

## Your Question:

You asked about state funding strategies for workforce education.

## Our Response:

A mixture of federal, state, and local funding supports workforce education and training across the states. The various programs that deliver workforce education serve different purposes and segments of the population by age, income or specific service needs. Federal and state workforce education programs can serve a range of individuals, including those enrolled in postsecondary education, workers training for jobs in high-demand occupations and workers who have been displaced and need to [upskill or reskill](#) to start or transition to a new career.

With both federal and state funding, numerous complementary programs deliver workforce education. A 2017 [report](#) by the U.S. Government Accountability Office found more than 40 federally funded workforce education programs with total funding of more than \$14 billion. Most federal funding for workforce education is provided by the U.S. Departments of Labor, Education, and Health and Human Services. States also have made considerable investments in supporting workforce education. In fiscal year 2020, [state funding](#) for workforce education totaled around \$1.75 billion. Individual state spending on workforce education varies considerably. Most states have developed specific workforce education programs to complement federal investments and meet the needs of their workforce.

By aligning and coordinating the many different funding streams and programs that deliver workforce education, state leaders can develop a strategic and comprehensive approach to support individuals' access to education and training that can prepare them for jobs today and in the future. In addition to existing resources, Congress passed several laws that provided funding to address the immediate impact of the pandemic on education and employment, along with subsequent funding packages to support economic recovery from the coronavirus pandemic. Regardless of the source of funding, a foundational part of aligning funding is collaboration across state entities and stakeholders responsible for developing, offering, and supporting workforce education and training.

The information below outlines a series of federal and state funding sources for different types of workforce education and training that target different populations. The state examples show programs and approaches that states have taken to support workforce education and training using a range of funding sources. It should be noted that the examples provided focus on funding that is or can be connected to secondary and postsecondary education systems and providers. The information is not a comprehensive analysis of how states fund workforce education and training, but it does provide examples of different funding sources and ways that states bring them together to support workforce education and training.

## State Collaborative Approaches to Coordinate and Align Funding for Workforce Education and Training

A key component of aligning workforce and education funding streams and programs is collaboration across state agencies and workforce stakeholders. State leaders play an important role in coordinating, leveraging, and combining funding streams to deliver efficient and impactful workforce education services. Some states have created a centralized office or entity that oversees all workforce education activities in the state, which can help support

alignment and coordination of funding and support the creation of centralized systems that help provide education, training and job-relevant information to individuals in the state.

### **State Examples:**

**Alabama** created the [Governor's Office of Education and Workforce Transformation](#) (GOEWT) in 2019 and its staff report directly to the governor. GOEWT seeks to ensure that more individuals have the education and skills they need to participate in the state's workforce. Its goals are to increase labor force participation, increase postsecondary credential attainment, and create career pathways for youth and adults. The office is charged with aligning the state's federal funding for education and workforce development in support of a comprehensive education-to-workforce pipeline to achieve these goals. GOEWT staff ensure alignment of the state's secondary and postsecondary CTE, adult education, and workforce development programs and strategic plans, oversee the state's P-20W Council and support registered apprenticeship activities.

**Colorado** established the [TalentFOUND](#) talent development network in 2016. It comprises all the state's talent-related systems, partners, programs, and initiatives to ensure that students, job seekers and workers have access to meaningful careers, and that employers have access to skilled talent. TalentFOUND supports [My Colorado Journey](#). My Colorado Journey is supported by the Colorado Workforce Development Council in partnerships with secondary education, postsecondary education and training, workforce development, economic development, business and community-based services. The My Colorado Journey provides one place for students, job seekers, and employers to connect with each other and with tools and resources of the network. In June 2021, TalentFOUND released a [guide](#) to braiding and blending funding. The resource provides communities with examples of how they can coordinate and align funds to achieve the greatest impact for the state's residents.

### **Workforce Innovation and Opportunity Act (WIOA)**

Given the impact that WIOA funding has on workforce development in states, it is important to note the scope of WIOA funding before discussing different approaches to workforce education and training funding. Workforce Innovation and Opportunity Act funds are distributed through the U.S. Department of Labor and account for a substantial amount of funding for states to use for workforce education and training. Within WIOA, different programs and activities fund states' workforce training and education programs and activities. In some instances, funds are used for systems that support individuals in accessing education, training and job placement services. Below is a list of WIOA programs that support workforce education and training in states.

