource conservation.
Ohio	State officials indicated that there were no changes in the types of training provided due to Recovery Act funding. There was continued emphasis on providing ITAs, as well as other types of training. The caps on ITAs (which are the same for Recovery Act and regular formula funding) are set by LWIBs and ranged from $5,000 to $20,000, with an average of $13,000. The data show little change in the number of WIA adults receiving training as a result of ARRA but a decrease in the percentage of adults trained. Beginning in July 2010, when ARRA funding was exhausted, some local workforce areas began to implement waiting lists for entry into WIA-sponsored training. ARRA laid the groundwork for implementing the governor's new policy to increase direct placements and reliance on OJT. With ARRA funding, the state was able to fund Project HIRE, which established links with companies interested in sponsoring OJT and in funding this OJT.
Wisconsin	The Recovery Act funding was mostly spent on ITAs, though there was also a push by local areas to use Recovery Act funding to sponsor classroom-size training programs. This was in part because there was an onslaught of unemployed individuals that sought out training at the state's technical colleges and community colleges—creating waiting lists for entry into some training programs. In addition, classroom-size training has the advantage of not needing to be timed to semester start dates/end dates (but rather to when a group of individuals can be assembled to begin a class) and offers the possibility of shortening training periods and tailoring curricula to the needs of employers and workers. It also provides an opportunity to build in remedial education or contextual learning to a curriculum tailored to the needs of the class.

SOURCE: Table is based on site visits conducted in states between December 2009 and April 2012.

LINKS TO APPRENTICESHIP

One training strategy suggested by the USDOL in TEGL 14-08 was for states and LWIAs to use Recovery Act funding for establishing new linkages and to expand existing linkages between WIA and registered apprenticeship programs. The site visits indicated that the availability of Recovery Act funding had little or no effect in terms of fostering new linkages between WIA and registered apprenticeship programs. Three-quarters of the 20 states visited indicated that the state had not established new apprenticeship linkages as a result of Recovery Act funding. A number of state workforce agencies indicated that, while they had tried to establish or expand linkages with apprenticeship programs, such efforts in the face of the recession proved to be largely fruitless. An important factor underlying the difficulties in increasing ties to apprenticeship was the poor labor market conditions in the construction sector, which traditionally has accounted for a large share of apprenticeship opportunities. Although most states visited were unable to expand linkages with apprenticeship programs, several states reported some success with regard to initiating new linkages with apprenticeship programs and indicated that when economic growth returned (especially within the construction sector) it was likely that there would be interest in increasing slots available in apprenticeship programs:

- **Arizona.** Although there has been scant construction-related apprenticeship, Arizona has experienced some expansion of registered apprenticeship in regional projects and urban areas since the receipt of ARRA funding. For example, Phoenix has seen a slight rise in precision manufacturing (related to aerospace) and sustainable energy-based occupations. Pima County bundled a $40,000 matched grant with the IBEW to develop a photovoltaic technology curriculum that may be linked to apprenticeship opportunities in the future.
- **Michigan.** In an effort to prepare Michigan's female, minority, and economically disadvantaged workforce for apprenticeship positions, weatherization projects, and other green construction jobs, Michigan launched the Energy Conservation Apprenticeship Readiness (ECAR) program in June 2009 with

ARRA funds. ECAR was based on an earlier preapprenticeship initiative—the Road Construction Apprenticeship Readiness (RCAR) program (an initiative providing tuition-paid, fast-track customized training in job-readiness skills, applied math, computers, blueprint reading, workplace safety, and an overview of the construction trades). In addition to the 240-hour RCAR program curriculum, the ECAR program included a 32-hour energy conservation awareness component. This component included curricula and training on lead, asbestos, and confined space awareness; mold remediation and safe working practices; principles of thermal insulation, geothermal, and solar energy; and principals of green construction. Similar to RCAR, ECAR offered supportive services, placement assistance, and completion certificates.

- **Ohio.** The availability of Recovery Act funding has had little or no effect on linkages with registered apprenticeship programs to date (though such links existed prior to the Recovery Act). However, a portion of the governor's 15 percent discretionary Recovery Act funds was used to fund a preapprenticeship program for youth, an initiative called "Constructing Futures." The goal of the Constructing Futures initiative was to train Ohioans of historically underrepresented populations in the building trades so that they might excel in a career in construction, ultimately leading to a family-sustaining wage and occupation. The state used $3.2 million from statewide Recovery Act workforce funds to award grants to provide preapprenticeship training. Funded programs were required to help trainees attain careers in construction occupations by preparing them to enroll and succeed in registered apprenticeship programs in those occupations. A request for proposals was released statewide to workforce investment boards (allowing for two or more workforce boards to apply together). Grant awards ranged from $400,000 to $1 million and were given to four organizations from Cincinnati, Columbus, and Toledo, with programs running from January 2010 to June 30, 2011. Eligible activities for grant funds include outreach to targeted populations, supportive services (including both before and during apprenticeship), basic literacy and GED attainment through University System of Ohio institutions, training stipends for preapprentices while in the classroom, and eligible tools and equipment.

PELL GRANT USAGE AND ISSUES

Under the Recovery Act, to maximize the reach of WIA Adult formula funds, local workforce agencies were to help eligible customers take advantage of the significant increase in Pell Grant funds also authorized by the Recovery Act. Also, subsequent to passage of the Recovery Act, the ETA sent guidance to states (USDOL 2009), encouraging them to notify UI beneficiaries of their potential eligibility for Pell Grants by letter and to broaden their definition of “approved training” for UI beneficiaries during economic downturns. (UI beneficiaries can continue to receive UI benefits while in training if the training is considered “approved training” under state laws and policies.)

As part of a NASWA 50-state survey (NASWA 2010) conducted after the ETA issued its guidance, state workforce agencies were asked about their experiences with respect to sending out a “model” letter (developed by the USDOL) to UI claimants to inform them about the Pell Grant program and to explain that they could continue to receive UI benefits while in training, with the state’s approval. They also were asked about changes to USDOL policies on approved training for UI. Key findings from the survey include the following:

- Thirty-nine of 49 states (80 percent) reported sending Pell Grant letters to claimants. One additional state was about to send out letters, and four other states wrote that they had provided the information in a different format. Of the remaining five states, one state reported current workloads prohibited sending the letter, three reported current UI policies on degree-track programs were inconsistent with the Pell Grant initiative, and one reported that an insolvent trust fund prohibited a benefit expansion. Few states measured response rates, but roughly 10 states reported a heavy response.
- The types of actions states took to implement the initiative included the following: partnering with higher education to

provide workshops; bringing in community college personnel to give staff and customers a better understanding of the Pell Grant process; hosting a special phone line to answer general questions regarding school attendance and UI; hosting a designated training session for local UI staff; contracting with a nonprofit to provide workshops, Pell Grants, and financial aid through the career One-Stops; and mailing letters at different stages.

- States also provided some feedback about the "model letter" provided by the USDOL to assist states in informing UI claimants about Pell Grants, including the following: suggestions to craft the letter to make it clear that no additional UI benefits would be received as a result of training and no financial aid was guaranteed as a result of the letter, suggestions that the letter was too general and did not include enough substance, and suggestions to stagger mailings.
- Forty percent of the states reported expanding the definition of "approved training" through law or interpretation since the Recovery Act.

Overall, during our site visits, states reported little change in policy or use of Pell Grants as a direct result of the Recovery Act, mostly because local workforce areas were already working under requirements that they make WIA training participants aware of and help them apply for Pell Grants. Similar to the findings of NASWA's state survey, during site visits some states indicated that they had experienced problems with the lack of clarity and substance in the model letter they distributed to UI claimants informing them about Pell Grants (see below).

