Undoing Success

The Real Cost of Federal Workforce Development Cuts to Jobseekers and Employers

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To view a state-by-state breakdown of sequestration impact, please visit:
www.nationalskillscoalition.org/SequesterByState
Introduction

There are success stories throughout the nation of workers who have entered or re-entered the labor market and employers who have found the person with the skills they need to grow their business. This report shares a number of those success stories. But there will be fewer and fewer of these success stories if Congress continues to dismantle our federal workforce development system through drastic federal funding cuts.

For example, workers like Deangelo in Detroit, highlighted in this report, will not be able to get the skills and employment services they need for the jobs employers will need to fill as the region embarks on a series of infrastructure projects over the next several years that will create 25,000 jobs.

Over the past three years, Congress has cut funding to employment and job training programs by over $1 billion. Now sequestration—across-the-board spending cuts—is taking effect and will bring more harmful cuts to federal workforce funding over the next decade. And it could get worse as Congress is considering even more drastic cuts that could force some employment and job training programs that jobseekers and employers rely on to be completely eliminated.

This disinvestment in America’s workforce will only worsen the existing skills gap. Middle-skill jobs, which require more than a high-school diploma but not a four-year degree, make up the largest part of America’s labor market. However, even with 12 million currently unemployed workers, many of these jobs continue to go unfilled because employers are unable to find workers with the right skills.

During the month of June, National Skills Coalition surveyed its members and collected stories of how previous cuts to federal workforce funding have impacted their ability to provide employment and job training services to jobseekers and employers, and how additional cuts under sequestration will further impact these programs. Survey respondents reported that they have been forced to lay-off and/or furlough staff, reduce employment services to jobseekers and employers, close career centers, delay purchasing essential equipment, and reduce or completely eliminate job training programs.

The report examines Congress’ un-balanced approach to deficit reduction that has led to massive cuts to federal workforce development funding, and highlights the real consequences of these cuts on jobseekers and employers told through survey results and local impact stories.
Federal Funding: An Austerity Frame

Federal Debt Reduction so Far

Recently, members of Congress on both sides of the aisle have devoted much of their time to reducing the federal debt. And, to a large extent, they have been successful, having reduced the federal debt by $2.3 trillion since just 2010.\(^1\) They have done this in a number of ways:

- Funding for federal discretionary programs in fiscal year (FY) 2011 was almost $38 billion less than funding for the same programs in FY 2010.\(^2\) This created immediate savings and reduced the baseline upon which funding decisions would be made in the following years.
- Also in 2011, Congress passed the Budget Control Act (BCA) which, in exchange for increasing the nation’s debt ceiling, did two things:
  1. **Spending caps.** The BCA created statutory caps on discretionary spending levels from 2012 through 2021 at levels well below FY 2010. These caps will cut federal funding for discretionary programs by more than $1 trillion in total.
  2. **Sequestration.** In addition to the spending caps, the BCA also created a set of automatic, across-the-board spending cuts—triggered when the so-called Super Committee failed to make additional cuts—equally divided across defense and non-defense discretionary programs. Sequestration will cut federal funding for discretionary programs by $1.2 trillion between 2013 and 2021.
- In late 2012, Congress passed the American Taxpayer Relief Act (ATRA), which among other things, increased federal revenues by about $600 billion.

An Un-Balanced Approach

Efforts to reduce the federal debt to this point have been extremely unbalanced. For every $1 in revenue increase, we have had $2.50 in spending cuts.

In particular, non-defense discretionary (NDD) programs—those programs which are funded annually by Congress, and which include programs such as education and training, health care, law enforcement, infrastructure, and

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\(^1\) This figure includes about $300 billion in interest savings

http://www.appropriations.senate.gov/news.cfm?method=news.view&id=5ba835d4-e8d4-47a4-bd13-950f99790f67
environmental protection—have borne a disproportionate impact of these cuts, accounting for $900 billion of the $1.5 trillion in cuts to discretionary programs so far.