- [Adult Employment Services](#) and [Dislocated Worker Employment Services](#): These programs are funded through formula funding from the U.S. Department of Labor through Title I WIOA funds. Based on a state's WIOA state plan, funds can help provide career training and employer services. Often services are coordinated through American Job Centers in the state. Training services funds can be used to support training programs and registered apprenticeships.
- [Youth Employment Services](#): These programs are funded through formula funding from the U.S. Department of Labor through Title I WIOA funds. States distribute the funds to local workforce boards that contract with organizations that provide youth employment and job training services. Generally, the programs provide services to in-school youth (ages 14-21) and out-of-school youth (ages 16-24). As it relates to education, the services are intended to support individuals in preparing for postsecondary education or training and

attaining a secondary diploma or postsecondary credential. The funds can also be used to prepare the individual for unsubsidized employment and provide connections to employers.

- [Adult Education and Literacy Programs](#): These programs are funded through formula funding from the U.S. Department of Labor through Title II WIOA funds. State agencies distribute funds to local providers that deliver services to individuals. Providers can be local education agencies and postsecondary institutions. Supported activities for adult education and literacy programs are outlined in each state's WIOA plan.
- [Wagner-Peyser Employment Services](#): These programs are funded through formula funding from the U.S. Department of Labor through Title III WIOA funds. The services supported through this funding are intended to improve the function of the nation's labor markets by bringing together individuals seeking employment with employers seeking workers.
- [Vocational Rehabilitation Services](#): These programs are funded by Title IV WIOA funds. The programs support individuals with disabilities to prepare for and engage in competitive integrated employment or supported employment and achieve economic self-sufficiency. Programs funded can support counseling and guidance, job search and placement and job retention assistance, training services, supportive services, pre-employment transition services to students with disabilities, and can engage with employers to increase job opportunities for individuals with disabilities.

The following links are to state pages that detail their WIOA funded activities. In the states listed below, there is ongoing collaboration among different workforce agencies, education agencies and stakeholders to provide WIOA supported workforce and education programs. While many funded activities are similar across states, the programs and use of funds can vary based on what the state has detailed in its WIOA plan.

- [Alabama](#)
- [Colorado](#)
- [Kentucky](#)
- [Ohio](#)
- [Washington](#)

### **[Federal Funds: State Coordination and Use of Federal Funding](#)**

States have sought ways to leverage WIOA-funded programs with other federal sources to support individuals in attaining workforce education and training that will help them access jobs and grow their careers. Many states align funding to better serve specific population groups that can benefit from multiple programs. For example, states can combine basic skills education with workforce training programs to help adult learners develop the skills they need to enter the workforce quickly. Other states have focused their funding efforts on assisting individuals in overcoming [barriers](#) to workforce education and training such as transportation, housing and child care. The following information outlines how states are bringing together federally funded programs to support workforce education and training.

#### **[Combining Basic and Occupational Skills Education and Training](#)**

[Integrated Education and Training](#) (IET) is a workforce education model that combines basic or academic skills instruction with occupational skills training to increase and expedite participants' educational and career

advancement. IET is intended to help adult learners obtain basic and workforce skills simultaneously and prepare them to enter the workforce quickly. Participants in IET programs are enrolled in both adult basic education training and job skills training, receiving services in the two programs simultaneously. IET as a program model is defined explicitly in WIOA, and WIOA encourages states to consider greater coordination of adult basic education and workforce training through this program model.

**Washington's [Integrated Basic Education and Skills Training \(I-BEST\) program](#)** uses a team-teaching approach to instruct students in college-level occupational training classes. One instructor provides job training and the other teaches basic skills in reading, math or English language. This structure helps students complete postsecondary credentials and enter the workforce more quickly. Colleges that provide I-BEST programs often coordinate funding from WIOA Title I and Title II (AEFLA), Perkins V and other funding streams to support this model. I-BEST has undergone rigorous study over the last decade and is [recognized](#) as a high-quality, evidence-based instructional model.

### **Temporary Assistance for Needy Families (TANF) and Supplemental Nutrition Assistance Program Employment and Training (SNAP E&T)**

A number of states leverage TANF and SNAP Employment & Training to provide workforce education services to workers with low incomes. In part, this includes strengthening coordination between those programs and the workforce system as allowed under WIOA. By bringing WIOA, TANF and SNAP E&T funds together, there is an opportunity to use WIOA funds to provide career and training services and TANF or SNAP E&T funds to support more intensive services to help individuals address barriers and successfully move into employment.