Before the Recovery Act, several state workforce officials observed, the WIA program had a requirement that WIA participants enrolling in training apply for Pell Grants and use such grants first to pay for training expenses. Under WIA statutory requirements, the WIA program is to be the last payer for training after Pell Grants and other forms of student assistance. Workforce agency officials noted that while LWIA program staff notifies WIA participants of the need to apply for Pell Grants (if they are attending programs that are qualified to receive such grants), they do not usually get involved in the application for or the processing of Pell Grants. In some One-Stop centers visited as part of this study, community college staff was outstationed full-time or part-time to the One-Stop center, which facilitated WIA participants' application both to the community college and for Pell Grants. Local workforce agency officials indicated they typically were apprised of the results of Pell Grant applications by schools after a grant decision had been made. When the educational institution reported back on whether an individual had received a Pell Grant and the amount of the grant, the tuition portion of the Pell Grant was offset against the amount of tuition paid by the WIA program. From the perspective of local workforce agencies, the receipt of Pell Grants helps to spread what are often limited WIA funds so that it is possible to serve more WIA participants than would otherwise be the case. Several examples of state workforce agency experiences with Pell Grants are provided in the examples below:

- **Colorado.** Local workforce agencies experienced an increase in requests for information regarding Pell Grants as a result of the Pell Grant letters sent to UI claimants. While local workforce centers work in partnership with community colleges on Pell Grants, the community colleges are more likely to provide assistance on Pell Grant application than are workforce centers.
- **Illinois.** Coordination with Pell Grants takes place on a case-by-case basis, between individual LWIBs, WIA participants, and institutions of higher education. Where possible, the workforce agency generally aims at using WIA resources for tuition, and Pell Grants to cover living expenses. The DOL letter to UI claimants notifying them of their Pell eligibility generated some initial perplexity: despite attempts at state-level coordination, there was some confusion on the part of LWIB staff and frustration on the part of claimants who thought they were entitled to a specific cash benefit based on their reading of the letter.
- **Michigan.** Before ARRA, the WIA program already had a mandate that WIA participants must apply for Pell Grants and use such grants first to pay for training expenses. WIA funds are to be used as a last resort to pay for training (i.e., after Pell Grants and other sources). The WIA programs (and local workforce development agencies) are closely linked with community colleges, M-Techs, and other educational institutions. Many local

One-Stop centers have community college representatives co-located at the center and at the college—these representatives conduct recruitment of WIA customers (and other One-Stop customers) into their schools and can help customers prepare applications for enrollment and Pell Grants right at the One-Stop centers.

- **Montana.** Pell Grants have been widely used in combination with WIA funds to cover both tuition (for which the preference is to use WIA) and living expenses (using Pell Grants) for participants. According to one workforce agency official, "We try to use WIA for tuition so they can use Pell for living expenses. It's much more expensive for us to use needs-related payments for living expenses. We like for them to use Pell."
- **New York.** One-Stop customers are routinely provided information about how and where to apply for Pell Grants. Counselors in One-Stop centers identify Pell Grants as a source of educational assistance for qualifying postsecondary education programs and include Pell Grants in an individual's training plan for approval. In addition, UI customers have been mailed letters encouraging them to consider training and highlighting the recent changes regarding Pell Grant eligibility.
- **Ohio.** The process of applying for Pell Grants is largely under the purview of the educational institutions individuals attend, so local workforce areas do not usually get that involved in the process. Community colleges outstation staff to comprehensive One-Stop Career Centers in the state; this approach facilitates application both to training programs held at community colleges and for Pell Grants.

Finally, regarding Pell Grants, several states visited indicated they had encountered some difficulties with respect to the model letter developed by the ETA (and sent to states for dissemination). This letter was intended to notify UI claimants of the availability of increased Pell Grant funds and new rules pertaining to dislocated workers that provide for a potential reconsideration of income (i.e., providing for a "look forward" rather than a "look back" at earnings, which could potentially help dislocated workers qualify for Pell Grants). According to one state agency, when the letter was distributed to UI claimants, some UI claimants experienced confusion and difficulties. Some dislocated workers called UI offices to inquire about the possibility of obtaining Pell Grants to offset costs for education or training they were currently enrolled in—which gave rise to questions about being "ready and available" for work. This, in turn, set in motion reconsideration of UI benefits for some claimants and the eventual loss of UI benefits (and the need to repay benefits that had been paid out to the claimant). Several state agencies indicated that before sending this letter out they made some relatively minor modifications to clarify language and make sure claimants fully understood Pell Grant changes.

RELATIONSHIPS WITH INSTITUTIONS OF HIGHER EDUCATION

Under the Recovery Act, to increase state, regional, and local training capacity, states were given the authority to enter into contracts with institutions of higher education, such as community colleges, to facilitate training in high-demand occupations, so long as the contract did not limit customer choice. About half of the 20 states visited indicated that they had awarded additional contracts to institutions of higher learning since receipt of Recovery Act funding. For example, an official with the Seattle–King County Workforce Development Council (WDC) noted that the contracted classroom training "has been the most exciting, frustrating, and likely most impactful aspect of the Recovery Act. This was a real change to the system." In addition, the Washington State Legislature provided an incentive for the use of Recovery Act funds for class-size training by awarding WDCs 75 cents for every Recovery Act dollar spent on this type of training.

For the most part, state and local workforce agencies indicated that relationships with institutions of higher education were well established prior to the Recovery Act. Because local workforce agencies issue ITAs to WIA participants for coursework at these institutions, the primary linkages with institutions of higher learning occurred at the local level. Several states used Recovery Act funding to create customized, class-size training programs at community colleges or technical schools, which featured more flexible scheduling (i.e., not always tied to a semester or term schedule) and careful tailoring of the curriculum to the needs of employers in high-growth industry sectors. Such class-size programs generally led to some form of certification. Table 3.7 provides examples of how linkages between WIA programs and institutions of higher education have been affected by the availability of Recovery Act funds, including several examples of training initiatives undertaken in collaboration with educational institutions.

TARGETING LOW-INCOME INDIVIDUALS

Under the Recovery Act, priority use of WIA Adult funds must be for services to recipients of public assistance and other low-income individuals. States are particularly encouraged to provide training opportunities to these individuals. The NASWA state survey found that the vast majority of states reported that recipients of public assistance and other low-income individuals receive priority of service for WIA Adult services, including training. The visits to states and LWIAs confirmed this survey finding. During interviews with state and local workforce agencies, officials in nearly every office indicated that the Recovery Act did not usher in much of a change with regard to providing services for low-income individuals because there had always been an emphasis on giving priority to providing service for low-income individuals within the WIA Adult program.

State workforce agencies passed along Recovery Act requirements for providing priority to low-income individuals and requested that local plans reflect this priority. States typically left it up to local areas to set their own specific policies with regard to when priority of service requirements for low-income individuals came into effect. However, some states were more prescriptive about such policies. For example, in Illinois, before the Recovery Act, the state required that 51 percent of WIA funds be spent on low-income individuals. With the Recovery Act, Illinois issued a state policy requiring local areas specifically to include plans to address the workforce training and placement needs of low-income, low-skilled, and other target populations (Illinois Department of Commerce and Economic Opportunity 2009). Several other states had state policies that were explicit about providing services to low-

Table 3.7 Examples of Approaches of WIA Programs to Linking with Institutions of Higher Education

State	Various approaches to linking with institutions of higher learning
Arizona	Pima County and the Phoenix WIBS strengthened connections with community colleges, using both bundled ITAs and cohort training. Co-located and itinerant staff, as well as cross-site location of orientations and workshops, were part of service delivery practices. Pima County leveraged the community college to adopt contextual learning in its adult and developmental education classes.
Colorado	The relationship between the state's community colleges and the workforce system predated the Recovery Act, and there was no real change in linkages as a result of the Recovery Act. The state issued sector-based training grants using some Recovery Act funding. A $1.1 million sector training request for proposal (RFP) was issued, under which the training provided had to be in high-growth industry sectors and the curriculum used had to be industry-driven. Recovery Act funding was also used to provide scholarships for distance learning—payments of up to $3,000 per class were made for training that was provided remotely (via the Internet) and led to industry-approved certification in (for example) nursing and various IT occupations.
Illinois	Illinois state workforce staff reported strong relationships with institutions of higher education, especially around their sector-based efforts. With the Recovery Act, some local areas entered into class-size training contracts.
Maine	Maine attempted to use the bulk of its ARRA resources to purchase class-size training at community colleges in four key sectors: 1) health care (nursing in particular), 2) energy, 3) green energy/weatherization, and 4) information technology.
Montana	At the state level, Montana made no special arrangements with training providers or other institutions of higher learning to increase their offerings or class sizes. At the local level, the Helena Center for Technology offered a 50 percent reduction in tuition for dislocated workers on a seat-available basis. In Kalispell, Flathead Valley Community College increased both its class offerings and its class sizes. It also began a special welding track in conjunction with Stinger Welding in Libby, Montana, where an expected 250 jobs were to open up.

