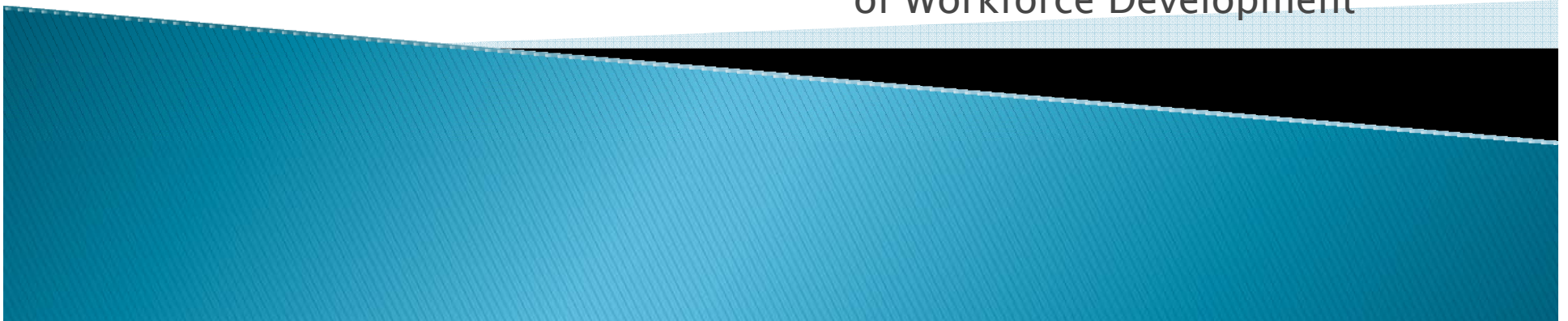


# American Recovery and Reinvestment Act of 2009

## Workforce Development

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Deputy Chief of Staff for Economic  
Development and Recovery

Presenters:  
Michelle Saddler, Director of Policy  
Therese McMahon, Deputy Director  
of Workforce Development

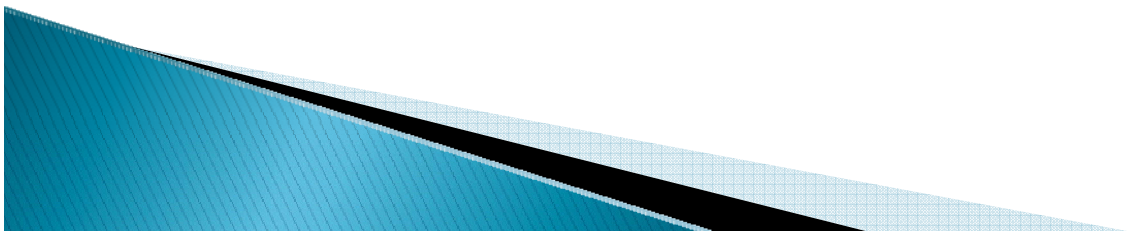


# Top 5 Expectations

- × Money must be spent *QUICKLY and EFFECTIVELY*;
- × *TRANSPARENCY* and *ACCOUNTABILITY* is extremely important;
- × DOL staff say somewhere between 70 to 100% of WIA funding should be spent on *TRAINING*;
- × *YOUTH SUMMER JOBS – this year* -- are a high priority; and
- × Activity should focus on preparing for post-recession economic opportunities in *GREEN JOBS* and in *HEALTHCARE*.

# Major ARRA Provisions -- ETA

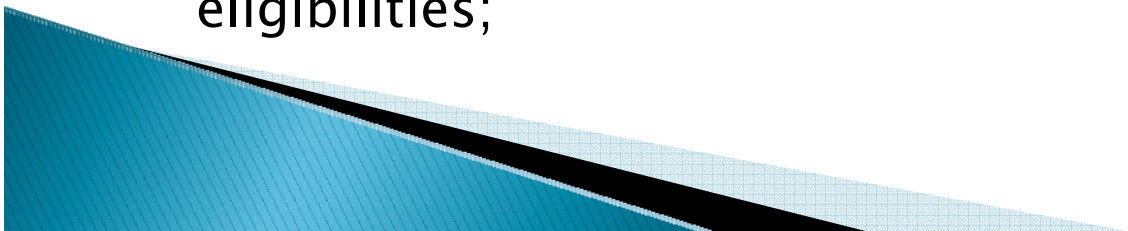
- × Employment and Training
  - + \$500M WIA Adult Formula
  - + \$1.25B WIA Dislocated Worker Formula
  - + \$1.2B WIA Youth Formula
  - + \$50M YouthBuild
  - + \$200M National Emergency
  - + \$750M Competitive Grants for High Growth (\$500M for Energy; remaining for Healthcare, some broadband deployment and advanced manufacturing)



