

“Workforce development” refers to services, programs, systems and networks that prepare people to advance in the labor market and meet the needs of employers by providing them with a skilled workforce. Investments in this multi-faceted system enable it to be flexible and responsive to the needs of employees and employers at different points along a career pathway; from providing basic entry level skills for new workers, to addressing the current skills gap for middle skill jobs, to increasing opportunities for advanced training and degrees for higher level positions.

While there is a core “workforce development” system—the federally-funded Workforce Investment Act (WIA) system administered by the Illinois Department of Commerce and Economic Opportunity (DCEO)—it is not the only source of publicly-funded education, training or other services to prepare people for the workforce. Illinois depends on both federal and state funds to deliver services and depending on where you are in Illinois, the service delivery entities may include: Worknet Centers, local human services offices, community colleges, community organizations, and for-profit schools.

### **Why do we need workforce development programs?**

Effective workforce development strategies ensure that all members of Illinois’ workforce can find work and contribute to economic growth. Illinois’ workforce development programs are needed to reduce the high number of adults in Illinois who lack basic skills and/or work experience, are stuck in low-skill jobs, or work in industries that are losing jobs or require new skills.

- Nearly 2 million working age adults (between the ages of 25 and 54) have either no high school degree or only a high school degree.<sup>1</sup>
- Projections estimate that about 52 percent of all new jobs in Illinois will require more than a high school diploma but less than a four-year degree.<sup>2</sup>
- Two-thirds of the workers that Illinois needs in 2020 are already working now and are beyond the traditional high school to college educational pathway, which means that the K-12 system-alone cannot ensure a skilled workforce.<sup>3</sup>

Workforce development strategies support other goals for specific populations. For example, workforce development is a critical component of an effective anti-poverty strategy, and there are 1,677,093 individuals living in poverty in Illinois.<sup>4</sup> Providing adequate training and placement services for people on public assistance ensures that Illinois meets federal work participation rates and is able to draw down full federal funding for the TANF program. Additionally, providing these services complements other state goals for low-income families and helps move people from public support into jobs that allow them to support themselves and their families. For those with criminal records, securing employment has a marked effect on recidivism, which saves our state from the cost of re-incarceration. Specialized services are needed to help those with criminal records overcome barriers to employment.

### **Challenges for Workforce Development in Illinois**

Multiple needs: Multiple state agencies have a role in preparing workers for jobs since individuals enter the labor market in various ways, including: traditional educational pathways; human service delivery

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<sup>1</sup> 2008 American Community Survey, Working Poor Families Project, data on file at CJC.

<sup>2</sup> Skills2Compete Illinois. Illinois Forgotten Middle-Skills Jobs: 2009 Update.

<sup>3</sup> Ibid.

<sup>4</sup> Illinois Commission to Eliminate Poverty. Building a Pathway to Dignity and Work.

<http://www.heartlandalliance.org/poverty/building-a-pathway-to-dignity-work-poverty-elimination-strategy.pdf>; p.2

systems; youth services; corrections and unemployment services. Workforce development programs also emerge from needs of employers to train their incumbent workers or address a skills gap in the current labor force. Individuals with barriers to employment interact with the state agencies that best understand the particular challenges they face, and those agencies are the best access points to state job training and educational programs.

Coordination: Because of the multi-faceted nature of the workforce development delivery system, it is essential that Illinois ensures agency collaboration to align strategies to maintain population-appropriate entry points, while improving the effectiveness of the limited state and federal resources in Illinois. Consolidation or elimination of programs will only serve to add confusion and disrupt an already limited infrastructure and reduce access to job training services for target populations. Continued implementation of the 21<sup>st</sup> Century Workforce Development Fund and its advisory committee provides the platform to develop aligned and coordinated strategies.

Federal funding reductions: Maintaining state investment in the workforce development system is especially critical now in the face of the current federal budgetary climate. A resolution recently passed the U.S. House of Representatives eliminating WIA funding and drastically reducing funding for other federal job training efforts, signaling a major reduction in federal support for these essential services. This comes on top of a steady decline in federal funding over the past several years. A strong state-supported workforce system ensures that Illinois maximizes federal fund by providing required matching funds and being positioned to secure federal funding when opportunities are made available.

