

# Hands On: Alabama's Adult Workforce Development

An ACPP Fact Sheet made possible by the Working Poor Families Project

June 24, 2011

*This fact sheet – the fourth and final in a series on adult workforce development – offers an overview of skills training programs and related components of Alabama's complicated workforce development system. Previous installments examined the low-skilled, low-wage workforce; adult basic education classes and GED preparation programs; and the Alabama Community College System (ACCS).*

**Workforce development is a perennial theme among state leaders across the country**, encompassing a range of policies designed to help workers acquire skills, meet employer needs and move up the wage scale. By history and design, workforce development is a federal-state partnership, but the relationship varies from state to state, and roles have shifted in recent years.

**As Alabama recovers from a recession that undercut a wave of record economic growth and employment**, workforce development policymakers face a two-fold challenge: getting thousands of Alabamians back to work and gearing up the broader workforce for systemic changes in the economy. Alabama's education system experienced a funding boom in the previous decade, but most of the state's current workers did not benefit from these investments. With the workplace becoming more complex, and employers demanding higher skill levels, many of these workers will be unable to compete in the job market without additional training.

**Alabama's workforce development efforts reflect a patchwork approach that addresses only a fraction of the state's demonstrated need.**

## Workforce Investment Act (WIA) programs

**The current legislative framework of federal workforce development policy is the Workforce Investment Act of 1998 (WIA)**, which replaced the Job Training Partnership Act. WIA expired in 2003, but Congress has renewed it annually ever since. WIA is the primary channel through which the U.S. Department of Labor funds workforce development activities in Alabama. The Workforce Development Division (WDD) of the Alabama Department of Economic and Community Affairs (ADECA) serves as the state's fiscal agent for these federal funds. WIA programs generally target four populations: adult workers (aged 18 and over); "dislocated" workers (unemployed because of plant closings or layoffs); older youth (aged 19 to 21); and younger youth (aged 14 to 18).

**Alabama uses a network of 30 One-Stop Career Centers and 31 satellite centers to provide initial assessments and linkages** to needed education, job training, employment referral and other WIA services. For a state where the number of adults without a high school diploma or GED is around half a million, the number of participants in WIA training programs is disturbingly low. Even under the lingering impact of the recession, fewer than 12,000 adult Alabamians received training through WIA in Program Year (PY) 2009. Of those, just over 3,000 completed the program. The rate of employment for adult workers who participated in WIA training was 61 percent.

**WIA services for adult workers include the Incumbent Worker Training Program**, which helps companies avoid layoffs by training workers to meet changing needs. Companies seeking to participate first identify their training requirements and select trainers, then apply to ADECA for WIA funding, which totals around \$1 million annually.

**Alabama's WIA programs, while responsive to specific employer needs, have not focused on helping workers acquire broad skill sets** that would be transferrable to other settings. For example, only around 48 percent of Alabama adults receiving WIA training services in PY 2009 acquired a credential. Another concern is the fact that WIA programs formerly offered a variety of secondary services such as child care and transportation, but those supports are no longer available, largely because of funding cuts.

**Of special importance during economic downturns, the Dislocated Worker Rapid Response Team is a WIA-funded joint effort** by ADECA, the ACCS Office of Workforce Development and other agencies to address the disruptive effects of major layoffs and closings. The Rapid Response Team, usually with advance notice of such "dislocation events," coordinates family assistance, such as health insurance and mental health services, as well as worker retraining and job placement programs. During PY 2009, the Rapid Response Team served 16,034 laid-off workers in connection with 130 dislocation events.

**Federal funding for workforce development peaked in the 1970s and has declined steadily in recent years.** Between 2004 and 2009 (the most recent full program year for which data are available), annual Alabama WIA allocations dropped from \$45 million to nearly \$31 million, a 32 percent decrease. (The 2009 figure excludes supplementary American Recovery and Reinvestment Act funding, which doubled the allocation that year in response to the Great Recession). Alabama's workers have felt the full brunt of this trend without the cushion of state WIA funding. With major portions of the federal money targeting unemployed workers, vocational training and other WIA services remain especially scarce for Alabamians stranded in low-wage jobs.

### Alabama Industrial Development Training

**A 2009 survey by Corporate Voices for Working Families ([www.cvworkingfamilies.org](http://www.cvworkingfamilies.org)) revealed that half of national employers have to provide readiness training for new hires**, with most rating their in-house programs as only moderately successful. The state's primary response to this chronic need is the Alabama Industrial Development Training (AIDT) Institute, an ACCS program established in 1971 that has won national accolades, especially from industry partners. In Fiscal Year (FY) 2009, AIDT served more than 52,000 workers at 84 companies. The FY 2012 Education Trust Fund budget includes a \$35.7 million appropriation for AIDT.

**By design, AIDT's training focuses on specific needs of industry clients**, rather than on more broadly applicable skill sets and certifications that would make program graduates more marketable. Offering to train workers to meet corporate specifications does assist in industrial recruiting, but Alabama workers stand to benefit more from training that enables them to move laterally within their industry, taking a portable certificate or credential with them to a new job.

### Smaller pieces of the puzzle

**Operating within or alongside the major programs outlined above are numerous smaller entities and projects** such as these that focus on specific job sectors:

- **The Alabama Technology Network (ATN) serves the needs of the manufacturing sector** by linking companies to the technical assistance

and training resources of state universities, colleges, businesses and government. Started in 1995 and folded into the ACCS in 2004, the ATN receives roughly \$5 million in annual appropriations. Under the auspices of community colleges around the state, ATN offers instruction to upgrade worker capacity in manufacturing processes, safety and environmental protocols, industrial maintenance and other areas.

- **ADECA received a \$6 million grant from the U.S. Department of Labor to establish the Alabama Energy Sector Partnership in 2010.** The program's goal is to train some 1,400 Alabamians to qualify for "green jobs" in the emerging fields of renewable energy and energy efficiency by 2012. The training aims to build worker capacity in five specific sectors: energy-efficient construction and retrofitting, renewable electric power, energy-efficient and hybrid vehicle manufacturing, bio-fuels and energy-efficiency assessment.

### Conclusion

**As the preceding examples illustrate, Alabama's workforce development efforts reflect a patchwork approach to funding and policymaking** that addresses only a fraction of the state's demonstrated need. A 2008 study by Auburn University Montgomery's Center for Government found that multiple definitions of the term "workforce development" have created confusion and caused state agencies to omit certain employment and training opportunities. A more unified approach, such as that envisioned by the now-defunct Governor's Office of Workforce Development and its successor, the Office of Workforce Development under the ACCS, could help maximize the impact of federal funds, create a more favorable environment for state investment and make much-needed capacity-building services available to more of Alabama's adult workers.

**To achieve global competitiveness in a recovered economy**, Alabama must enhance the re-entry pipeline – getting older adults on track to attain degrees or credentials. Both the economic status of Alabama workers and the state's ability to attract good jobs depend upon how well we meet this challenge.

*This fact sheet may be reproduced with acknowledgment of Arise Citizens' Policy Project, Box 1188, Montgomery, AL 36101; (800) 832-9060; [arisecitizens.org](http://arisecitizens.org).*