# Major ARRA Provisions

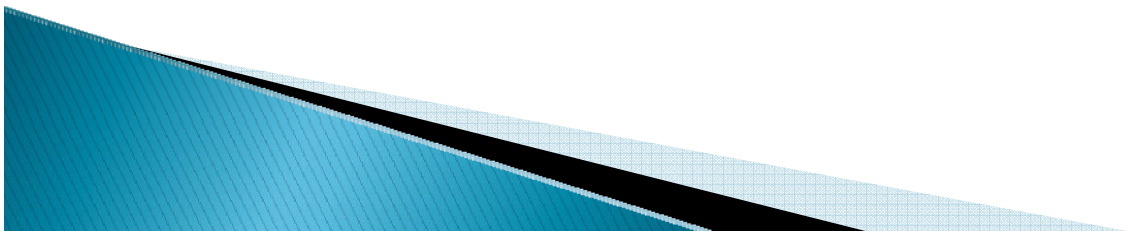
## Other DOL

- × \$400M State Unemployment Insurance/ Employment Service Operations (\$250M for re-employment services to UI claimants);
- × \$7B for State UI Modernization;
- × \$250M to Job Corps (emphasis on capital improvements); and
- × \$250M for Community Service Employment for Older Americans
- × Reauthorizes Trade Adjustment Assistance (non-stimulus item included in the Act) \$575M, expanding definition and eligibilities;



# Other Training-related ARRA provisions

- × *U.S. Dept of Transportation*: \$20M for OJT training in non-traditional occupations for women and minorities + 0.6% of state highway funding may be used for worker training
- × *U.S. Dept of Energy*: \$100M for training in electricity delivery and reliability
- × *U.S. DHHS Health Resources and Services Administration*: \$500M to address healthcare workforce shortages
- × *General Services Administration*: \$3M for registered apprenticeship programs for construction and repair of Federal buildings



# Other Training-related ARRA provisions

- × DHHS Community Service Block Grants: \$1 B and requirement for states to set aside 1% for benefit coordination
- × *HUD Community Development Block Grants: \$1 B*
- × *Department of Education:*
  - + \$15.6B for Federal Pell Grant program, increasing maximum Pell awards by \$500 per year
  - + \$540M for Vocational Rehab – infrastructure and waiting lists
  - + \$200M for Workstudy

# Some reform elements of the ARRA

- ✦ Sector-focused partnerships are positioned to gain substantial support;
- ✦ Opportunity to serve disadvantaged populations (like low-income, low-skilled, at-risk youth, ex-offenders, persons with disabilities, veterans) more effectively;
- ✦ Youth and young adults (up to age 24 for stimulus funding) are a high priority; how states and regions perform with the WIA youth funding this summer will be one of the first “scorecards” of effective implementation of ARRA; and
- ✦ “Green Jobs” are a central focus and keystone to the economic recovery.

# Summer Youth – What we know

- × \$1.2B via existing WIA Youth Formula grants “in accordance with WIA requirements”
- × Per Original TEGL – Funding Available at Local Level until June 30, 2011; NOW DOL says *could* change to 2010.
- × Only WIA Youth Stimulus funds may be used for those aged through 24 years of age;
- × Not limited to summer employment but *strong encouragement* to use most of the funds during summer 2009 (May 1 – Sept 30), while offering work experiences throughout the year;
- × During summer months only: “Work readiness indicator” will be used to assess effectiveness of summer employment, local areas must still track enrollment and completion of summer employment.
- × Local flexibility to determine if 12 month follow-up will be required for youth served with ARRA funds during summer months, and to determine type of assessments for individual participants during summer months;
- × Youth served with ARRA funds during summer months will be tracked in separate reports; youth served with ARRA funds beyond summer months must be included in regular WIA reporting mechanisms unless State is approved for a waiver;