- Since FY 2010, NDD programs have been cut by ten percent on average, with many programs cut by as much as 50 percent.
- By 2021, the remaining discretionary caps (2013-2021) under the BCA will reduce NDD programs by an additional seven percent, relative to 2012 levels.
- In total, if sequestration remains in effect, by FY 2021 funding for NDD programs will be cut by 20 percent overall compared to FY 2010 funding levels.
- Under the BCA, by 2021, NDD funding will decline to just 2.5 percent of Gross Domestic Product (GDP), the lowest level in at least 50 years.
Although NDD programs serve core government functions that support economic growth, strengthen safety and security, and enrich the lives of every American in every state and community across the nation, funding for these programs represents a small and shrinking share of the federal budget and of our overall economy. The NDD budget represents just 3.4 percent of our country’s GDP in 2011, consistent with historical levels.

More Cuts to Come

Under current law, the spending caps and sequester cuts will remain in place through the next decade, and will steadily erode investments in key federal programs. Yet some members of Congress are now proposing even deeper cuts than we already face.

Specifically, the House-passed FY 2014 budget resolution would cut NDD spending over ten years by almost $1 trillion below the levels of the caps set under the BCA and by well over $500 billion below the post-sequester caps. In FY 2014 alone, the House budget would cut funding for NDD programs by $55 billion below the sequester level (-11.7 percent) and by $92 billion (-18.2 percent) compared to the BCA cap. These cuts would then be locked in for the following nine years.

As a result of these lower spending levels, the FY 2014 allocation for the Labor-HHS-Education Appropriations bill—which funds federal workforce development programs—is almost 19 percent below the final FY 2013 sequester level and more than 22 percent below the FY 2013 pre-sequester Continuing Resolution level. In essence, funding levels under the House FY 2014 Labor-HHS-Education allocation would quadruple the sequester cuts.

Workforce Development Funding

Today, there are about 12 million unemployed U.S. workers, and more than three million job openings waiting to be filled. Despite an unemployment rate of 7.6 percent, employers say every day that they cannot find the workers with the right skills. Yet, at the same time, we are facing the steepest decline in federal investments in our nation’s workforce in recent history.

Key workforce programs have lost more than $1 billion—more than 30 percent—in federal funding since just 2010. As a result, education and training providers have had to reduce the education and training services they deliver, fewer workers have been able to access those services, and fewer employers have been able to access the skilled workers they need to grow their businesses.

The impact of all of these funding cuts—particularly if additional, much deeper funding cuts are enacted as proposed—will be that NDD programs will simply not be able to carry out the missions for which they were created. Workforce education and training programs in particular—which have already been the target of cuts for more than a decade—will be incapable of meeting the demand for services, meeting the needs of employers, or
implementing innovative strategies to equip workers with the skills they need to be competitive in the marketplace.

For instance, if House allocations for FY 2014 became law, workforce programs would face additional devastating cuts, including:\(^3\)

- Workforce Investment Act (WIA) Title I: -$459 million
- Vocational Rehabilitation (Voc-rehab): -$64 million
- Career and Technical Education (CTE): -$198 million
- Adult Basic Education (ABE): -$103 million
- Wagner-Peyser Employment Services: -$124 million

These cuts would mean that more than six million individuals would lose access to valuable education and training services in a single year. And because these cuts would be locked in place for the next nine years, the cumulative effect would be staggering.

\(^3\)These calculations assume an 18.6 percent funding cut applied equally across all programs funded under the Labor-HHS-Education Appropriations bill. However, it is likely that the committee would protect current funding levels for some programs—or even increase spending— which would result in even deeper funding cuts for the remaining programs.
The Real Consequences of Cuts

The sequester cuts that will occur this year are devastating, but the situation is likely to worsen in the years to come unless Congress takes action to change current law and begin investing in the skills of our nation’s workforce. The across-the-board sequestration cuts are painful on their own, but the uncertainty created by the lack of clarity on how the remaining sequestration cuts will be allocated—or what additional cuts may occur—will make it extremely difficult for providers to develop new programs, hire staff, or even carry out the most basic functions of their organizations going forward.

The vast majority of members of Congress agree that sequestration is not a responsible way to achieve deficit reduction, and many even acknowledge that the current rate of disinvestment in critical programs is unsustainable. However, many members of Congress also contend that they have yet to hear of the toll these indiscriminate cuts are taking on the communities they represent. In response, National Skills Coalition has collected stories from the field detailing the cumulative impact of sequestration and other federal disinvestments in workforce development. These stories demonstrate the true impact of Congress’s actions.

During the month of June, National Skills Coalition surveyed its members to better understand the impact of federal funding cuts on job training and adult education programs over the past three years and how these programs plan to deal with cuts resulting from sequestration. NSC received 49 responses that represented a range of organizations, including: workforce investment boards, community college training programs, community-based organizations, and adult education programs.

