

# State Financed and Customized Training Programs

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## Executive Summary

This report, prepared for the U.S. Department of Labor Employment and Training Administration, describes the states= customized, employer specific training, including training for incumbent workers and new hires. The state programs are of particular interest as the states prepare to implement the Workforce Investment Act (WIA) of 1998, which for the first time explicitly provides for the expenditure of federal money for training incumbent workers.

Since the late 1950s all but three states set aside money to subsidize customized training for individual businesses. Today 45 states operate programs. In contrast to federal employment and training programs, which emphasize social goals, state programs were created as economic tools to attract and retain jobs. The state programs are employer-centered, not worker-centered like the federal programs, although, of course, the ultimate goal of helping employers is to improve the lives of state residents. Unlike federal programs, states have few requirements for targeting individuals, with employers free to decide whom to train. Another distinguishing feature of the state programs is that they train incumbent workers for new jobs or new job duties, which states view as a necessity in a fast-changing, technologically demanding economy.

Total spending by the states for customized training for 1998-99 for both incumbent workers and new hires is \$593 million, up 10 percent from the year before and up 63 percent from 1988-89. Per capita spending is up 7 percent in the last year and 36 percent since 1988-89. Year-to-year changes in budgets reflect economic conditions and the level of state tax collections as well as special conditions in the states. Since 1992-93 national budgets climbed every year, with the largest one year increase in 1996-97, when funding increased by more than \$100 million. The top 10 states ranked by 1998-99 budgets (California, Texas, Iowa, Kansas, Michigan, Pennsylvania, Missouri, Illinois, New Jersey, and North Carolina) spend almost 60 percent of the national total.

The top state in per capita spending is Iowa, with nearly \$30 per worker in the state, spent mostly for new hire training. Kansas is second with more than \$25 per worker, also mostly for new hires. Others in the top ten in per capita spending are Alaska, Missouri, Alabama, California, New Mexico, Texas, Michigan, and Idaho.

Nearly six out of every ten new state dollars budgeted to customized training since 1988 was budgeted for incumbent worker training. Spending on incumbent worker training increased from \$187 million in 1988-89 to \$208 million in 1994-95 and \$317 million in 1998-99. The biggest increase in the 11 years since 1998 was in Texas, where a new \$43 million program was created and in California where the existing program was expanded by \$39 million. Missouri and New Jersey also launched big new programs. The biggest reduction in incumbent worker training in the same period was in New York, which eliminated a \$17 million program.

Policy issues facing the state programs include:

1. How can programs be operated so they are not seen as corporate welfare? Customized training, both for new hires and incumbent workers, has been criticized as corporate welfare because it subsidizes activities conducted for specific companies and confers specific benefits on individual companies.

One solution is for the states to require companies to demonstrate how their training is good for their employees, not just for their own bottom lines, and to provide stronger assurances that the subsidies will add to the amount of training that takes place, not simply substitute for company expenses. States have devoted much

energy to laying out a welcome mat for firms and demonstrating how business-friendly they are. They also need to show that being business-friendly translates into more work, higher incomes, and a better overall state economy.

Another solution is for states to find their way out of the expensive competitions and bidding wars to attract new plants, call centers, distribution centers and other footloose facilities. Fearing unilateral disarmament, no state wants to be the first to renounce the use of these costly subsidies, yet some would like to find an exit. A federal initiative in incumbent worker training might be tied to acceptance of national rules prohibiting these state bidding wars that are zero sum games for the nation.

2. How can programs ensure quality instruction?

The 33 states that allow companies to pick their own trainers essentially have voucher systems that let companies select any internal or external trainer. Quality is left to the company to determine. The remaining states require the use of programs and trainers from public community or vocational colleges.

Company personnel may be good trainers or poor trainers. The same is true for college personnel. States should consider regular train-the-trainer and instructional design courses for company personnel planning to train with state program funds. College instructors participating in these programs also should be encouraged to complete in-service training or show recent firm-based experience before being assigned to a customized training project.