× Still have questions? So do we! A *REVISED TEGL* was announced  
*March 24.*

# Green Jobs – What we know

- ✘ Federal definition of Green Jobs comes from the Green Jobs Act of 2007 (see packet)
- ✘ Acknowledgement that definition and data collection of “green jobs” still ongoing, so also encourage state definitions and “green” priorities
- ✘ Major ARRA Green activities via other federal programs, including: renewable energy infrastructure; weatherization; energy efficiency; building retrofitting; advanced vehicle manufacturing
- ✘ Intention in ARRA DOL provisions that activities integrate with other “Green” programs as much as possible
- ✘ States/local areas should find ways to expand existing training programs (such as apprenticeship) that have potential to prepare workers for careers in Green sectors
- ✘ Green jobs also a priority of the Vice President’s Middle Class Taskforce, emphasizing opportunities for integration

# DCEO Bureau of Workforce Development

## DCEO WIA Stimulus Funding of Statewide Activities

- ▶ Major Objective: Prevent dislocation, address short-term needs and shortages, and position the state for post-recovery growth in key sectors by accelerating investment in the skills of Illinois workers.
- ▶ Approach: Partner with industry organizations and employers and education and training providers to utilize incumbent, customized, OJT, and class-sized training mechanisms to accelerate training and provide transitional employment opportunities for workers while in training where possible. State funds will be targeted to incumbent worker training because of current limitations in the use of LWIA funds for incumbent worker training. DCEO will work with LWIAs to coordinate state and local accelerated pre-employment training in targeted sectors
- ▶ In addition, Illinois will use regular state WIA funds to expand access to sector-based bridge programs to provide opportunities for low-skilled workers to access accelerated training opportunities in the targeted key sectors. This will be done through the Shifting Gears initiative.
- ▶ Key Sectors---Healthcare, manufacturing, and transportation and logistics, information technology (focusing on healthcare applications), and green initiatives across all sectors of the Illinois economy

# DCEO Bureau of Workforce Development

## DCEO WIA Stimulus Funding of Statewide Activities

### Healthcare

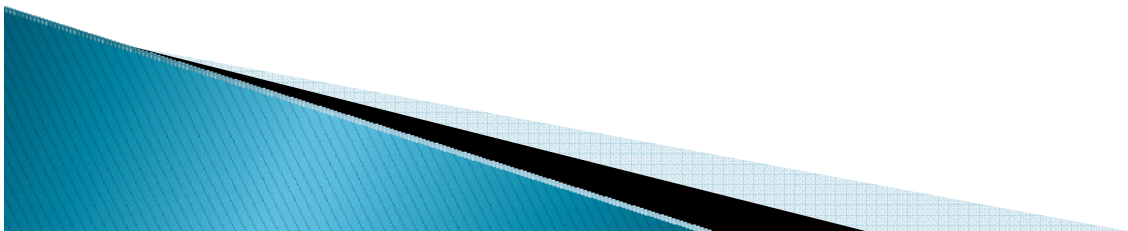
- ▶ Improving Healthcare and Preventing Dislocation Invest in incumbent worker training to support efforts by hospitals to improve quality and patient safety and reduce costs as well as improve the working conditions of front-line healthcare workers
- ▶ Upgrading Front-Line Healthcare Workers Partner with healthcare employers and organizations to provide incumbent worker training funding to upgrade existing front-line workers in hospitals, long-term care facilities, and home healthcare to fill critical high-demand skilled allied healthcare positions
- ▶ Conversion to Electronic Medical Records Work with healthcare employers and organizations to upgrade and retrain healthcare workers (e.g., medical records clerks, medical billing and coding) to effectively use electronic healthcare records to improve quality and safety and reduce costs in healthcare services
- ▶ Nursing Programs Work with the Illinois Center for Nursing and other state agency partners to update nursing shortage estimates in all regions and provide funding to increase the number of nurses entering and remaining in healthcare employment

# DCEO Bureau of Workforce Development

## DCEO WIA Stimulus Funding of Statewide Activities

### Manufacturing

- ▶ Improving Competitiveness and Preventing Dislocation Work with ETIP to invest in incumbent worker training to support Illinois manufacturers who are retraining workers to remain more competitive and fill critical shortages in skilled positions.
- ▶ Manufacturing Training Programs Work with IDES and industry associations to update CSSI shortage estimates (e.g., machining, welding, industrial maintenance) in all regions and provide funding to industry-led projects.