**Arkansas' [Career Pathways Initiative](#)** (CPI) helps parents with low incomes enroll in community college, using TANF dollars to fund tuition and non-tuition expenses. Individuals are eligible for the program if they are a parent or caretaker of a child and receive TANF, SNAP, Medicaid or have a household income of less than 250% of the federal poverty level. CPI participants receive academic services and personalized counseling and other support services, including tutoring, mentoring and child care assistance. The program has achieved strong [results](#). From 2008-13, CPI students completed an associate degree or technical certificate at more than double that of non-CPI students in Arkansas. Participants also saw higher wages than their non-CPI counterparts.

**Minnesota's [SNAP E&T program](#)** has a strong partnership between the state's workforce development and human services agencies. The two agencies have integrated SNAP E&T and WIOA through increased referrals and co-enrollment, creating a crosswalk of career pathway services across WIOA, SNAP and other programs, and conducting cross-training for staff across both agencies. In addition, the agencies collaborate to recruit out-of-school youth receiving SNAP to participate in WIOA-funded employment and training.

**Nebraska's [Employment First](#)** (EF) program provides education and training services to adult TANF cash assistance recipients, aiming to help these families attain economic self-sufficiency within five years (the time limit for receiving TANF cash assistance benefits). All work-eligible individuals are required to participate in EF to receive cash assistance benefits. The EF caseworker helps the participant develop a plan to become self-sufficient in five years, including any education and training needed to achieve self-sufficiency. Among various options, participants can enroll in adult basic education, high school equivalency classes, English language learner classes, vocational education training or postsecondary education.

## [Workforce Education and Training in Federal COVID-19 Pandemic Relief](#)

### **Coronavirus Relief Fund (CARES Act)**

The [Coronavirus Relief Fund](#), authorized by the [CARES Act](#), provided \$150 billion to states and territories to cover necessary expenditures incurred due to the coronavirus public health emergency. Each jurisdiction had the flexibility to determine “necessary” expenditures. Several states used funds to launch or expand training programs targeted at individuals who lost jobs or reduced their hours because of the coronavirus pandemic to help them pivot to new career opportunities.

**Indiana** implemented an initiative called [Rapid Recovery for a Better Future](#) to support the expansion of the state’s existing short-term training programs through [Next Level Jobs](#). Indiana scaled up its [Workforce Ready Grants](#) to individuals by increasing the funding cap from \$5,500 to \$10,000, allowing individuals with two- and four-year degrees to qualify for the grants, and adding nearly 50 new certificates to the list of eligible programs. Indiana also expanded its [Employer Training Grants](#) by doubling the amount of funds available to employers and invested in expanded career coaching and navigation services to help individuals learn about available opportunities and determine next steps.

### **Reimagine Workforce Preparation Grants**

The [Reimagine Workforce Preparation Grants](#), funded by the [Education Stabilization Fund](#) through the CARES Act, were designed to help states with the highest COVID-19 pandemic burden create or expand short-term training pathways that lead to work or create or expand small business incubators in collaboration with colleges and universities. Applicants could choose one of the two priorities. Six states and two universities were awarded \$126 million in grant funding.

The **Alabama [Workforce Stabilization Program](#)** (AWSP) will implement and scale short-term education and training programs for individuals with low incomes who were displaced by the COVID-19 pandemic to help them transition into new fields of work. The program is focused on five sectors: advanced manufacturing, healthcare, information technology, transportation-distribution-logistics and construction. AWSP prioritizes enrollment of individuals who live or work in Alabama’s rural communities or Opportunity Zones. Disconnected workers and dislocated workers with who need basic skills support will enter transitional jobs and the Ready-to-Work Program, which culminates in a National Career Readiness Certificate and simulated-workplace training. Incumbent and dislocated workers who are prepared for employment will complete competency-based related technical instruction and on-the-job training, culminating in industry-recognized credentials.

### **Strengthening Community Colleges (SCC) Training Grants**

The [Strengthening Community Colleges \(SCC\) Training Grants](#), awarded under WIOA’s demonstration authority, aims to address employers’ skill development needs, support workers in gaining skills and help workers transition quickly from unemployment to employment. These grants also build community colleges’ capacity to address challenges associated with the COVID-19 health crisis, such as expanding online and technology-enabled learning and migrating services to a virtual environment. The U.S. Department of Labor awarded \$40 million to 11 community colleges in early 2021.