3. Which firms should states pick to help first?

Not every business can have a customized program developed and subsidized by the state for its own use. Options include limiting training to certain basic industries or supporting training based on broader state policy set by another agency. Another option is to judge effects of training on incomes of workers who are trained by analyzing wage data states collect as part of unemployment insurance systems.

4. Can states find mechanisms to handle the increasing amounts of money they are allocating to customized training?

The state programs remain on a small boutique scale, dwarfed by federal employment and training and state vocational programs. If the programs are important for the economic well being of firms and workers, should they be expanded? Should funding be transferred from less critical vocational programs to customized training?

No state has made the transition from small pilot or demonstration to full-scale program. The change will take more than money. It will take a new way of making decisions and allocating funds so the programs can have broad effects while maintaining the flexibility to

make judgements based on the circumstances of individual companies and groups of employers.

5. Can states find ways to help smaller firms as well as larger firms?

Because of their size, small firms have few employees available to work with government for training or any other purpose. They often have poorly defined human resource systems and little or no training capacity. Yet their need for training is greater than the need for training at bigger firms. The likelihood that small employers will provide training on their own, without government help is less than for big firms. Small firms are viewed as major job producers in many areas of the country.

One effective option is the formation of consortia groups of small firms to combine their training into economical classes. Training in basic office automation skills and machinist skills are examples of consortia training. These efforts, which have begun in many states, should be continued and expanded.

6. Can the states move into nontraditional training methods?

Internet and other distance learning systems are especially important in small states with scattered populations. However, few states to date have moved aggressively into alternative training systems. This is an area where the state programs can help lead companies and schools in testing computer-based training.

7. What is the federal role?

At a time when federal programs are being shifted to the states it would not be appropriate to suggest a major federal role in state customized training programs. However there are a number of cooperative activities that should be considered.

The state programs have experience and expertise in incumbent worker training and should be encouraged to administer incumbent worker training activities that occur under the federal Workforce Investment Act (WIA). Specific mechanisms should be developed state-by-state. The programs should be coordinated through WIA at the state level, along with other appropriate state programs. At the local level the state programs should be coordinated through the local Workforce Investment Boards established under WIA.

The federal government should examine ways to end bidding wars for new private sector facilities that give rise to complaints of corporate welfare and pit states against each other in a competition to give away taxpayer money for training and other purposes.

The federal government should continue to gather and share information about the state programs and encourage systematic program evaluations.

# State-Financed Customized Job Training

## Introduction

Since the late 1950s nearly every state set aside money to subsidize customized training for individual businesses. In contrast to federal employment and training programs, which emphasize social goals, these state programs were created as economic tools to attract and retain jobs. Although American governments at all levels traditionally were reluctant to stake out an industrial policy that would favor certain firms or industries, training policies with economic goals were more readily accepted.

The state programs are employer-centered, not worker-centered like the federal programs, although, of course, the ultimate goal of helping employers is to improve the lives of state residents. Unlike federal programs, the states have few requirements for targeting individuals, with employers free to decide whom to train. As a consequence, the programs are aimed at people somewhat higher on the economic ladder than the federal programs.

Another distinguishing feature of the state programs is that they train existing workers for new jobs or new job duties. In the past federal employment and training programs and traditional state vocational education programs generally have targeted the young and the disadvantaged who are entering the workforce for the first time. The state programs train people who already are in the workforce who need new skills to get a new job or to keep their existing job.

These state programs also differ from traditional employment and training initiatives because there are few, if any, restrictions on who can be trained. Employers select trainees without regard to targeting requirements (for the young, the disadvantaged, welfare recipients, etc.) that in the past have been common in federal programs. Under WIA, the federal programs will move closer to the state rules by making services available to broader populations.

This report, prepared for the U.S. Department of Labor Employment and Training Administration, describes the states' customized, employer specific training, including current and historical data. It is of particular interest today as the states prepare to implement the Workforce Investment Act, which authorizes the expenditure of federal money for training incumbent workers.