## **Key Employment and Training Programs in Illinois**

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Federal funding is the main source of workforce development funding in Illinois augmented by state appropriations for innovative approaches that meet the unique needs of specific businesses and populations of the workforce. The following is a *brief summary of key programs*, intended to provide a short overview of the main funding streams for workforce development administered by the state. It is organized by the state agencies that administer and/or deliver services. To the extent possible we have provided information about program outcomes, but it is important to note that not all programs have the same goals or measure the same outcomes.<sup>5</sup>

### ***Illinois Department of Commerce and Economic Opportunity (DCEO)***

*The Job Training and Economic Development Program (JTED)* is funded with both *state GRF and federal* (discretionary WIA) funds. JTED provides grants to community organizations that partner with employers to develop training programs for low-income job seekers and incumbent workers.<sup>6</sup>

Population served: Low-income incumbent workers and jobseekers.

Use of Funds: Between January 1, 2009 and December 31, 2010, DCEO made 23 grants in which 769 individuals completed training. With 22 of 23 grantees reporting, 488 individuals were placed and retained in jobs for 90 days and/or received a wage increase.

Funding: \$1,828,784 between January 1, 2009 and December 31, 2010, of which \$482,544 was federal WIA discretionary funding and \$1,346,240 was state GRF.

*Employer Training Incentive Program (ETIP)* is a *state-funded* program that provides single and multi-year grants to Illinois companies or business associations to develop training for their existing workforce.

Population served: Incumbent workers of employer grantees.

Use of Funds: 89 grants were awarded in FY 2010<sup>7</sup>, and an estimated 30,000 workers trained in FY 2010.<sup>8</sup>

Funding: \$13,221,757 was the total award amount for grants starting in FY 2010.<sup>9</sup>

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<sup>5</sup> CJC staff used the most recent data made available by reviewing public documents and requesting data from state agency staff.

<sup>6</sup> All JTED data was received from DCEO on 3-11-11 and is on file at CJC.

<sup>7</sup> ETIP data obtained from DCEO's Grant Tracker: <http://granttracker.ildceo.net/>

<sup>8</sup> FY 2011 Governor's Operating Budget; [http://www.state.il.us/budget/FY2011/FY2011\\_Operating\\_Budget.pdf](http://www.state.il.us/budget/FY2011/FY2011_Operating_Budget.pdf), Chapter 9-11

<sup>9</sup> ETIP data obtained from DCEO's Grant Tracker: <http://granttracker.ildceo.net/>

### ***DCEO, Continued***

*Employment Opportunity Grant Program (EOGP)* is a *state-funded program* that provides funding to educational institutions and community-based organizations to train women and minorities for careers in the building trades.

Populations served: Women, African-Americans, Hispanics, and African-American and Hispanic youth, homeless, long-term unemployed, those with a history of substance abuse, youth aging out of the foster care system, veterans and ex-offenders.

Use of Funds: 13 grants were awarded in FY 2009.<sup>10</sup> In the first two years of the program, grantees provided training and assistance to nearly 800 individuals, with over 80 percent completing the training and nearly 90 percent making applications to union apprenticeship programs.<sup>11</sup>

Funding: \$2,955,000 was awarded for grants starting in FY 2009.<sup>12</sup>

*Urban Weatherization Initiative (UWI)* was created in 2009 for: energy efficiency retrofit work; outreach to homeowners; and preparing and training workers for the energy efficiency jobs.

Population served: Unemployed individuals and underemployed workers.

Use of Funds: No grants have been made at this time, though the grant proposal process is underway.

Funding: Initial release of \$2 million dollars from the *Build Illinois Bond Fund*, with a total of \$425 million authorized through the state capital bill.<sup>13</sup>

*Workforce Investment Act (WIA), Title I* is funded with only federal dollars administered by DCEO and allocated to twenty-six local areas (LWIAs) across Illinois. State-level guidance is provided by the Illinois Workforce Investment Board (IWIB) and each LWIA has a local workforce investment board (LWIB) to provide local oversight. WIA programming is divided into three levels of services, which must be accessed sequentially: (1) Core – Job search assistance, access to information related to job openings and required skills, follow-up services; (2) Intensive – Case management, life skills and literacy training, employability assessments, and development of employment plans; and (3) Training – Skills training for specific occupations, job readiness and literacy training, and employer partnerships.

Population served: Adults, dislocated workers, and youth. When funding is limited, LWIAs prioritize low-income job seekers.

Use of Funds: In FY 2010 there were 6,590 adults<sup>14</sup>, 7,598 dislocated workers<sup>15</sup> and 5,733 youth<sup>16</sup> exiting WIA services. Of those, 3,829 adults<sup>17</sup> and 4,293 dislocated workers<sup>18</sup> received training services.