Ohio	The relationship between the state's community colleges and the workforce system predated the Recovery Act and remained strong. Community colleges were particularly involved in providing ITA-funded training and also were part of several special training initiatives funded with Recovery Act funds, including Project Hometown Investment in Regional Economies (Project HIRE). Project HIRE provides job-matching strategies linking employers and job seekers. Project HIRE includes hiring fairs and other outreach activities aimed at bringing employers and dislocated workers together. State and local workforce investment specialists coordinate Project HIRE events and activities.
Rhode Island	The state had started to increase coordination with community colleges before the Recovery Act, but that has now increased substantially, including an increase in contextual training programs using some Recovery Act money. The state used WIA Recovery Act state set-aside funds, issued one RFP, and the local WIBs divvied up the contractors. The RFP produced some of the same vendors, but the vendor list has expanded greatly and the programs are different, in that they are targeted to low-skilled workers. The state also used Recovery Act funds for 1,600 youth in a pilot career tech at five schools for middle-school-age youth at risk of dropping out, to expose them to a nontraditional school environment and contextual learning and to help connect them to vocational areas in which they could develop an interest.
Washington	The state legislature wanted to emphasize the importance of training, enacting the Washington State Engrossed Second Senate Substitute Bill (E2SSB) 5809, which set aside $7 million in general revenue funds to provide incentives for local councils to use Recovery Act funds for training. For every $1 a council invested in cohort training, it leveraged $0.75 from the state. For every $1 invested in an ITA, the council leveraged $0.25 from the state. After the legislature established this seed money, the governor also used Recovery Act funds to make an additional $5.5 million available for training incentives. This created intense interest in training across the state. The Recovery Act had a particular impact on the system's relationship with the community colleges because of the implementation of "cohort training." Prior to the Recovery Act, the biggest area of coordination with the community colleges was for incumbent worker training. Across the state, there have been over 100 cohort classes offered in a variety of industries—health care, business administration, information technology, manufacturing/construction, energy/green energy, and forestry—any of which can use the I-BEST model (Integrated Basic Education and Skills Training Program), which contextualizes basic and occupational skills.

SOURCE: Table is based on site visits conducted in states between December 2009 and April 2012.

income individuals but differed from the Illinois policy—for example, in North Dakota, once 70 percent of WIA Adult funds are obligated, the remaining funds must be used for providing services to low-income individuals.

In most states visited, the specific policies on serving low-income individuals were left to local workforce areas to determine. Even before the Recovery Act, local workforce areas already had such policies in place, which usually established priority for low-income individuals when funding became "limited" under the WIA Adult program for intensive and training services. Most state and local workforce officials indicated that such policies changed little or not at all in response to the Recovery Act, though in some states more funding became available, which allowed for providing WIA-funded services targeted to more low-income individuals. Several state and local workforce officials noted that co-locating TANF and Supplemental Nutrition Assistance Program (SNAP) employment and training programs at One-Stops made a difference in terms of facilitating and expanding enrollment of low-income individuals into the WIA Adult program.[5]

Overall, as reflected in Table 3.8, state workforce agencies viewed the Recovery Act as not leading to many changes in policies or practices at the state or local workforce levels related to serving low-income individuals—WIA Adult programs already were targeted to and serving substantial numbers of low-income individuals. One exception was Montana, which raised the income cutoff for being considered low-income to 100 percent of the state's self-sufficiency standard to assure that the state could spend its WIA funds.

SUPPORTIVE SERVICES AND NEEDS-RELATED PAYMENTS

The Recovery Act emphasizes the authority to use the funds for supportive services and needs-related payments to ensure participants have the means to pay living expenses while receiving training. Supportive services include transportation, child care, dependent care, housing, and other services. For individuals who are unable to obtain such services from other programs, this provision enables them to participate in activities authorized under WIA. Needs-related payments may be provided to adults who are unemployed and do not qualify for or have ceased to qualify for unemployment compensation, for the purpose of enabling such individuals to participate in training. LWIAs can take advantage of the availability of these payments so that customers can pursue their career goals, rather than allowing their short-term income needs to determine the length of their training.

In the NASWA survey, many states reported moderate (up to 10 percent) or substantial (10 percent or more) increases in WIA-related spending on supportive services since the Recovery Act on the following types of services: transportation (81 percent of states reported a moderate or substantial increase in expenditures), child care (81 percent), housing (39 percent), dependent care (36 percent), and other services necessary for participation (78 percent). In comparison to supportive services, far fewer states provided needs-related payments (45 percent) before the Recovery Act. According to this survey, slightly fewer than half the states reported having increased their funding moderately or substantially under the WIA program for needs-related payments (45 percent of states for the WIA Adult Program and 47 percent for the WIA Dislocated Worker Program).

Site visits to states indicated that states and local workforce areas had made few changes in policies with respect to supportive services or needs-related payments in response to the Recovery Act. Only three of the 20 states visited indicated they had made some changes with regard to supportive services, while five of the 20 states had made changes with regard to needs-related payments since receipt of Recovery Act funding. Even in cases where changes to supportive assistance or needs-related payments had been made, they may have not been made in direct response to the Recovery Act, or they may have been initiated by only some local workforce areas within the state. Table 3.9 provides several illustrations of the varying policies with regard to supportive services and needs-related payments across the states visited as part of this study. Anecdotal evidence from the site visits suggests that in some states, because of an increase in the number of participants flowing through One-Stop Career Centers and the WIA program (as a result of the recession and the availability of Recovery Act funding) there was at least a modest increase in expenditures on supportive services. State and local workforce agencies indicated that amounts spent on supportive services and needs-related payments, both before and since receipt,

Table 3.8 Examples of State Approaches to Targeting WIA Adult Services to Low-Income Individuals

State	Various state approaches to serving low-income individuals
Arizona	In Arizona, local areas determine the emphasis on services to low-income individuals. In those areas where the TANF Employment and Training Program is co-located in the One-Stop center, there is a higher emphasis on serving low-income customers. Local plan modification guidelines required boards to declare either limited or unlimited funding status. With limited funding, boards are required to focus on and provide priority to low-income individuals, while with unlimited funding boards have more service flexibility. WIA contracting practices in Phoenix (WIA services with CBOs) and Pima County (contracting WIA staff positions with CBOs; integration within local services continuum) help assure significant service provision to low-income as well as hard-to-serve populations.
Colorado	TANF employment and training services are often provided out of One-Stop centers, and as a result, TANF recipients have relatively easy access to WIA-funded services. The WIA Adult program, which has always served low-income individuals, issued no new policy guidance in response to ARRA. ARRA's TANF emergency funding brought subsidized employment and OJT to low-income households across Colorado through the HIRE Colorado project.
Florida	Recovery Act funds gave priority to low-income individuals and welfare recipients, and the regions were specifically notified of that. Otherwise, there were no target goals for serving low-income individuals. Florida has a federal waiver that allows WIA staff (versus human services agency staff) to provide services to SNAP recipients and TANF recipients, including eligibility determination and application for additional programs.
Illinois	Prior to the recession and the Recovery Act, Illinois required that 51 percent of WIA funds be spent on low-income individuals. With the Recovery Act, Illinois issued a state policy requiring that local areas specifically include plans to address the workforce training and placement needs of low-income, low-skilled, and other target populations. In addition to public assistance recipients, including those receiving benefits from TANF, the Food Stamp Act of 1977, and the Social Security Act, other low-income individuals who are targeted include those classified as homeless or as foster children, and individuals with disabilities who meet income requirements.
Michigan	According to state administrators, ARRA funding had no effect on the extent to which WIA resources have been targeted to low-income populations in the state. The state, which has always targeted WIA resources to low-income populations, made no policy changes related to serving low-income populations as a result of ARRA and saw no change in the