As used in this report, incumbent workers are persons who are employed and expected to retain jobs with their current employer. They are trained to upgrade their skills, prevent future layoffs, and make their employer more productive and more likely to remain in business, producing economic gain for the state. New hires are new employees selected by an employer for training. New hires may be experienced workers or new entrants to the labor market.

Employers in the United States devote an average of only 2.2 hours a month, or 1.3 percent of working hours to formal training for their incumbent workers. Table A, based on data from the U.S. Bureau of Labor Statistics, shows that low wage incumbent workers receive less than one-fifth the amount of training (0.7 hours per month) that is provided for high wage workers (3.8 hours per month). Service workers receive one-quarter the hours of training (0.9 hours per month) afforded to professional, paraprofessional

and technical workers (3.7 hours).

In the past most training for incumbent workers was considered the responsibility of employers themselves, with the role of government limited to general training that provides a foundation for life and employment training provided by employers. Classical economic theory<sup>1</sup> suggests that the amount of incumbent worker training provided through the market is the optimum amount and that government interference should be avoided. The theory holds that as long as market forces work properly, employers will provide the necessary amount of training for their incumbent workers or risk failure in the marketplace to other firms that provide the right amount.

<b>Table A: Hours of Formal Training Per Incumbent Worker 1995<sup>2</sup></b>			
	<b>Average Hours May-October 1995</b>	<b>Average Hours per Month</b>	<b>Percent of working hours</b>
Total formal training for all employed in establishments with 50 or more employees	13.4	2.2	1.3%
<b>Formal Training Hours by Employee Earnings</b>			
First quartile	4.1	0.7	0.4%
Second quartile	11.6	1.9	1.1%
Third quartile	15.9	2.7	1.5%
Fourth quartile	22.8	3.8	2.2%
<b>Formal Training Hours by Employee Occupation</b>			
Managerial and administrative	4.3	0.7	0.4%
Professional, paraprofessional, and technical	22.3	3.7	2.1%
Sales, clerical, and administrative support	10.2	1.7	1.0%
Service	5.6	0.9	0.5%
Production, construction, operating, maintenance and material handling	15.2	2.5	1.5%

Forty-five state governments implicitly rejected these theoretical tenets by creating and funding employer-specific, customized training programs to address pressing issues of worker displacement, income inequality, competitiveness, economic development, technological change, business attraction, and business climate. These states, in effect, have declared that 2.2 hours of training a month is not enough for the well being of their citizens. The states subsidize additional training

<sup>1</sup> The most prominent model is Gary Becker's human capital theory.

<sup>2</sup> Bureau of Labor Statistics; BLS Reports on the Amount of formal and Informal Training Received by Employees, press release December 19, 1996. Formal Training is defined in the BLS study as training that is planned in advance and has a structured format and defined curriculum. Examples of formal training include attending a class conducted by an employee of the company, attending a seminar given by a professional trainer, or watching a planned audio-

targeted to specific workers in specific companies as a practical solution to a bundle of economic and social issues that concern governors and state legislators around the country.

Although each state is different, Texas' \$66.5 million program illustrates many of the program elements common around the country. Texas actually operates two separate funds, one (the Smart Jobs Fund) for direct grants to companies and one (the Skills Development Fund) for customized training through community or vocational colleges.

For the Texas Smart Jobs program, funded by a special tax collected alongside the state unemployment insurance tax, employers and groups of employers apply directly to the state commerce department. Priority for funding goes to manufacturers creating new jobs or making a large capital investment. Small businesses also get preference. Employers applying for funds must provide a financial statement and describe their business and how the training will improve their long range prospects for maintaining or expanding employment in Texas. The application also includes a description of which employees will be trained, the content and length of the training, the skills the employer expects to be attained at the conclusion of the training, and who will provide the training. Employers also list wages of trainees and provide a line-item budget of projected training costs. Staff from the Smart Jobs program analyze the applications and negotiate changes. Successful applicants receive a contract and reimbursement schedule. Contracts range up to \$1.5 million per project and \$2,500 per person. For incumbent worker training employers must show a wage increase after training for most trainees.