Funding: \$158,834,127 in was allocated for adult, dislocated worker, and youth activities for FY 2010.<sup>19</sup>

*Trade Adjustment Assistance (TAA)* is *federally-funded program* that includes job search and training for workers laid off because their employer's business was impacted by international trade. TAA services are provided through LWIAs and, in Cook County, by National ABLE.

Population served: Workers who lost their jobs due to trade and are "certified" as TAA-eligible.

Use of Funds: Between July 1, 2008 and June 30, 2009, TAA served 11,673 workers in Illinois;<sup>20</sup>

Between July 1, 2008 and June 30, 2009, 1,723 individuals or 73% were employed the first three months after program exit and the 9 month post-placement retention rate program was 89% or 1,631 individuals.<sup>21</sup>

Funding: \$22,260,179 was allocated for training and \$3,286,527 for administration for FY 2009.<sup>22</sup>

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<sup>10</sup> EOGP data obtained from DCEO's Grant Tracker: <http://granttracker.ildceo.net/>

<sup>11</sup> The Illinois Employment Opportunities Grant Program (EOGP); *Lessons Learned and Challenges to Consider*. Chicago Jobs Council, 2009

<sup>12</sup> Ibid.

<sup>13</sup> Information obtained from DCEO's website.

[http://www.commerce.state.il.us/dceo/Bureaus/Community\\_Development/Urban+Assistance/Urban+Weatherization+Initiative.htm](http://www.commerce.state.il.us/dceo/Bureaus/Community_Development/Urban+Assistance/Urban+Weatherization+Initiative.htm)

<sup>14</sup> Illinois Program Year 2009 State Data Book; Social Policy Research Associates:

[http://www.doleta.gov/Performance/results/WIASRD/PY2009/IL\\_PY\\_2009\\_State\\_Data\\_Book.pdf](http://www.doleta.gov/Performance/results/WIASRD/PY2009/IL_PY_2009_State_Data_Book.pdf). Table II-14, Page 48

<sup>15</sup> Ibid., Table III-15, page 130

<sup>16</sup> Ibid., Table IV-1, page 188

<sup>17</sup> Ibid., Table II-14, page 48

<sup>18</sup> Ibid., Table III-15, page 130

<sup>19</sup> U.S. Department of Labor, Employment and Training Administration, TEGL No. 20-08,

<http://wdr.doleta.gov/directives/attach/TEGL/TEGL20-08acc.pdf>

<sup>20</sup> Data obtained from the Trade Act Participant Report (TAPR) by searching data on TAA petitions for Illinois between 7/1/08 and 6/30/09.

[http://www.doleta.gov/tradeact/taa\\_reports/petitions.cfm](http://www.doleta.gov/tradeact/taa_reports/petitions.cfm).

<sup>21</sup> Data obtained from the Trade Act Participant Report (TAPR) by searching data on outcomes

[http://www.doleta.gov/tradeact/taa\\_reports/summary.cfm](http://www.doleta.gov/tradeact/taa_reports/summary.cfm). U.S. Department of Labor.

### ***The Illinois Department of Employment Security (IDES)***

IDES administers the state's unemployment insurance system, labor market information systems, provides job search assistance to the unemployed and assists businesses with hiring.

*Services for Job Seekers and Employers:*<sup>23</sup> Federal funding is provided to Illinois under the Wagner-Peyser Act (WIA Title III) to help the unemployed find employment. Illinois provides services through Illinois Skills Match—an online database that helps connect skilled job seekers to employers—and through job fairs, special employment events, and resume/job hunting workshops. The funding is also used to provide computer and internet access, fax machines, other career resources in local offices. Staff conduct specialized job search assistance for veterans and for ex-offenders through the Re-entry Employment Services Program. Business services include: assistance with recruitment, information about hiring tax credits, use of IDES facilities for recruitment activity, and online tax filing.

Population served: Unemployed with specialized services for veterans and former offenders.

Use of Funds: For FY 2010 there were 328,254 new registrants for Illinois Skills Match and employers entered 36,235 job orders. 7,766 individuals obtained unsubsidized employment through referrals made through the Illinois Skills Match database.<sup>24</sup>

Funding: \$29,435,140 for FY 2010.<sup>25</sup>

### ***The Illinois Department of Human Services (IDHS)***

IDHS has programs that include employment services for specific populations. Total funding for TANF Employment and Training Programs is \$19,313,950—not all of which is used for the programs described below. The total funding for SNAP Employment and Training Programs: \$9,945,318 of which \$9,000,000 is state funding.<sup>26</sup> Most of these programs operate under pay-for-performance contracts, which means providers don't receive the majority of their funding until after services are rendered and performance benchmarks are reached. As noted above, providing employment and training services for public assistance recipients helps Illinois meet federal work participation rates and draw down federal funding. Listed below are programs for TANF and SNAP recipients, all of which are funded with a combination of federal and state GRF funds along with data for FY 2010.