	proportion of low-income individuals served. ARRA provided additional resources to serve WIA-eligible individuals, so there was an increase in the overall numbers enrolled in WIA, but the percentage of low-income recipients did not change as a result of ARRA.
Montana	Prior to the recession, Montana had prioritized WIA Adult services to those customers who fell below 80 percent of Montana's self-sufficiency standard. With the Recovery Act, Montana raised this threshold to 100 percent of the self-sufficiency standard to make more people eligible for training. Montana set up a separate program that it called the WIA Adult Recovery Act for these enrollments. Montana officials also sought to coenroll eligible participants in both its Recovery Act program and its regular Adult and Dislocated Worker programs to carry customers through training and supportive services once the Recovery Act had ended.
New York	Since 2008, the provision of services to low-income workers has been a priority for New York; therefore, the implementation of the Recovery Act did not change that priority, although the additional funding resources allowed the state to expand those opportunities. The state was already actively engaged in assisting this group through the WIA Adult program and through a variety of state-sponsored initiatives like the Weatherization Assistance Program, funded through the state Office of Temporary and Disability Assistance (OTDA), and the Emerging and Transitional Worker Training Program. Low-income workers are targeted in most of the other economic development training programs supported by state and federal grants.
Ohio	There has been no change with respect to providing services to low-income individuals in the WIA Adult program. There is a "limited funds policy" whereby after local areas hit a certain percentage of expenditure of WIA Adult funds, low-income individuals have priority for training and intensive services. There is a strong commitment to targeting training to low-income adults and youth; for example, one program implemented with Recovery Act funding is the Urban Youth Works program. The state workforce agency awarded $6.7 million of Recovery Act funding to urban youth programs as part of the Urban Youth Works competitive grant program. The grant addressed the needs of urban youth to successfully participate in education and training programs that lead to a self-sufficient wage and occupation based on labor market demand. Grantees included 15 organizations, two local workforce investment areas, and one state agency. TANF Emergency funding was used for Summer Youth employment in certain local areas. (About half of the counties in the state used TANF Emergency Funding to support Summer Youth Employment Programs in the summer of 2010.)

SOURCE: Table is based on site visits conducted in states between December 2009 and April 2012.

Table 3.9 Examples of State Approaches to Providing Supportive Services and Needs-Related Payments

State	Various approaches to supportive services and needs-related payments
Arizona	In Arizona, the array of supportive services prior to the Recovery Act included transportation and emergency assistance. Since the Recovery Act, housing and needs-related payments have been added to the options, though not all local areas are participating.
Colorado	Workforce regions have considerable autonomy with respect to setting policies and payments on support services, which can cover a fairly wide variety of supports necessary to find a job or stay in training (e.g., transportation, tools, work clothes, child care, etc.). In some cases local regions changed their supportive services caps but did not add supportive services, as they already were offering a wide variety. Some local regions planned for a higher level of supportive services expenditures when Recovery Act funds were available, but most did not. The state does not track these expenditures through its financial reporting system. However, based on local tracking, approximately 10 percent of local program funds are spent on supportive services in any given program year, and this percentage did not change with Recovery Act money. Both before and after the Recovery Act, there were and continue to be no expenditures made for needs-related payments. Workforce areas within the state have not used needs-related payments for at least 10 years.
Florida	There was no policy change with regard to supportive services or needs-related payments under the Recovery Act. The state encouraged regional directors to provide supportive services, but there was little response because the directors wanted to avoid such services becoming viewed as entitlements, and many were reluctant to set a precedent since after the Recovery Act they will not be able to afford generous services. The state discussed needs-related payments with local WIBs, but offering such payments is at local discretion and most have chosen not to provide needs-related payments, mainly because of limited funding.
Michigan	There has been no change since the Recovery Act in the types or amounts of WIA funds spent on support services. LWIBs within the state may cover any allowable support services, and what is covered is left to local workforce areas to decide. The state reported that there was no discernible change in expenditure patterns with regard to support services. The decision on whether to provide needs-related payments is also left to local workforce areas. Only a few local areas provide needs-related payments.
Montana	Montana has always allowed supportive service and needs-related payments but has not used them often, finding them too costly. With the extension in UI benefits during the recession, there has not been as strong a demand for such payments, though local One-Stops have issued them on an occasional case-by-case basis. There is no set cap to the amount of dollars a person might be able to draw down.

Nebraska	The State Recovery Act policy required that Needs-Related Payments (NRPs) "must be available to support the employment and training needs of these priority populations." The amount of payment was left to local discretion. None was provided in the greater Lincoln area; supportive services are deemed adequate for ongoing assistance. The remainder of the state has a $500 cap, but spokespersons indicated it was underutilized because the eligibility requirements were "too stiff": participants had to be unemployed and ineligible for and not receiving UI, as established in the Federal Register citation 20 CFR 663.820 and state policy. Less than 1 percent of all WIA adults and dislocated workers who were served during the first five months of the calendar year 2010 received NRPs. NRPs were discontinued as of June 30, 2010.
Ohio	There has been no change since the Recovery Act in the types or amounts of WIA funds expended on support services. LWIBs provide the support services as appropriate, including transportation, work clothing, tools/equipment, and child care. Officials estimated that about 10 percent of WIA funding was spent on support services (compared to about 50 percent on training). Both before and after the Recovery Act, there were virtually no expenditures of WIA funding on needs-related payments within the state. The problem with needs-related payments is that they consume available funding quickly and, as a result, less is left to provide training and other services. Only one or two LWIBs in the state have ever provided needs-related payments.
Washington	Washington emphasized the need for local areas to leverage community support in addition to the federal and state resources available to provide wraparound services to customers. Most of the local programs have long-term relationships with community organizations and resources for supporting customers. The only new guidance as a result of the Recovery Act was to clarify the policy on needs-related payments; several areas are offering that service. Most LWIBs do not have the capacity to issue weekly checks; they are better set up to manage emergency payments.
Wisconsin	Within Wisconsin, there has been no change since the Recovery Act in the types or amounts of WIA funds expended on support services. LWIBs within the state spend only a very small proportion of their WIA allocation on support services such as transportation, child care, dependent care, and rent. Data are not tracked at the state level on expenditures for various categories of support services. Both before and after the Recovery Act, there were and continue to be no expenditures made for needs-related payments. Only one LWIB within the state has made provision for needs-based payments to WIA participants, but this LWIB has not had the available funds to make such payments. Sometimes Pell Grants that WIA participants receive cover needs-related expenses.

SOURCE: Table is based on site visits conducted in states between December 2009 and April 2012.

were a relatively small part of overall WIA expenditures (and represent only a fraction of the total amount expended on training and intensive services).

State agencies for the most part allowed local workforce agencies considerable discretion with respect to setting policies and procedures for supportive services and needs-related payments. For example, in terms of types of supportive services, local workforce agencies could to a large extent determine which supportive services were offered, under what circumstances such services would be provided and to whom, caps on such services, and overall amounts of funding that would be devoted to supportive services. State workforce agencies required local workforce areas to document in their local plans policies on providing supportive services and needs-related payments. In most states and local areas visited, most of the budget for supportive services covered expenses related to transportation, child care, clothing or tools, rent, and other emergency payments. Local workforce agencies also looked to One-Stop partners and other human service agencies where possible, asking them to pick up costs related to supportive services in order to be able to devote limited WIA funding primarily to provision of training.