The Texas Skills Development Fund, administered by the state workforce commission, finances training provided by public colleges, which administer the programs. Individual projects are limited to no more than \$500,000. Training is customized for individual firms, which must work out details of curriculum content with the school.

## **Methodology**

The data in this report, which is the latest in the authors' continuing series of surveys of state customized training programs, is based on telephone interviews by the authors with chief program administrators of each program or a senior assistant.

Programs surveyed for this report are short term training programs, funded entirely with state money that are customized for individual employers or groups of employers. State programs were identified from past research by the authors<sup>3</sup> and checked against a directory prepared by the National Association of Industry-Specific Training Directors.

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<sup>3</sup> *National Customized Training report: State funded, company directed job training in the United States*; May 1995; Wanda Lee Graves and Steve Duscha; Sacramento, CA. *State-Financed, Customized Training Programs: A Comparative State Survey*; Peter A Creticos, Steve Duscha, Robert G. Sheets, Report submitted to the Office of Technology Assessment, United States Congress. September 30, 1990. Unpublished updates.

The authors wish to thank each of the state program staff who cooperated in the survey that is the heart of this report. In addition to providing background for new federal initiatives, the report provides comparative information to assist state policymakers and private sector employers who seek to understand how the state programs operate. The authors hope the report is valuable to all.

## **History of State Programs**

The programs that are the subject of this report began in the late 1950s, not as incumbent worker programs, but as programs to train new employees for specific companies. From the first, they were distinct from federal employment and training programs and traditional state vocational programs because they were employer-centered, not centered on a target group of individuals. In contrast to more socially oriented programs, these programs viewed the employer as the customer.

The earliest programs were designed as incentives to attract firms to individual states. The first program was established in North Carolina in 1958 to attract northern industry to a southern agricultural state. South Carolina and other neighboring states followed, setting up programs largely based in community colleges that promised fast, custom training to assure expanding or relocating companies that they would have the workers they needed in their new industrial homes. The programs were created as new-hire business attraction programs. Training content included general and specific vocational skills whatever the employer requested.

Other states followed, especially in the Middle West where states historically have competed against each other for new industrial jobs. As the programs matured, existing businesses began to demand the same kind of specialized training that was available to new businesses, and states began to offer incumbent worker training in addition to new hire training.

The national interest in incumbent worker training increased with the pace of economic change and dislocation in the last 30 years. As once-solid manufacturing and service jobs seemed to disappear overnight, states responded by offering customized training to protect jobs of incumbent workers. Job training, which once was only the concern of new and disadvantaged entrants into the labor market, now was considered important to mid-level employed persons who might not have remained employed for long without new skills.

This report examines the funding and programmatic elements of state financed, customized job training programs, which are operated today by 45 states. The survey covers the years 1988-89 through 1998-99. (Montana, New Hampshire and Wyoming never had programs during the 11-year survey period. New York funded a program until 1996, when funding ceased. Oregon stopped funding its customized training program in 1997. Both states cited other funding priorities as the reason for dropping their programs.)

Ten of the 45 states with programs (Alabama, Alaska, Arizona, Florida, Georgia, Idaho, Nebraska, Nevada, New Mexico, and South Carolina) offer customized training only for new employees, not incumbent workers. Thirty-five states offer both new hire and incumbent worker

training. Data is included in this report on all 45 states, with an emphasis on those states that provide incumbent worker training. Incumbent worker training evolved from the new hire programs, and both types of programs are related, employer-centered state training initiatives, usually offered by the same agency through the same budget and program staff.

## **Why States Subsidize Customized Training**

When programs began four decades ago, the first rationale offered for customized training in the South was to overcome shortages of skilled workers. Agricultural workers were not skilled or accustomed to factory work and needed training to prepare for the jobs in new industries that were moving into southern states. Shortages of skilled entry level labor continue to be used as a rationale to support customized training programs. However, from the beginning training, also has been part of a state's effort to roll out a red carpet to attract new industry and jobs. Training subsidies tied to new jobs are an attractive method for government to provide financial incentives to companies making location or relocation decisions.