Using SCC funds, a consortium of community colleges in the Piedmont region of **North Carolina** launched the [Aligning the Workforce and Education System for Manufacturing](#) project. The project uses several strategies to accelerate learning pathways through system alignment. A new Business & Industry Leadership Team (BILT) will provide regional employers a co-leadership role in developing technical programs in machining and mechatronics. New digital badges will map student-demonstrated competencies to knowledge and skills identified by the BILT. The project will also articulate workforce training into college credit in machining and mechatronics, using the BILT-identified knowledge and skills. Finally, the consortium will establish a regional approach to prior learning assessments and digital badging when awarding students credit for their prior learning and experience.

### State Funding Sources and Approaches

In addition to the various federally funded programs that support workforce education, many states have developed state-funded workforce education programs, often designed to complement federal investments and meet the unique needs of a state's labor market and workforce. Some states like [Indiana](#) and [Tennessee](#) have used tuition-free or last-dollar scholarship programs to support workforce-relevant education and training. This section includes examples of different approaches to using state funds to support workforce education programs and individuals attending those programs.

#### Education and Training in High-Demand Occupations

Many states have developed workforce education programs to train workers for careers in high-growth and high-demand occupations. Some programs are structured as last-dollar scholarship programs for individuals pursuing certificates or associate degrees in specific fields related to in-demand occupations.

The **Missouri** [Fast Track Workforce Incentive Grant](#) provides last-dollar financial aid for adults to complete an industry-recognized credential, certificate or degree in a high-need workforce occupation. Eligible students are age 25 or older or have not been enrolled in school in the last two years, do not have a bachelor's degree, and have an annual income of \$40,000 or less (\$80,000 filing jointly). Grant recipients must maintain Missouri residency and work in Missouri for three years after graduation to prevent the grant from becoming a loan repaid with interest.

**North Dakota** launched the [ND Career Builders Scholarship & Loan Repayment Program](#) to help individuals prepare for high-need and emerging occupations in the state. Recipients can receive up to \$17,000 to support completing certificate or associate degree programs in state-designated high-need occupations. Individuals can receive a scholarship, a loan to be repaid or a mix of both types of financial support. Scholarship recipients must commit to reside in the state for three years following completion of their education. The program is funded through a combination of state and private sector funds; the state matches private sector contributions dollar-for-dollar.

**Washington's** [Worker Retraining Program](#) provides financial support to individuals who have lost their job or are currently working in a vulnerable industry. The program provides funds to eligible applicants for tuition assistance, educational advising and career services. The program's goal is to provide support to individuals in their pursuit of education and training that will help them transition into in-demand occupations and careers.

## **Employer-Based Training Programs**

States have also used state funds to implement employer-based worker training programs, which support employers providing education and training to new employees and incumbent workers. These programs generally do not support employee onboarding. Instead, they help workers develop in-demand skills, including technical and foundational skills to help them advance in their careers. In 2019, [30 states](#) had incumbent worker training programs supported by state funding sources, which also support skill development among new employees. Some programs require the engagement of postsecondary education institutions in the training process.

The **Idaho [Workforce Development Training Fund](#)** (WDTF) provides employer grants to businesses increasing their current workforce and retraining existing workers with skills they need to respond to economic opportunities or industrial expansion initiatives. Employers have used grant funds to provide employee training on new equipment and technology, innovative industry practices, technical standards and more. The WDTF also provides Industry Sector Grants to support partnerships between an education institution and three or more employer and industry partners; the partners work together to develop training solutions to support employee skill development. The WDTF is funded by a 3% offset of unemployment insurance taxes.

In **Maryland**, [EARN Maryland](#) takes an industry-led, regional partnership approach to identify employers' skill needs and provide education and training to support skill development among unemployed and underemployed workers and upskilling among incumbent workers. Businesses and workforce intermediaries work together to identify common skills gaps across employers and develop training programs to address those gaps. The partnership-based structure allows for greater efficiency in delivering training, since each training program supports multiple employers. As of October 2020, six years after the launch of EARN Maryland, more than 8,500 incumbent workers had received training and attained new credentials, certifications and skills, and over 5,300 individuals obtained employment through participation in EARN.