Regarding needs-related payments, there was little evidence of change in policies or procedures at the state or local levels in response to the Recovery Act. State agencies made needs-related payments an option available to local workforce areas. In many of the states visited, because of limited WIA funding, local workforce areas elected not to offer needs-related payments, or, if they did make them available, they elected to spend very little on such payments. Some local workforce agency officials indicated that such payments could quickly dissipate available WIA funding and that there were clear trade-offs between providing training (and other intensive services) and making available needs-related payments to cover living expenses. Local workforce officials indicated that they mostly looked to other programs and partnering agencies to cover needs-related payments. For example, in some instances, individuals entering training had Pell Grants to cover living expenses, had remaining weeks of UI, or could obtain temporary assistance from TANF, SNAP, housing programs, or other human service programs.

Overall, with regard to both supportive services and needs-related payments, state and local workforce agencies changed little with respect to policies and the types or extent of assistance provided to WIA participants.

CHALLENGES

During the two rounds of site visits, state and local workforce agency officials were asked to discuss their major challenges with implementing the WIA provisions of the Recovery Act. As is discussed in this section, there were a number of challenges commonly identified across states and local workforce areas, including responding to Recovery Act reporting requirements and expending ARRA funding in a timely and effective manner. Table 3.10 provides several examples of implementation challenges faced by states with regard to WIA.

In adapting to WIA and other workforce programs targeted by Recovery Act funding, among the most commonly cited challenges was *dealing with the Recovery Act reporting requirements*.[6] State workforce agencies indicated that it was somewhat burdensome to set up new reports to meet Recovery Act reporting requirements (often with short notice) that were different from their regular reports in terms of schedule and, in some instances, content. The frequency of reporting—monthly rather than quarterly—also was viewed by some states as burdensome. For example, in Colorado, state officials observed that they had to scramble to set up a separate set of financial reports to meet Recovery Act requirements. This was because the timing for Recovery Act reporting was not the same as for reporting on other expenditures. The fiscal period for the state workforce agency cuts off 10 days after the end of the quarter. However, for Recovery Act fiscal reporting, the state had to develop an expenditure report for Recovery Act funds as of the last day of the month at quarter's end. In Nevada, state officials noted that reporting on jobs created and saved was essentially impossible, and that reporting on a monthly basis represented a shift from the traditional quarterly reporting system. North Dakota officials noted that the state often found itself operating Recovery Act–funded programs and activities before it knew what it would have to report on.

Second, *time issues* were frequently mentioned as a challenge with respect to expenditure of WIA funding. Some states felt intense pressure

Table 3.10 Examples of Challenges Faced by State and Local Workforce Areas in Implementing the WIA Recovery Act Provisions

State	Examples of various challenges to implementing WIA provisions of the Recovery Act
Colorado	• The state's Department of Labor had to scramble to set up a separate set of financial reports to meet ARRA requirements. This was because the timing for ARRA reporting was not the same as the state normally uses for reporting on other expenditures. The fiscal period for the state workforce agency cuts off usually 10 days after the end of the quarter. However, for ARRA fiscal reporting, the state had to develop an expenditure report for ARRA funds as of the last day of the month at quarter's end. This meant that the timing for producing the ARRA fiscal reports did not match with the timing the state normally uses for its regular reporting on other programs, such as the WIA program (i.e., the state gives local areas an extra 10 days to get fiscal information into the state computer after the end of the quarter and then closes the quarter). There was also not enough time to validate the data on the ARRA report, as is normally the case in the regular reporting system. In addition, it was burdensome for the state to report on ARRA expenditures by county and congressional district. • The state procurement process can be long and cumbersome. Trying to get funds out quickly and meet procurement requirements was in some cases a trial. Much of the money was allocated to local regions that did not have to deal with the procurement process. • The local workforce regions were trying to implement a program with little guidance from the federal level, and the state workforce agency did its best to fill in the gaps. • ARRA funding meant roughly a doubling of funds available under WIA, and one of the key challenges centered on timely spending of ARRA WIA-DW funding—in part because with the extensions to UI benefits, dislocated workers were not always eager to enter training.
Illinois	• The state and local workforce agencies faced difficulty in two areas: 1) maintaining the commitment and interest of clients who had completed training but still did not have a job and 2) predicting future demand for workers in the midst of a changing economy. • State and local workforce officials were concerned about what would happen once ARRA funds were expended, especially as the need for training and other workforce development services had not abated. • There were concerns with meeting WIA performance measures (especially in a challenging economy and with an emphasis on long-term training), and considerable confusion in how to report on jobs created or saved.

Michigan	• Reporting was a particular concern and burden—the state often found itself operating ARRA-funded programs and activities before it knew what it would have to report on for performance reporting. Additionally, the need to separately report on ARRA-funded activities (from regular formula-funded activities) was burdensome and, in the view of state administrators and staff, unnecessary. • Once WIA Recovery Act funding had been exhausted, Michigan still faced face economic headwinds (which included persistently high rates of unemployment and continuing job losses): there continued to be high demand for training slots, but there were fewer resources available compared to when Recovery Act funding was available. • Guidance provided by the ETA often lagged, forcing the state to make decisions about services, program operations, and reporting prior to receipt of guidance. Because of the tight timetable for spending ARRA WIA funding, the USDOL did not always have answers to questions that the state had. The state had to have ARRA funds obligated to local areas before the ETA issued guidance on ARRA.
Montana	• "We can help people be better prepared, have better résumés, get them to consider moving across or out of state . . . but we can't help much if the jobs aren't there," said one official. • "We're concerned about what happens come July 1, when we have folks currently enrolled in training and will have to carry them. [This] may mean we have to take fewer numbers at the front end," said another official. • Montana's WIA allocations dropped from $15 million in 2000 to $12 million in 2001 and then to about $6 million by 2008. The additional WIA dollars received through the Recovery Act (almost $6 million for Adults, Dislocated Workers, and Youth), when added to the annual allocation, just begin to approach earlier levels. • Reporting has been a challenge; there was initially a lack of clarity on definitions and what should be counted as a new job.
Nevada	• ETA guidance on reporting was delayed and IT staff at times strained to make system changes to meet ETA reporting deadlines. Data elements were not required, but then reports requested were based on these missing data elements. • There was pressure to spend funds on training when the economy was in such turmoil, but there was no assurance that jobs would be available at the end of training. • There was sometimes difficulty in convincing unemployed workers to enroll in training when they were still collecting UI.

(continued)

Table 3.10 (continued)

State	Examples of various challenges to implementing WIA provisions of the Recovery Act
New York	• Working with educational institutions to develop training programs that require accreditation or other intensive vetting is too lengthy a process to serve the immediate needs of customers and, thus, for direct engagement under the time-limited ARRA. The community college system is often not flexible enough to accommodate the immediate needs of the business community and the unemployed customer.
Ohio	• There was great pressure to spend ARRA funds quickly (but wisely), especially to get the Summer Youth Program up and running—not enough time for planning.
	• The state agency felt as though it were "under a microscope," said one official—there was lots of media and political attention paid to how Recovery funds were being expended.
Pennsylvania	• The reporting requirements under the ARRA were challenging because of the detail required and the changes USDOL made after reporting systems were implemented.
	• The implementation of the Summer Youth Program was a challenge, as the state had not operated this program since the JTPA years. Local workforce areas needed to start from scratch, and it took two months of intensive work to pull the Summer Youth Program together at the state and local levels.
Wisconsin	• An initial challenge for both the state and local workforce areas was that ARRA represented a sizable infusion of new funding and that the state and especially local areas had to ramp up services and spend ARRA resources over a relatively short period. It was necessary to ramp up services and serve more customers without making long-term commitments to hiring staff. There was a need to manage staff and expanded services (especially training offered under WIA), while recognizing that such ARRA-funded services would need to be ramped down soon.
	• For one-time funding, the reporting burden for ARRA has been considerable. With ARRA, there has been a strong emphasis on "transparency." The monthly reporting required under ARRA meant double reporting for the state—continued reporting on its regular funds and separate reporting on ARRA activities, accomplishments (e.g., job creation), and expenditures. In some instances, the ETA provided last-minute instructions on reporting requirements. Also, within the state, the TAA, Wagner-Peyser, and WIA programs are linked by a common data system, which means that reporting-requirement changes for one program have an impact on data collection and reporting for the other programs.