Over the past three years, more than 65 percent of survey respondents have experienced greater than a 25 percent reduction in federal workforce development dollars. Only six percent of survey respondents reported no cuts to federal funding. Many programs reported that these cuts were made to several sources, including:

- Over 70 percent reported cuts to Workforce Investment Act (WIA) Adult funds;
- 63 percent reported cuts to WIA Dislocated Worker funds;
- 60 percent reported cuts to WIA Youth funds;
- Nearly 35 percent reported cuts to Adult Basic Education (ABE);
- 30 percent reported cuts to Wagner-Peyser Employment Services;
- Nearly 25 percent reported cuts to Career and Technical Education (CTE);
- 25 percent reported cuts to Vocational Rehabilitation; and
- 18 percent reported cuts to Supplemental Nutrition Assistance Program’s Education & Training Funds.
These cuts to job training and adult education are happening as many programs are seeing a rise in demand. Nearly 75 percent report an increase in workers seeking employment and job training assistance, with over half of respondents seeing a 25 percent or greater increase in demand. The combination of budget cuts and increased need have resulted in longer waiting lists for services. Nearly 65 percent have seen their waiting lists grow over the past three years, including nearly 40 percent that report a 25 percent increase in the size of their waiting lists.
These budget cuts have caused the programs to furlough staff (18 percent), lay off staff (59 percent), and leave open positions unfilled (67 percent). The reduction of staff has been substantial, resulting in increased caseloads and less support for workers and employers in the community. A workforce investment board in Wisconsin reported that over the past eight years, staffing has gone from 42 employees to 25 as of June. A community-based organization in Chicago has laid off all staff for core, intensive and business services.

The services these programs are able to provide have been significantly impacted. Nearly half of the respondents delayed purchasing new office equipment essential to effective and efficient operations, with one program reporting that their computers are over seven years old. Nearly 20 percent reported closing a one-stop facility and 15 percent reported reducing operating hours. The biggest impact has been to core services and job training programs. Over 65 percent said they had to reduce many of the programs’ core services. With increased workloads, staff has less time to assist workers seeking help and some programs have stopped actively reaching out to employers to provide recruitment services.

The impact on the skills of our workforce has taken a toll as many programs have reduced the number of workers able to enroll in their job training programs (67 percent) or had to completely eliminate one or more of their job training programs (22 percent). One program reported that cuts forced them to put a Dental Assistant program on hold. A workforce investment board in Oregon saw their summer youth program go from a high of 1,300 participants to just 500 this summer, and another completely eliminated it.

Resources important for both workers and employers have been substantially reduced because of these cuts. On-The-Job (OJT) Training, a successful program that assists employers with hiring and training new employees, funding has been reduced or temporarily eliminated (40 percent) until more funds become available. Candidate screening for employers looking to fill positions has been reduced or eliminated by nearly 30 percent of survey respondents. Over 35 percent reported they have reduced or eliminated Incumbent Worker Training, which provides grants to employers to assist with certain expenses associated with skills upgrade training for employees in their company.

The full effect of sequestration had not been fully realized at the time of the survey as cuts from the first year of the sequester for many survey respondents began on July 1, 2013. However, many job training and adult education programs were already bracing for the cuts. Over 35 percent were expecting to see at least a 25 percent cut to funding due to sequestration, and only 15 percent did not expect any cuts to their funding.
As a result, these programs plan to furlough staff (18 percent), lay off staff (48 percent), and leave open positions unfilled (48 percent). Again, reduced staffing will have an impact on the support available to workers for finding new employment or obtaining new skills, and to employers for filling open positions with skilled, vetted employees. Over 65 percent plan to reduce the number of clients admitted into job training programs and another 16 percent plan to eliminate these programs.

The National Association of Workforce Development Professionals (NAWDP) also surveyed their members specifically on the impact of sequestration at the local level. They found that just 29 percent of respondents indicated there would be little change due to the anticipated cuts. The majority surveyed reported significant reductions in services and training to jobseekers.

Forty-three percent of respondents to the NAWDP survey reported they will lay off workforce staff and 20 percent reported anticipated furloughs. Of those furloughed, almost 60 percent will have to take a furlough day once a week.