Once the first few states started their customized training programs, a significant rationale for other states to establish programs was so they would not be at a competitive disadvantage to their neighbors. Programs spread across the South: North Carolina (1956), South Carolina (1961), Virginia (1965), Georgia (1967) Florida (1968), and Arkansas (1969). Eight Midwestern states started programs between 1978 and 1983 (Illinois, Michigan, Indiana, Ohio, Iowa, Minnesota, Nebraska, and Wisconsin). Whether they liked it or not, the states felt they had to have a customized training program to keep business from going to neighbor states.

States describe their programs as aimed at business attraction and business climate improvement. They aim to show in a tangible, financial way the state cares about business. Companies are promised fast action. Georgia (QuickStart), Florida (Quick Response Training), and Louisiana (Quick Start) make the promise in the name of their programs. Most states promise little paperwork and much flexibility.

Most states seek to gain the greatest economic impact from training subsidies by targeting funds to key industries and firms, especially manufacturing with relatively high economic multipliers. If training subsidies strengthen a specific firm and its employees in a basic industry, states gain benefits for that firm and for its local suppliers and the suppliers=employees as well.

More recently, incumbent worker training has been justified based on another set of arguments. Despite the tenet of economic theory that employers will spend the amount of money that is in their economic interest to spend on training, some observers find that American employers under invest in training for their workers, especially middle and lower level, non-managerial employees. Under investment in training results in lower economic performance for the company and undermines the possibility of stable employment for the employees trained. Additional training can increase worker productivity and wages and add

to the profitability and stability of the employer. All this ultimately adds to the overall state economy.

A major selling point for program operators is the lack of controls on trainee eligibility which frequently is contrasted with federal employment and training program requirements that limit employer choice of trainee. Only three of the customized training programs (California, Ohio and Delaware) have any involvement in welfare-to-work programs, a key national employment and training priority. The state programs take pride in permitting employers nearly complete freedom to select who will be trained.

## **National Spending**

Table 1 shows total budgets for customized training for all states since 1988. The total for 1998-99 is \$593 million, up 10 percent from the year before and up 63 percent from 1988-89.

Per capita spending (total budgets by state divided by the seasonally adjusted nonfarm employment reported by the Bureau of Labor Statistics) is up 7 percent in the last year and 36 percent since 1988-89.

Year-to-year changes in budgets reflect economic conditions and the level of state tax collections, as well as special conditions in a few states. In 1990-91 total state spending fell \$73 million. Eighty-five percent of the national decline was in California, which cut its spending not because of economic problems but because of a change of management and a state reassessment of the programs direction and effectiveness. In 1991-92 national spending declined \$30 million. California spending went up by \$20 million, but cuts were made in other states, largely in the Midwest, that were driven by declines in state revenues (Illinois -\$10 million; Michigan -\$12 million; Ohio -\$4 million; Wisconsin -\$6.5 million). New York spending also declined by more than \$18 million.

Since 1992-93 total budgets have climbed every year, with the largest increase in spending since 1994-95. Reflecting a growing national economy, state spending grew by more than \$100 million (25 percent) in 1996-97 compared to the previous year. Big increases in 1996-97 were in California (+\$20 million) for a new welfare-to-work program, Iowa (+\$28 million) for its tax increment bond program, Kansas (+\$4 million), Louisiana (+\$6 million), Missouri (+\$5 million), New Jersey (+\$5.7 million), Pennsylvania (+\$6 million), and Texas (+\$20 million) as its special funded program moved beyond its pilot phase.

For 1998-99 national spending budgets are up by 10 percent or \$52 million. Almost half the increase is in Kansas (\$23.5 million) which expanded its budget to attract 7,000 jobs at a new Sprint facility. Massachusetts started a new program (+\$7.8 million) and programs were expanded in North Carolina (+\$11 million), and Pennsylvania (+\$10 million).