SOURCE: Table is based on site visits conducted in states between December 2009 and April 2012.

to quickly but prudently expend WIA funding. Several states mentioned that the need for very rapid start-up of the WIA Summer Youth Program presented a challenge because local workforce areas had not mounted such programs in many years and had to start from almost scratch in staffing and developing their programs. For example, in Pennsylvania, state workforce administrators noted that within the state, WIA Summer Youth Programs needed to be pulled together from scratch (as they had not had funding for such programs) in just two intensive months. In Wisconsin, an initial challenge for both the state and local workforce areas was that the WIA Recovery Act funding represented a sizable infusion of new resources. The state and especially local areas had to ramp up services and spend Recovery Act resources over a relatively short period, without making long-term commitments to hiring staff and maintaining expenditure levels. There was a need to manage staff and increases to services (especially training offered under WIA), while recognizing that these services would need to be ramped down in short order.

A third challenge with respect to WIA provisions under the Recovery Act was related to *funding issues*, including procurement issues and the fear of hitting a "funding cliff" once WIA Recovery Act funds were exhausted. The specific challenges identified varied among the states. One state (Colorado) said that its procurement requirements led to delays in spending some of its Recovery Act funds. The state's workforce officials observed that the state's procurement process can be long and cumbersome and that trying to get Recovery Act funds out quickly and meeting procurement requirements was at times difficult in the early stages of the Recovery Act. Two states (Colorado and Florida) stated that they experienced difficulties in spending Recovery Act funds because the ETA adjusted waivers regarding transfer of funds from the WIA Dislocated Worker Program to the Adult Program. Many of the states during both the initial and follow-up site visits expressed serious concerns about what would occur once the Recovery Act funds were spent. Some states mentioned that if customers were enrolled in long-term training, they might not be able to continue, so the following year's enrollment would drop dramatically. A common concern across states was that it was likely that demand for employment and training services under WIA would remain elevated after Recovery Act funding had been exhausted and that local workforce areas and One-Stop Career

Centers would not have sufficient WIA formula (Adult and Dislocated Worker) funding to meet demand for training and other workforce services. For example, in Michigan, a year after ARRA WIA funding had been fully expended, many MWAs across the state found they did not have the necessary funds to sustain training at the levels they were able to offer with Recovery Act funding. Some MWAs had to institute waiting lists for training under the regular (formula) WIA Adult and Dislocated Worker programs as early as the first or second quarters of their program years the year after ARRA funding had been exhausted.

Finally, many state and local workforce agency officials were challenged by *the slow pace of improvement in the economy*. Some workforce agencies worried about employment prospects for those completing WIA Adult and Dislocated Worker training, specifically whether they could find and retain a well-paying job within the field in which they were trained. For example, in Florida, the majority of ARRA training funds were used for ITAs, including a strong push to train in green jobs occupations—and local workforce agencies worried about what to do at the end of training when there were few jobs available into which to place trainees. In response to poor labor market conditions, local workforce areas focused training on industrial sectors—particularly the health care sector—where job formation continued during the recession and there were good prospects for growth in the future. Other local workforce areas worried that they would continue to be swamped with unemployed customers in search of training (and other workforce services), but that without the extra measure of Recovery Act funding they would lack the necessary resources to meet high levels of demand for training and other needed services.

ACCOMPLISHMENTS

During the two rounds of site visits, state and local workforce agency officials were asked to discuss their major accomplishments with regard to the WIA workforce provisions of the Recovery Act. As is discussed in this section, there were a number of accomplishments commonly identified across states and local areas, particularly with regard to mounting (or expanding) the WIA Summer Youth Program, enhancing training and other services, expanding the number of customers served, and improving information and reporting systems (Table 3.11).

States Administered the Summer Youth Program

The most prevalent major accomplishment in the states visited with respect to the expenditure of WIA ARRA funding was the successful development and administration of the WIA Summer Youth Program, identified by 17 of the 20 states visited as a key accomplishment.[7] Because Recovery Act funds were not available until March 2009 at the earliest, states had to act quickly to implement their Summer Youth Programs for the summer of 2009. Many states and localities had not operated Summer Youth Programs in recent years (or if they had, programs were operated on a small scale), so setting up a large program in a short period was considered a major accomplishment. Several states indicated that they had greatly expanded their Summer Youth Programs and that the programs had produced increases in work readiness and job skills. For example, Illinois workforce officials noted that 17,000 youth were served and that the program produced increases in work readiness and job skills. Workforce officials in Michigan observed that the program provided much-needed income for the youth and their families in a state with very high unemployment. And finally, Wisconsin workforce officials noted that they used the Summer Youth Program to promote green jobs and training—e.g., by initiating projects to eliminate invasive species in Wisconsin lakes and streams.[8]

States Trained More Adults and Dislocated Workers

Second, the Recovery Act added a substantial, though temporary, source of funding that enabled states and local areas to expand training slots available under their WIA Adult and Dislocated Worker programs. As discussed earlier, findings from the NASWA survey with respect to training include the following:

- Every state reported encouraging or requiring local areas to increase investments in WIA-funded training, with two-thirds of states reporting significant staff efforts to encourage training.

- About one-half of the states reported having set aside, or having required LWIAs to set aside, a certain percentage of WIA Recovery Act funds for training.
- Nearly three-quarters of states reported substantial increases in the number of customers enrolled in training through the WIA Adult and WIA Dislocated Worker programs.

The site visits to states confirmed these key findings. All state workforce agencies visited as part of this study indicated that they had encouraged (in their guidance, technical assistance, and discussions) local workforce areas within their state to use WIA Recovery Act funding specifically to support and expand training for unemployed and underemployed workers served under both the WIA Adult and Dislocated Worker programs. Some states went so far as to mandate that local workforce areas expend at least a minimum percentage of Recovery Act funds received (ranging to as high as 80 percent in states visited) on training or on training and supportive services (e.g., Maine, Montana, Nebraska, New York, Ohio, Texas, and Wisconsin). As discussed earlier (and as displayed in Tables 3.3–3.5), the number of individuals served increased fairly substantially immediately after Recovery Act funding became available to states and local workforce areas—for example, the number of WIA Adult exiters receiving training increased from 109,322 in PY 2008 (the year prior to expenditure of ARRA WIA funding) to 152,285 in PY 2009 (the program year in which states largely expended ARRA WIA funding), a 39 percent increase in the number of WIA Adult exiters receiving training.