# DCEO Bureau of Workforce Development

## DCEO WIA Stimulus Funding of Statewide Activities

### Transportation and Logistics

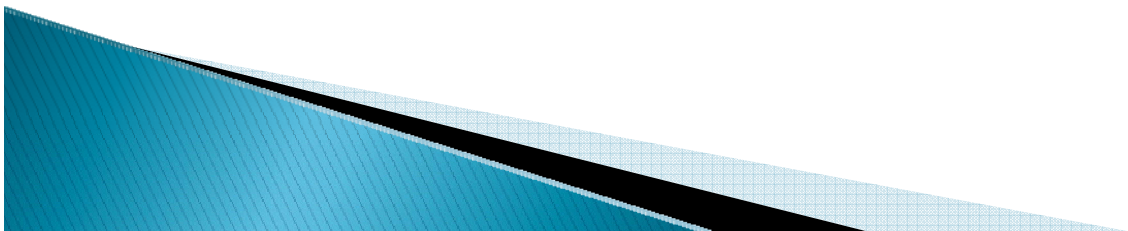
- ▶ Improving Competitiveness and Preventing Dislocation Work with industry associations to conduct outreach to employers and identify opportunities to invest in incumbent worker training to support Illinois transportation and logistics companies who are training workers to remain more competitive and fill critical shortages in skilled positions.
- ▶ Transportation and Logistics Training Programs Work with IDES and industry associations to update CSSI shortage estimates (e.g., machining, welding, industrial maintenance) in all regions and provide funding to industry-led projects.

### Green Initiatives

- ▶ Define Green Industries and Occupations Work with IDES and other state agencies to define those industries and occupations which are critical to green-related economic development efforts and opportunities in Illinois.
- ▶ Green Training Programs Invest in innovative green training programs targeted at identified industries and occupations.

# DCEO Bureau of Workforce Development Planning – Funding

- ▶ WIA stimulus funding allocated by formula to Local Workforce Investment areas is \$122.8 Million