Sequestration cuts will have an impact on the availability of services to jobseekers by forcing:

- 73 percent of respondents to reduce training to jobseekers;
- 50 percent to reduce assistance to those accessing services in resource rooms;
- Nearly 44 percent to reduce services to employers;
- 30 percent to delay computer hardware/software purchases for jobseekers;

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http://www.nawdp.org/AM/Template.cfm?Section=Did_You_Know1&template=/CM/ContentDisplay.cfm&ContentID=4926
• Over half to close a one-stop career center;
• Over 20 percent to reduce career center hours; and
• Over 20 percent to eliminate summer youth programs.

Impact Stories

SCOTT AND ARCIMOTO, LANE COUNTY, OR

Local resident gets on-the-job training at new start-up to hone designing skills.

Like many residents in Lane County, Oregon, where unemployment is 7.6 percent as of April 2013, Scott Raney had been unemployed for a long time and was having trouble finding work. When he learned about the OJT Program through the Lane Workforce Partnership, a career advisor pinpointed skill sets he had been overlooking. The advisor referred him to Arcimoto, a recently launched, Eugene-based company building two-seat, three-wheeled electric vehicles, looking to hire new designers.

Scott had some previous experience in the design program used by Arcimoto, but he needed additional training to hone his skills. The company hired him through the OJT program, enabling him to work and earn income while gaining these necessary skills. Scott is now a designer at Arcimoto creating 3-D Computer-Aided Design (CAD) drawings and producing blueprints for the production of electric cars. He credits Lane Workforce Partnership for seeing his potential and helping him to gain the skills to obtain fulfilling and gainful employment.

About Lane Workforce Partnership

Lane Workforce Partnership is a business-led workforce development organization dedicated to meeting the workforce skill needs of employers and to helping individuals gain the knowledge and skills to find a first, new or better job. As the local Workforce Investment Board for Lane County, Oregon, Lane Workforce Partnership makes investment decisions to promote a demand-driven workforce development system responsive to local businesses, workforce and economic development needs. Lane Workforce Partnership provides services to businesses and jobseekers through its workforce delivery system, WorkSource Lane.

For businesses, WorkSource Lane recruits, screens, tests and refers applicants to businesses seeking to fill positions; provides rapid response to businesses facing layoffs and closures; and provides workforce information and statistics. For jobseekers, WorkSource Lane provides job readiness training including resume writing, skills assessments, computer classes, OJT, vouchers to purchase skills training and job search assistance as well as access to community resources and additional professional development opportunities.
The Impact of Federal Cuts on Jobseekers and Employers

Over the past three years the number of vouchers available to jobseekers for skills training has fallen from 160 to 43, and OJT opportunities are down from 101 to 63. Middle-skill jobs, which require more than high school but not a four-year degree, make up 49 percent of all jobs in Oregon, but only 43 percent of Oregon workers have the appropriate training for these jobs. Investments in programs offered by Lane Workforce Partnership help close this skills gap and provide skilled workers that employers need.

However, these investments in the Lane County workforce are at risk. Over the last three years, the Lane Workforce Partnership has seen a 14.5 percent reduction in WIA youth funds, resulting in a 30 percent reduction in the number of low-income youth receiving workforce development services, including fewer work-based learning opportunities through internships and paid work experience.

The Partnership has also seen a 13.7 percent reduction in WIA adult funding and 27.6 percent reduction for dislocated workers. As a result, the number of vouchers available to jobseekers for skills training has fallen from 160 to 43 and OJT opportunities are down from 101 to 63. Staff reductions have impacted the accessibility of career navigation/counseling services.

Due to sequestration, Lane Workforce Partnership faces a further cut of 11.5 percent to WIA funding, resulting in scaled back programming. For example, training scholarships will be further reduced from 63 to 43, two career advising positions will be eliminated, and workforce services at a satellite office at Lane Community College will be discontinued.

KENNETH AND BOSTON MEDICAL CENTER, BOSTON, MA

After being downsized, local resident trains for career with stability, opportunity in medical industry. Local medical center can better serve patients.

Kenneth struggled to find permanent employment after being laid off due to airline industry downsizing. A father, Kenneth sought a career that would provide the stability his last job had lacked. "I wanted to be sure that when I made my next career move, it would be secure for me," he says. "My intention was to spend the rest of my career there." While Kenneth believed that a career in medicine would fit the bill, his lack of industry experience proved an obstacle.