Local Areas Expanded the Types of Training Provided

Third, the Recovery Act provided added resources to support and expand the types of training provided by local workforce areas, and to some degree allowed for experimentation with new training approaches and pilot programs. For example, Florida used Recovery Act and other funding for its Employ Florida Healthcare Initiative, which included employer-driven models for assessment and training. Illinois used Recovery Act funds to develop "bridge programs," which helped low-income workers gain basic skills and other skills to move into better occupations. Nevada issued a request for proposal (RFP) for new service providers to serve as intermediaries and expand opportunities for customers to obtain training more quickly and conveniently. Overall, the NASWA survey results as well as the site visits suggest that while states and local areas placed considerable emphasis on the use of WIA Recovery Act funding to support ITAs to provide classroom training, there were other types of training (often with an industry sector focus) that were also supported. For example, survey results indicated that states used Recovery Act funds to provide the following types of training under the WIA Adult Program (with similar percentages reported for the WIA Dislocated Worker Program): ITAs (95 percent of states), contracts with community or technical colleges (69 percent), on-the-job training (67 percent), registered apprenticeships (49 percent), contracts with community-based organizations (31 percent), customized training (31 percent), and contracts with four-year institutions (15 percent). Generally, the site visits confirmed the general findings of the NASWA survey with respect to the types of training being provided and suggested that some states were using Recovery Act funds to emphasize (and expand) use of certain types of training, including OJT and customized training.

States Expanded and Accelerated Assessment Procedures

Finally, with respect to WIA, the Recovery Act provided additional resources that helped to continue and even expand or accelerate the use of new assessment procedures for WIA participants and other unemployed or underemployed individuals. For example, several of the 20 states visited—including Colorado, Louisiana, Michigan, Ohio, Pennsylvania, Washington, and Wisconsin—were at the time of receipt of Recovery Act funding already in the process of implementing or expanding their use of WorkKeys/KeyTrain and the NCRC to enhance assessment procedures. These efforts were aimed at providing workers an extra credential that would be recognized by employers. Several states also indicated that with the help of Recovery Act funding they were disseminating information to employers to increase knowledge of NCRC and attempting to make such certification an increasingly important criterion upon which employers select workers to fill job openings.

Overall, at a time of crushing demand for training and other workforce services, the Recovery Act provided a much-needed additional

Table 3.11 Examples of Accomplishments of State and Local Workforce Areas in Implementing the WIA Recovery Act Provisions

State	Examples of various accomplishments in implementing WIA provisions of the Recovery Act
Colorado	• The Summer Youth Employment Program was a big effort because local workforce areas had either not run programs in the recent past or had very small programs. Statewide, with Recovery Act funding, over 3,000 low-income youth participated in subsidized work experience slots under this initiative. • ARRA provided a big increase in funding that was used to increase substantially the number of unemployed persons receiving WIA-funded training. Additionally, the Recovery Act provided extra resources to hire and deploy additional staff to One-Stop resource rooms to deal with the surge of job seekers coming into One-Stops for assistance.
Florida	• ARRA provided critical funding for the state's Summer Youth Employment Program, which provided temporary subsidized summer jobs for 14,000 youth. • The state used Recovery Act and other funding for the Employ Florida Healthcare Workforce Initiative, featuring employer-driven new models for assessment, training, and job placement. Additionally, ARRA funds were used to expand participation in Microsoft's Elevate America training vouchers initiative, which involved competitive awards to LWIBs for digital access and to foster community college collaborations.
Illinois	• With ARRA funding, the state was able to place 17,000 youth in subsidized jobs through the Summer Youth Program in the summer of 2009. • WIA state discretionary dollars were used for bridge programs for low-income workers in key sectors.
Maine	• Maine did not have a preexisting WIA Summer Youth Program and, as a result of the Recovery Act, brought partners together and was able to quickly get its Summer Youth Program up and running, reaching almost 1,000 youth across the state. • Maine made a clear commitment to training and supportive services by designating 80 percent of Recovery Act WIA Adult and Dislocated Worker funds for this purpose and keeping administrative costs down.
Michigan	• Many youth were served (21,000) across the state in the WIA Summer Youth Program as a result of ARRA funding. The Summer Youth Program was mounted quickly and provided much-needed income and work experience for youth enrolled in the program (at a time when there were few available Summer Youth jobs in the state). Also, the

	ability to use private employers under the program for the first time was a big plus, as was the ability to serve youth up to age 24 (instead of 21, as had been the case in past years). • WIA Dislocated Worker and Adult Recovery Act funding about doubled as a result of ARRA. This added funding was particularly helpful with regard to expanding training (and especially longer-term training) opportunities for an increased number of adults, dislocated workers, and youth. A high proportion of the Recovery Act WIA funding went to training, which has helped to boost the skills of the workforce and prepare them for new jobs.
North Carolina	• The state was proud of its successful Summer Youth Program and its use of existing staff with experience in these programs to quickly deploy efforts. • State officials noted the success of the regional initiatives implemented. ARRA funding was able to support its ex-offender and juvenile offender initiatives and reinforced its commitment to better serving these populations. Staff believed that many of these initiatives would last beyond ARRA in some form.
North Dakota	• The state mounted a successful Summer Youth Program. • The state purchased TORQ software and used this software to develop Skills Transferability Analysis (STA) reports for those occupations affected by layoffs. These reports were provided to One-Stop offices to be used at rapid response events and in working with laid-off workers.
Ohio	• Perhaps the greatest accomplishment with ARRA funding (according to state officials) was the successful implementation of the Summer Youth Program, which served 18,000 youth and was made possible with ARRA funding. The TANF Emergency Fund allowed some local workforce areas to continue to serve large numbers of youth the following summer (after ARRA funding had been spent the first summer). • The state and local areas were able to substantially increase the numbers of adults, dislocated workers, and youth served and enrolled in training as a result of ARRA funding. • ARRA funding (and particularly Project HIRE) enabled local workforce areas to test the effectiveness of OJTs and to establish linkages with employers to sponsor OJTs. This "testing out" of OJTs and establishment of linkages with employers under ARRA has meant that the state and local areas were able to respond quickly and effectively to the new governor's workforce policy, which stresses OJTs (and short-term training). • The Recovery Act funded four training initiatives that have enhanced worker skills and employability: 1) Project HIRE, 2) Recovery Conservation Corps, 3) Urban Youth Works, and 4) Constructing Futures.

(continued)

Table 3.11 (continued)

State	Examples of various accomplishments in implementing WIA provisions of the Recovery Act
Pennsylvania	• The availability of additional funding through ARRA enabled the state workforce system to evaluate the overarching system and determine where to introduce improvements. The system served a greater volume of customers and improved efficiencies in the service delivery infrastructure.
	• Local workforce officials indicated that the greatest achievement was serving more people through training and support services during the ARRA era. Additionally, they said that employer engagement and partnerships have continued to increase and solidify. In one local area, ARRA funds were employed to build a component of an integrated advanced manufacturing employment system and career opportunity partnerships.
Rhode Island	• The state was able to quickly mount a Summer Youth Employment Program, serving 1,200 youth.
	• ARRA helped with creating a career tech program combining work readiness training and work experience in Year 1 of ARRA funding; this was expanded in Year 2 to include occupational exploration and internships for eighth-graders. Now there is a shared vision in the state regarding youth programs and an ability to move funds quickly and strategically in partnerships with technical schools, which would not have been possible without ARRA.
	• ARRA funding enabled the workforce system to serve about twice as many customers as would have been possible, expanding quality services (by providing more one-on-one attention) to substantial numbers of unemployed and underemployed individuals who had not previously interacted with the workforce system. ARRA funding also substantially increased the numbers of individuals entering training.
Texas	• The state served more than 25,000 Summer Youth, about 10 percent of all youth served nationwide.
	• Recovery Act funding allowed Texas to put more money and people into training and has increased training options.
Virginia	• The Summer Youth Program served 4,000 youth.
	• The state implemented the community college “On-Ramp” pilot for new training and career pathways in the areas of highest unemployment.
	• New VEC and UI express offices opened with ARRA funding, significantly increasing access points and a return to one-on-one assessments.