*TANF Job Placement:* Through this program, grants are made to community groups to help TANF recipients overcome barriers to work, develop skills and get jobs.

Population served: Low-income adults on TANF and TANF eligible families.

Use of Funds: Served 1,136 individuals and placed 566 in unsubsidized jobs with retention services<sup>27</sup>.

*Work First:* Work First is a program that assigns specific work or training activities to TANF recipients in Cook County so they earn their TANF assistance and develop employment skills.

Population served: Adults on TANF in Cook County with barriers to employment and have been unsuccessful in other training programs.

Use of Funds: Served 1,376 individuals and placed 688 in unsubsidized jobs.<sup>28</sup>

*Transitional Jobs Pilot:* Through four community-based organizations, this program provides temporary, subsidized employment, supportive services and job search assistance to TANF recipients.

Population served: TANF recipients in Chicago with barriers to employment.

Use of Funds: Served 143 individuals and placed 121 in unsubsidized jobs.<sup>29</sup>

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<sup>22</sup> Trade Adjustment Assistance for Workers. Report to the Committee on Finance of the Senate and Committee on Ways and Means of the House of Representatives. p.15 December 2009. <http://www.doleta.gov/tradeact/docs/AnnualReport09.pdf>

<sup>23</sup> An overview of IDES services for jobseekers is found at: <http://www.ides.state.il.us/general/about.asp>

<sup>24</sup> Illinois Workforce Development 2010 Annual Report, [http://www.doleta.gov/performance/results/AnnualReports/PY2009/IL\\_PY\\_2009\\_State\\_Data\\_Book.pdf](http://www.doleta.gov/performance/results/AnnualReports/PY2009/IL_PY_2009_State_Data_Book.pdf), p.24

<sup>25</sup> United States Department of Labor. <http://wdr.doleta.gov/directives/attach/TEN/TEN28-10-ATT-E.pdf>

<sup>26</sup> Human Services in Illinois: A Point-In-Time Review of the Current System, Illinois Human Services Commission. June 2010. <http://www2.illinois.gov/hsc/Documents/HSC%20First%20Report%206-30-10.pdf>; p59, p.261

<sup>27</sup> Ibid., pp. 58, 72-73

<sup>28</sup> Ibid., pp. 58, 72-73

<sup>29</sup> Ibid., pp. 58, 72-73

### ***IDHS, Continued***

*SNAP E & T Job Placement:* SNAP E&T Job Placement provides intensive job training, pre-employment services, and unsubsidized job placement with retention support to adults on SNAP.

Population served: SNAP recipients without dependents and noncustodial parents.

Use of Funds: Served 2,871 individuals and placed 1,455 in unsubsidized jobs.<sup>30</sup>

*Earnfare:* Earnfare is a program that helps adults who receive food stamps to gain work experience, earn cash assistance, and become self-sufficient.

Population served: Adult SNAP (food stamp) recipients without dependents.

Use of Funds: Served 7,732 individuals in subsidized jobs.<sup>31</sup>

*Non-custodial parent Earnfare:* NCP Earnfare provides work opportunities to adults who do not have custody of their children and allows them to pay a portion of their child support payments.

Population served: Unemployed parents without custody of their children who receive TANF.

Use of Funds: Served 60 customers in court-ordered Earnfare assignments.<sup>32</sup>

*SNAP E & T Special Projects:* SNAP E& T Special Projects is a program that provides employment and training services to single adult SNAP recipients who have special needs.

Population served: Single adults that receive SNAP benefits (food stamps)

Use of Funds: Served 66 individuals and placed 44 in unsubsidized jobs with retention.<sup>33</sup>

### ***Illinois Community College Board (ICCB)***

In addition to the more traditional degree programs available at various institutions of higher education, ICCB administers funding for adult education (including ESL) and career and technical education.

*Adult Education:* Funded by *both federal and state* funds, adult education programs assist adults improve skills, achieve education goals and transition to further education and employment.

Population served: At least 16 years old and not enrolled in high school, and also lack basic skills, do not have a high school diploma or are unable to speak, read, or write English.