YMCA Training, Inc.’s medical office program provided the training and experience Kenneth needed. As Training, Inc. graduates have a job placement rate of 80 percent, and a one-year job retention rate of 85 percent. Ninety-eight percent of employers who have hired from a Training, Inc. program would recommend it to a colleague.
Kenneth says, the program helped him "lay the initial groundwork" and gain "an understanding of medical terminology and what the medical field requires." During his internship at Dana-Farber Cancer Institute, he learned to use the same computer software he would work with daily at his future position. YMCA Training, Inc. recommended him for an opening at Boston Medical Center, where he was hired and promoted within two months. As Referral Coordinator in the Pulmonary and Infectious Disease Department, Kenneth has a job that provides stability and opportunities for future growth.

Have Kenneth’s supervisors been satisfied with his performance? "In my ten years in a management role, Kenneth is the only candidate who I’ve hired on the spot," his manager recently told us. "I knew as soon as I met him that he was a keeper, and my goal was to hire him before another organization did. Kenneth was initially hired into a call center rep position, but as soon as a higher position was available I promoted Kenneth and he has soared. His interpersonal skills, professionalism, and exceptional service to our patients, providers, and his colleagues are beyond measure. He is a true asset to the department and BMC as a whole."

About YMCA Training, Inc.

Training, Inc. is a national network of job training and employment organizations, creating and sharing best practices to strengthen their collective performance as they prepare a qualified and diverse workforce to meet employers’ expectations in today’s work environment. Member sites are currently located in Boston, Indianapolis, and Newark.

Training, Inc. achieves high job retention rates through strong employer relationships and a results-oriented program model with a workplace simulation approach that helps laid off and under-employed men and women improve their skills, work performance and confidence.

Programs including Computerized Office Skills, Customer Service, Banking, Insurance, Medical Office, Certified Nursing Assistant, Patient Care Technician, and Certified Clinical Medical Assistant help meet the staffing needs of more than 500 employers across the country.

Training, Inc. graduates have a job placement rate of 80 percent, and a one-year job retention rate of 85 percent. Ninety-eight percent of employers who have hired from a Training, Inc. program say they would recommend it to a colleague.

Last year, in the Boston office alone, 104 graduates have begun employment in universities, banks, insurance companies, hospitals, businesses, and community organizations.
The Impact of Federal Cuts on Jobseekers and Employers

Middle-skill jobs, which require more than high school but not a four-year degree, make up 45 percent of all jobs in Massachusetts, but only 32 percent of Massachusetts workers have the appropriate training for these jobs. Investments in programs like the YMCA Training, Inc. help close this skills gap and provide the skilled workers that employers need.

However, over the past ten years Boston area nonprofit job training and employment programs have seen a 50 percent reduction in funding due to federal cut backs, including a reduction in Workforce Investment Act (WIA) Adult, WIA Dislocated Worker, and SNAP Employment and Training (SNAP E&T) funding. As a result, Training, Inc. has been forced to leave positions unfilled and delay purchase of office equipment and training software that are essential to effective programming.

Although the number of people seeking employment services has increased by over 25 percent and waiting lists have grown, the number of clients admitted to training programs has been reduced. Because fewer people are receiving training, Training, Inc. has seen a reduction in the number of interns they are able to offer to businesses and in the number of trained and screened candidates available for referral.

Sequestration this year alone will cost Training, Inc. more than 50 percent of their federal funding, forcing them to lay off staff and leave open positions unfilled, including eliminating administrative support and reducing teaching and job search assistance staff.

A training cycle is scheduled to begin in August during which 45-50 people are supposed to receive job training. With anticipated funding cuts to WIA, few, if any, will receive training. As a result, over 100 jobseekers may not receive job training and employment services this year.

MAREO, THOMAS, DEONTE & ANTONIO, CINCINNATI, OH

Pre-apprenticeship training opens new doors for local residents, helps to close local skill gaps that slow economic growth.