Washington	• Washington offered a Summer Youth Program for the first time in 10 years and put 5,600 youth into work experiences. • The Recovery Act funds enabled the state to increase its capacity to meet the greater volume of customers during the recession. The state invested ARRA funding in front-end processes, business services, and staff training—all of which will continue to pay dividends in the post-ARRA period. The Recovery Act also promoted collaboration within the broader workforce system.
Wisconsin	• Many youth were served (4,400) in the WIA Summer Youth Program. This program was mounted quickly and featured some "green" jobs and training. While this was described as a "godsend" for the state and local areas, it was a one-time provision of funds—and, post ARRA, little funding has been available within the state to provide subsidized summer jobs for youth. • ARRA funding brought training and other services to many adults, dislocated workers, and youth who might otherwise have not received services. Recovery Act funding in the WIA program was particularly concentrated on training: a state requirement that at least 70 percent of Recovery Act funds be expended on training (versus 35 percent for regular DW/Adult WIA funds) helped to ensure that a high proportion of Recovery Act funds were dedicated to training workers and to upgrading workers' skills.

SOURCE: Table is based on site visits conducted in states between December 2009 and April 2012.

source of WIA Adult and Dislocated Worker funding for states and local workforce agencies to expand training for WIA-eligible individuals; it also spurred testing of some new assessment and training approaches at the state and local levels.

AFTER THE RECOVERY ACT

Even at the time of the initial visits (when states were less than halfway through the two-year period available to spend Recovery Act funds), states already were anticipating and planning for when this temporary source of funding to support training and other activities no longer would be available. As shown in Table 3.12, most states indicated that with WIA Recovery Act funds exhausted, WIA participant and expenditure levels would revert to pre–Recovery Act levels. Nearly all state and local workforce agencies indicated they had not built new infrastructure and had added few (if any) permanent workers with Recovery Act funds, so it was not necessary to lay off permanent staff as a result of no longer having Recovery Act funding. However, in some instances, Recovery Act funds had been used to fund temporary workers to staff One-Stop resource rooms and otherwise provide services for WIA customers. As contracts with these temporary staff hired with WIA Recovery Act funding came to an end, some of these temporary staff were absorbed to replace permanent staff that had retired or left agencies through normal attrition; other temporary workers were laid off. None of the visited states or localities envisioned substantial layoffs of permanent staff after the Recovery Act. A key concern was whether adequate levels of resources would be available to both staff resource rooms and meet what is still expected to continue to be very high levels of demand for services and training. Several states expressed concern that WIA funding could remain flat or even be cut back. They had particular concern for WIA Dislocated Worker funding (which can fluctuate much more year to year because there is no “hold-harmless” clause, as there is under the WIA Adult Program). Several states were hopeful that other funding sources might fill the gap left by the loss of Recovery Act funding, such as added funds from an ETA competitive grant or a National Emergency Grant (NEG), though in comparison to funding

Table 3.12 State Expectations of What Will Happen to the WIA Program When Recovery Act Funds Are Exhausted

State	Expectations of state officials
Arizona	Return to pre-ARRA levels.
Colorado	Return to pre-ARRA levels.
Florida	Return to pre-ARRA levels.
Illinois	Return to pre-ARRA levels. Illinois officials, particularly those in Chicago, where nearly all ARRA WIA funds were spent by March 2010, were concerned about continuing high levels of demand for workforce services and no other funding source available to replace ARRA funds.
Louisiana	Return to pre-ARRA levels. State and local officials were concerned the need for workforce services would continue because the state and many local areas still had elevated unemployment levels. They also were concerned there would be less priority on new initiatives such as employer-based training and OJT, long-term training, and Summer Youth employment, as well as possible further reductions in staff and WIA funding.
Maine	Return to pre-ARRA levels.
Michigan	Return to pre-ARRA levels. A year after ARRA funding had been fully expended, many MWAs across the state found that they did not have the necessary funds to sustain training at the levels they were able to with ARRA funding. This has been a disappointment to some unemployed workers who anticipated entering training. Some MWAs had to institute waiting lists for training under the regular (formula) WIA Adult and Dislocated Workers programs as early as the first or second quarters of their program years. Sustaining with regular funding some of those who had originally entered training with ARRA funding meant that there was less available formula funding to pay for new WIA participants during the program year following exhaustion of ARRA funding (and therefore the need to institute waiting lists in some MWAs). So while there is little doubt that ARRA funding promoted the entry of many more into training than would have otherwise been the case, it has been impossible for the state or the MWAs to sustain the levels of training that were established under ARRA.
Montana	Montana state workforce officials were anticipating increases in WIA Dislocated Worker funding because of continued large job losses in the timber and related industries, which would help to offset, in small part, the loss of ARRA dollars—though it was not anticipated that added Dislocated Worker funding would come close to keeping pace with recession-related demands for service. Montana officials were particularly worried about having to "close the front

(continued)

Table 3.12 (continued)

State	Expectations of state officials
Montana (cont.)	door" to new registrants (whose numbers have yet to slow), as additional funding will be needed to continue to support those who are already registered and receiving training (and who are staying in services longer than in the past).
Nevada	Given the economy in Nevada, state officials anticipated that formula funding will be significantly higher than in pre-ARRA periods, so they will be able to continue to serve increased numbers of WIA adults and dislocated workers.
New York	Return to pre-ARRA levels.
North Carolina	Return to pre-ARRA levels.
North Dakota	Return to pre-ARRA levels or lower, given that funding does not account for state cost-of-living increases for workers.
Ohio	Return to pre-ARRA levels. There is concern ARRA funding will run out because of a continued surging demand for services at One-Stop Career Centers. State administrators noted that not only would Recovery Act funding end, but the state's allocation of formula funds (particularly for WIA Dislocated Worker funds) for the coming year would be cut. (Note: WIA formula funds to the state were cut from $140 million in PY 2009 to $127 million in PY 2010.)
Pennsylvania	Keep new staff; work with the state legislature to fund projects and industry partnerships; maintain one-on-one counseling and assessment where staff funding levels in local areas allow; maintain the use of WorkKeys.
Texas	Return to pre-ARRA levels.
Virginia	Many functions of the new Virginia Employment Commission (VEC) offices may be incorporated into One-Stops or VEC Workforce Centers. Some new offices will continue for a while if possible.
Washington	Return to pre-ARRA levels. The challenge relates to the number of customers in training during the rapid loss of ARRA funds—there is a bubble that will be difficult to manage.
Wisconsin	Return to pre-ARRA levels. LWIBs enrolled many WIA participants in longer-term training (of one and two years) with ARRA funding. However, ARRA funding was largely expended during the first year in which it was available (through January 2011). Now, LWIBs are finding they are short on funding to cover training expenses for those already in training (i.e., to cover the second year of training).

SOURCE: Table is based on site visits conducted in states between December 2009 and April 2012.

made available under the Recovery Act for the WIA program, grants made under these sources are quite small and often targeted to a locality or region of a state.

Notes

1. See Chapter 1 for additional details on the timing and methodology used in these site visits.
2. USDOL staff indicated that the waiver policy was changed in PY 2009 to ensure that the needs of both low-income workers and dislocated workers were being met while still giving state and local officials some flexibility to tailor their programs to local needs. The USDOL allowed all states to transfer up to 30 percent of their Recovery Act and WIA formula funds between the Adult and Dislocated Worker programs, and allowed states with a waiver to transfer up to 50 percent of WIA formula funds.
3. Data were not yet available for PY 2011, but they would be useful to analyze to determine whether the numbers in training were sustained when WIA ARRA funding had been fully expended.
4. See note 3.
5. SNAP was formerly called the Food Stamp Program.
6. Additional details about this challenge and other challenges are included in the book's final chapter (see Chapter 10).
7. The use of ARRA funding to support WIA Summer Youth Programs was not a focus of this study, as the USDOL funded a separate evaluation study to assess the use and effects of Recovery Act funding on the Summer Youth Program at the state and local levels. Despite the fact that this was not a topic of discussion during the two rounds of site visits, states typically cited their ability to support Summer Youth Programs as a key accomplishment.
8. Additional details about the use of ARRA funds to support WIA Summer Youth programming (and the other accomplishments discussed in this section) are included in Chapter 10.

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The American Recovery and Reinvestment Act

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