Use of Funds: 122,186 adults were served in FY 2010. In FY 2010, 8,865 adult education students who completed instruction received earnings in the first quarter following their program exit. Seventy-nine percent of these individuals maintained earnings in the third quarter after exiting the program.<sup>34</sup>

Funding: \$14,643,097 *federal funds* and \$16,026,200 *state funds* for FY 2010.<sup>35</sup>

*Career and Technical Education (CTE)* receives *federal funding* under the Carl Perkins Act as well as *state funding* for both secondary and post-secondary to improve the quality of vocational education. The Perkins Act focuses on accountability, academic and technical integration, connections between secondary and postsecondary education, and links to businesses and industry.

Population served: 308,184 students in grades 9-12 and 8,122 adults were served in FY 2010.<sup>36</sup>

Use of Funds: 61.7% of CTE students enrolled in college; 77.6% of CTE students are employed.<sup>37</sup>

Funding: \$26,886,063 in *federal funds* and \$38,562,100 in *state funds* for FY 2010.<sup>38</sup>

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<sup>30</sup> Ibid.

<sup>31</sup> Ibid.

<sup>32</sup> Ibid.

<sup>33</sup> Ibid.

<sup>34</sup> Illinois Community College Board. FY2010 Adult Education and Family Literacy Report to the Governor and General Assembly, [http://www.iccb.org/pdf/adulted/publications\\_reports/AEFLannualreport10.pdf](http://www.iccb.org/pdf/adulted/publications_reports/AEFLannualreport10.pdf); pp. 3-4

<sup>35</sup> Ibid., p.4.

<sup>36</sup> Illinois State Board of Education. 2010 Career and Technical Education Report to the Governor; [http://www.isbe.state.il.us/reports/cte\\_ed\\_rpt10.pdf](http://www.isbe.state.il.us/reports/cte_ed_rpt10.pdf); pp.3

<sup>37</sup> Ibid.

<sup>38</sup> Illinois State Board of Education. 2010 Career and Technical Education Report to the Governor. [http://www.isbe.state.il.us/reports/cte\\_ed\\_rpt10.pdf](http://www.isbe.state.il.us/reports/cte_ed_rpt10.pdf); pp.3 5-6.

### ***Illinois Department of Aging (DOA)***

*Senior Community Service Employment Program (SCSEP)* is a *federally-funded* program that provides subsidized, service-based training for low-income persons 55 or older who are unemployed and have poor employment prospects. The Department of Aging receives a portion of the federal funds for this program that flow to Illinois, while national organizations administer the remaining funds.

Population served: Adults age 55 or older who have a low income (not more than 125% FPL).

Use of Funds: DOA administered a total of 652 subsidized employment slots in FY 2010.<sup>39</sup>

Funding: DOA received \$5,450,000 in for FY 2010.<sup>40</sup>

*Senior Employment Specialist Program (SESP)* provides additional funding with *state GRF funding* to support staff time to coordinate the SCSEP program and to help fulfill the matching funds requirement for the federal program.

Population served: Adults age 55 or older who have a low income (not more than 125% FPL) and those not eligible for SCSEP.

Funding: \$237,900 was allocated in for FY 2010.<sup>41</sup>

### ***The Illinois Department of Corrections (IDOC)***<sup>42</sup>

*IDOC Transitional Jobs program*: IDOC operates a Transitional Jobs (TJ) pilot program for parolees who are reentering Illinois communities from the state prison system. The program offers parolees transitional employment opportunities, training and support services through contractors.

Population served: Parolees who are returning to Illinois communities

Funding: \$1,771,000 in *state funds* FY 2010.<sup>43</sup>

*IDOC Job Preparation Program* provides offenders with jobs skills, interview skills, a resume, computer abilities and a work ethic.

Population served: Prisoners in DOC facilities

Funding: \$5,785,600 in *state funds* for FY 2010.<sup>44</sup>

*IDOC Delancey Street Program* provides job training in various trades to offenders.

Population served: Prisoners in DOC facilities

Funding: \$786,000 in *state funds* for FY 2010.<sup>45</sup>



The Illinois Works for the Future Campaign is an initiative of the Chicago Jobs Council

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<sup>39</sup> Human Services in Illinois: A Point-In-Time Review of the Current System, Illinois Human Services Commission. June 2010. <http://www2.illinois.gov/hsc/Documents/HSC%20First%20Report%206-30-10.pdf>; p.69.

<sup>40</sup> Ibid.

<sup>41</sup> Ibid.

<sup>42</sup> Data on services and outcomes was not available to us at the time of publication.

<sup>43</sup> Ibid.

<sup>44</sup> Ibid.

<sup>45</sup> Ibid.