In February, the Southwest Ohio Region Workforce Investment Board (SWORWIB) and the Greater Cincinnati Building and Construction Trades Councils held a Construction Apprenticeship Fair. Mareo Akins, Thomas Davis, Deonte Freeman and Antonio Renato, who had graduated from a pre-apprenticeship program at the Cincinnati Labor Agency for Social Services, were well positioned to sign up for an apprenticeship that day.
For those whose math and reading skills do not meet the minimum standards for apprenticeships or need other work readiness training, pre-apprenticeship programs like these help bridge that gap. Held over six weeks, the program included 32 hours of soft skills training and 40 hours of math. Deonte has been accepted into a Sheet Metal Workers apprenticeship, Mareo into a Laborers apprenticeship, Antonio into the Iron Workers, and Thomas into Bricklayers. These paid apprenticeships will put these men on a path to a well-paying career in the construction trades.

Ohio, like many states, is experiencing a skills gap for workers at the middle-skill level: jobs that require training beyond high school but not a four-year degree. Without funding for programs like pre-apprenticeships, the middle-skill gap will not be closed and businesses will not be able to grow. In addition, area residents will be left without opportunities to embark on a family supporting career path.

About The SWORWIB

The Southwest Ohio Region Workforce Investment Board oversees the policy and funding for the public workforce system in Cincinnati and Hamilton County. This includes Workforce Investment Act (WIA) funding of the One-Stop job center called the SuperJobs Center, employer services, and services to dislocated workers, low-income adults and youth.

Services include job-readiness workshops and career coaching, providing vouchers for individuals to use toward job training programs, OJT, veteran services, and rapid response assistance in instances of company closures and layoff. The SWORWIB contracts with non-profits that work with at-risk and disadvantaged youth from the ages of 16-21. Services include college planning, mentoring services, career guidance, work experience, summer jobs, full-time job placement, GED tutoring, drop-out recovery, and many others.

The SWORWIB also provides four employer-driven career pathways that include career health care, construction, advanced manufacturing, and information technology. These pathways have offered services and training to thousands of displaced, low-income and incumbent workers that have led to thousands of job placements.

In addition, SuperJobs offers services to employers ranging from posting jobs to coordinating hiring events and job fairs to screening candidates. From July 1, 2012 through May 21, 2013, SuperJobs has worked with over 250 employers more than once.
The Impact of Federal Cuts on Jobseekers and Employers

Middle-skill jobs, which require more than high school but not a four-year degree, make up 51 percent of all jobs in Ohio, but only 48 percent of Ohio workers have the appropriate training for these jobs. Investments in programs like those offered by SWORWIB help close this skills gap and provide the skilled workers that employers need.

Due to funding cuts over the past three years, Cincinnati/Hamilton County has reduced the services to employers and jobseekers by cutting staff at the SuperJobs Center, delaying overdue updates to the resource room computers, closing two satellite one-stop centers, and eliminating late hours. Limited WIA Youth funds have resulted in the closure of the summer youth employment program since 2009.

The cuts have also impacted the services SuperJobs staff can provide for employers. The SuperJobs Center used to have business service staffers devoted to industry sectors that assisted with candidate screening, but has discontinued this service except in rare instances.

As a result of sequestration, the SuperJobs Center will receive a 26 percent cut to its budget. Contracted youth services providers will also be cut by approximately 15 percent. All training for jobseekers has been suspended, services that help to bridge the gap between unemployment and a job will be cut back, youth services will be reduced, and there will be significant staff reductions.

These cuts will have a significant impact. During FY 2012-13, SuperJobs provided services to more than 5,000 jobseekers and more than 250 employers. Many of those jobseekers took advantage of job readiness classes, such as searching online for jobs or developing a strong resume. Some were eligible to take short-term skills training for in-demand jobs. During that time, staff helped 665 low-income adult and displaced workers find jobs.

JOHN AND SYSTEMATICX, SAN BERNARDINO, CA

Long-term unemployment turns into secure employment when local resident obtains industry recognized credential.

Unemployment was high in California during the recession, particularly in San Bernardino County where the unemployment rate reached nearly 15 percent in 2010. Many area residents were out of work for long periods of time, including John. Despite being computer savvy, he had been unemployed for two years and

John secured the funding to formally train as a certified network administrator. Systematicx secured an employee with an in-demand industry recognized credential.
lacked an industry recognized credential. The San Bernardino Workforce Investment Board (SBWIB) helped him secure the funding to formally train as a certified network administrator. Before even completing the final test, John had secured a job with Systematicx earning $16 per hour.

“This opportunity has really changed my life and given me a great career,” shares John. “The Workforce Investment Board’s support has helped me tremendously to achieve my goals. I could not have done it without them.”