# DCEO Bureau of Workforce Development

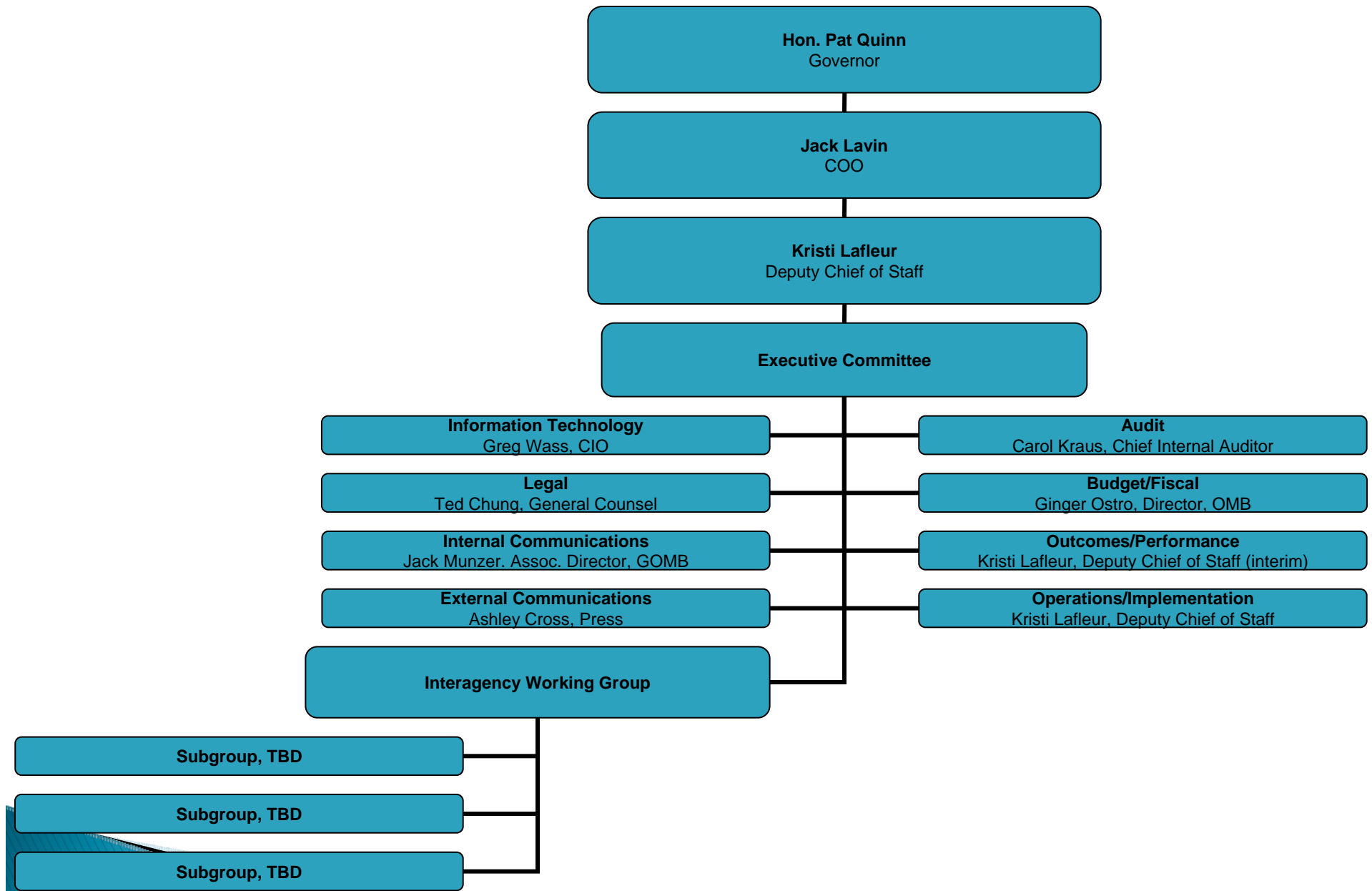
## Policy – Waiver Requests 1

- ▶ Public Service Employment Program
  - Offer expedited short term public service employment opportunities for those recently displaced
- ▶ Increasing the On the Job Training (OJT) Allowable Reimbursement Rate from 50% to 100%
  - Provide greater opportunities for employers to engage in these type contracts
- ▶ Flexibility in Designing Training for Workers
  - Allow local areas to use formula dollars for the purchase of class size training projects
- ▶ Exemption from the Sequence of Services Requirements
  - Allow local areas to provide targeted services to more customers

# DCEO Bureau of Workforce Development

## Policy – Waiver Requests 2

- ▶ Use of Youth 10% Funds for Incumbent Worker Training Projects
  - Provide flexibility to specifically target and allocate available funds to support their customers' needs
- ▶ Performance Relief
  - Measure outcomes that look only at leading to employment (i.e. entering and completing training) or entering employment
- ▶ Adult and Dislocated Worker Funds Transfer
  - Allow local areas to target funds to those areas of local and greatest need
- ▶ Incumbent Worker Waiver Transfer Authority extended to 25% from 10% of Formula Funds
  - Allow LWIBs to develop a full continuum of training services and attract greater participation in the system by local businesses



# Executive Committee

- ▶ Eight subcommittees will report to the Executive Committee
  - IT (Greg Wass)
  - Legal (Ted Chung)
  - Audit (Carol Kraus)
  - Budget/Fiscal (Ginger Ostro)
  - Outcomes/Performance (Kristi Lafleur -- Interim)
  - Internal Communications (Jack Munzer)
  - External Communications (Ashley Cross)
  - Operations/Implementation (Kristi Lafleur)

# Coordinating ARRA Activities

## 1) Assignment of Point Person

- Each agency will assign one point person to coordinate and report all agency applications for ARRA
- Communications will be sent to Tom Alexander in the Governor's office (Tom.Alexander@Illinois.gov)

## 2) Reporting and Planning

- Governor's office requires a three-week "notice" for all communication deadlines for federal agencies
- Governor's office must see and approve all communications to federal agencies at least one week before deadline
- Communications and reports/plans should be sent to Tom Alexander in Governor's office (Tom.Alexander@Illinois.gov)