About San Bernardino Workforce Investment Board

SBWIB convenes appropriate parties around major workforce issues facing the county, creates a dialogue about these issues, and generates creative, innovative solutions in order to meet employer and jobseeker needs. The SBWIB engages other community leaders in crafting strategies to identify and build competitive advantages within each of the major regions in the county. These strategies capitalize on industries that already exist, help broker innovative workforce solutions between the public and private sectors, and engage business in the strategies needed for long term workforce solutions.

The Impact of Federal Cuts on Jobseekers and Employers

SBWIB has reduced the number of training services, including classroom, OJT, and customized training, even as waiting lists for these services continue to grow.

Middle-skill jobs, which require more than high school but not a four-year degree, make up 47 percent of all jobs in California, but only 38 percent of California workers have the appropriate training for these jobs. Investments in programs that SBWIB offers help close this skills gap and provide the skilled workers that employers need.

But these investments are at risk. Over the last three years, the SBWIB as seen a more than ten percent reduction in WIA funding. As a result, SBWIB has reduced the number of training services including classroom, OJT, and customized training, even as waiting lists for these services continue to grow.

The SBWIB Business Services/Employer Services team has experienced a reduction in staffing—approximately six positions over the past three years—and has had to decrease the number of OJT opportunities, services for businesses, and new business outreach. Funding cuts have left 18 positions unfilled and five staff contracts not renewed, have kept the SBWIB from purchasing equipment for its one-stop centers that clients use on a daily basis, and forced a reduction in employment enhancement workshops and core services.

The cuts from sequestration will further reduce SBWIB’s WIA funding by 10-24 percent resulting in an additional eight positions remaining unfilled for the next program year. Due to decreased staffing levels, core services will be limited.
even further and between 10-20 percent fewer clients will have access to training services, including those who receive OJT assistance. Business services such as outreach and candidate screening will be cut by 20-30 percent.

DEANGELO AND O’BRIEN EDWARDS CONSTRUCTION, DETROIT, MI

Support and job training allow local resident to enter construction career path and help rebuild Detroit. Local construction firm secures local talent.

A chance meeting on a bus put Deangelo Simpkin, 25, on a path to a career and financial stability.

Deangelo met Judith Brantley, a Focus: HOPE employee who coordinates the Neighborhood Jobs Pipeline, as both were traveling by bus to Chicago. Brantley offered to assist Deangelo with his resume and job search.

Before long, Deangelo had two job interviews and decided to enroll in the Earn & Learn program which provided him with four weeks of job-readiness training. He also enrolled at the Center for Working Families (CWF) which provided financial literacy training and job placement assistance.

A few weeks later, Deangelo was hired into a seasonal job with Greening of Detroit, a nonprofit resource agency that supports efforts to improve the ecosystem in Detroit through tree planting projects, environmental education, urban agriculture, open space reclamation, vacant land management, and workforce development programs. As that job was ending, he had the opportunity to interview for a permanent job as a construction laborer with O’Brien Edwards Construction. Now, he’s earning a great wage as a laborer and plans to pursue additional training to become a licensed electrician.

“Deangelo is a prime example of the ‘continuum of support’ at work,” said Brantley. His success was ensured by multiple touches, from the Neighborhood Jobs Pipeline to the Center for Working Families to the Earn & Learn program to his first job with the Greening of Detroit.

About Focus: HOPE

Focus: HOPE largely serves low-income, minority individuals and families on their path to becoming self-sufficient. Focus: HOPE’s workforce development and education programs primarily serve adults (18+ years of age) and include:

*The Machinist Training Institute (MTI)* trains individuals to become certified Computer Numerical Control (CNC) Machinists. Within 90 days of graduation, between 70 and 80 percent of graduates are placed into a job. Once a 24-week long program, it was cut back to 12 weeks beginning in 2012 due to funding cuts. The additional
skills that are gained in the 24-week program translate to higher wages, better job security, and lower cost to the public over time.

The Information Technologies Center (ITC) trains people for careers in the information technologies industry through programs that lead to several certifications. Some graduates continue on to the Information Management Systems Engineering bachelor’s degree program.

The Center for Advanced Technologies (CAT) supports minority students in engineering degree programs beginning with their preparedness for postsecondary studies and supports students throughout their degree program.

Earn and Learn is a four-week program specifically targeted at young adult men living in Detroit, the long-term or “structurally unemployed” population, and ex-offenders in need of work skills and experience. Following the program, they are then entered into subsidized employment and provided funding for further postsecondary education and training.

The Impact of Federal Cuts on Jobseekers and Employers

Middle-skill jobs, which require more than high school but not a four-year degree, make up 50 percent of all jobs in Michigan, but only 45 percent of Michigan workers have the appropriate training for these jobs. Investments in programs offered by Focus: HOPE help close this skills gap and provides the skilled workers that employers need.

However, Focus: HOPE has endured substantial cuts to federal employment and job training funds. The first cuts came in FY 2012 to WIA funding and cost the agency approximately $5.86 million. This has impacted delivery of the programs described above.

Currently, there is a wait list of students for Focus: HOPE’s MTI program due to lack of access to WIA Individual Training Account (ITA) funds that allow students to enroll in the program. At its peak, CAT enrolled 140 students. Now there are only 36 and a wait list. Even though job growth in the IT field is expected to grow faster than any other sector, ITC is only able to run shorter-length programs, such as the Customer Service Support (CSS) and Technical Support Specialist (TSS), due to WIA cuts.

Programs that require more than a year of training for certification, such as network and server administration—each of which has a median salary for established professionals of nearly $70,000 per year—are no longer enrolling new participants. Earn and Learn, the program that helped Deangelo secure employment, and could serve more than 700 students in the fall of 2013, will likely be discontinued unless other sources of funding are secured.
Two-thirds of the way through the fiscal year, the organization is down 160 WIA-funded training spots. At the current pace, 250 to 350 students will miss out on job training.

ANNA AND MERCY HOSPITAL, HOT SPRINGS, AR

Career pathway program allows mother of five to become registered nurse. Local hospital gains skilled professional to provide cardiac care to local residents.

Anna is a mother of five and had been homeschooling her children when she found herself in need of a career that would bring in adequate income to support her family. As a newly single parent, Anna made the decision to enroll her children in public school as she began attending National Park Community College (NPCC). Her youngest child, however, was not old enough for full school days, and Anna struggled with finding adequate and affordable child care services that would allow her to continue her education.

During her first semester at NPCC, Anna learned about the Career Pathways program which helped pay for the child care services she needed. This resource, along with other services like assistance with travel expenses, technology services, and supportive career counselors, allowed Anna to stay in school and continue working toward a degree.

Upon the completion of her first semester, Anna was accepted into the RN program. She graduated from National Park Community College in 2012 with an associate’s degree and is a registered nurse in the cardiac unit at Mercy Hospital in Hot Springs. Anna plans to pursue her bachelor’s degree in nursing at Arkansas State University beginning in 2014.

About National Park Community College Career Pathways Program

The fourth largest community college in the state, National Park Community College (NPCC) averages approximately 4,000 credit students per semester and over 2,000 students each year in a wide range of non-credit and continuing education programs.

NPCC also implements the Arkansas Career Pathways program, funded with Temporary Assistance for Needy Families (TANF) funds from the Department of Workforce Services (DWS), which moves low-income parents from government assistance to employment through education. As of this year, 94.5 percent of 2011 NPCC CPI graduates are employed.

The Impact of Federal Cuts on Jobseekers and Employers

Middle-skill jobs, which require more than high school but not a four-year degree, make up 57 percent of all jobs in Arkansas, but only 49 percent of Arkansas workers have the appropriate training for these jobs. Investments in programs like the Arkansas Career Pathways Initiative...
Because federal funding for the Arkansas Career Pathways Initiative (CPI), with 25 sites including all two-year Arkansas colleges, has been cut statewide from $34 million to $7 million over the past three years, the program is no longer able to accept most new students despite a 50 percent increase in demand. However, TANF funding for the Arkansas Career Pathways Initiative (CPI), with 25 sites including all two-year Arkansas colleges, has been cut statewide from $34 million to $7 million over the past three years. As a result, CPI Director and Community Outreach Coordinator positions have been reduced to nine months from twelve. New employees are not hired to fill vacancies. The program is no longer able to accept new students—with the exception of current Temporary Employment Assistance (TEA) clients receiving cash assistance—even though it has seen a more than 50 percent increase in the number of people seeking services and waiting lists have been growing.

Career Pathway Program managers have been told to anticipate additional cuts by the end of 2014, which will lead to additional cuts in services to low-income students.