## **Top 10 States**

Table 2 shows the top 10 states ranked by 1998-99 budgets spend almost 60 percent of the

national total. The top 10 (California, Texas, Iowa, Kansas, Michigan, Pennsylvania, Missouri, Illinois, New Jersey, and North Carolina) includes the largest states with the notable exceptions of, New York, Florida, and Ohio. (New York cut most of its funding for customized training in 1991-92. Florida and Ohio have funded their programs at modest levels throughout the 11-year period of this survey.) The top ten in spending account for eight dollars out of every ten spent on incumbent worker training nationally.

Table 3, which ranks states in per capita spending, includes only four big states (Missouri, California, Texas, and Michigan) and only six of the top 10 in total spending. The top state in per capita spending is Iowa, with nearly \$30 per worker in the state, spent mostly for new hire training. Kansas is second with more than \$25 per worker, also mostly for new hires. Others in the top ten in per capita spending are Alaska, Alabama, New Mexico and Idaho.

State budget levels for customized training vary based on the priorities of policymakers, political judgements, accidents of history, economics, and state priorities. Iowa leads in per capita spending because it pioneered the use of tax increment bonds for training. California is a leader because it was the first to couple a special tax for training with collection of the state unemployment insurance tax. Kansas and Alabama have high spending rates because of commitments to large business attraction projects (Sprint and Mercedes, respectively).

## **Regional Spending**

Tables 9 to 16 show spending by region. A third of the total national spending is in the 12-state Middle West region, which includes three of the top four spending states ranked by per capita expenditures (Iowa, Kansas, and Missouri). Forty-five percent of Middle West spending is for incumbent workers, below the national average of 53 percent.

The second biggest region is the Pacific Coast with 21 percent of the national total. California accounts for most of the spending in the region.

The 14-state Southern region accounts for 18 percent of total spending and 30 percent of all new hire training. Reflecting their history, Southern programs still emphasize training for new jobs more heavily than other regions that stress incumbent worker training.

The Southwest, led by Texas, accounts for 14 percent of all training funds, followed by the three Middle Atlantic states (8 percent), the Northeast (3 percent), and the Rocky Mountain states (2 percent).

## **Program Characteristics**

As described above, customized training programs vary widely from state to state by scope and funding levels. Other significant program variables are described below: (1) emphasis on incumbent workers and new hires, (2) source of revenue, (3) spending per person and per project, (4) how funds flow to training projects, (5) whether companies have the freedom to select any training provider or must use trainers from a public college, and (6) what state agency

manages the program.

Table 5 displays data collected in this study for each state.

### **Incumbent Worker Training**

Nearly six out of every ten new dollars budgeted to customized training since 1988 was budgeted for incumbent worker training. Table 4 shows the state-by-state change.

Spending on incumbent worker training increased from \$187 million in 1988-89 to \$208 million in 1994-95 and \$317 million in 1998-99. The biggest increases since 1988 were in Texas, where a new \$43 million program was created and in California where the existing program was expanded by \$39 million. Missouri and New Jersey also launched big new programs. The biggest reduction in incumbent worker training during the same period was in New York, which eliminated a \$17 million program.

### **Special UI-Associated Taxes**

One of the keys to the growth of many state programs is the identification of special funding sources. Ten states (Alaska, California, Delaware, Hawaii, Idaho, Massachusetts, New Jersey, Rhode Island, South Dakota, and Texas) support customized training with a special tax collected alongside their unemployment insurance (UI) tax. This technique, pioneered by California in 1982, in effect, shifts money from the state unemployment insurance fund to a new training fund. Federal law prohibits the direct use of UI funds for training, so the states reduce their UI tax by a small amount and impose a new training tax on the same taxpayers in an amount equal to or less than the tax cut they received on their overall unemployment insurance. There is minimal administrative cost to collect the new tax via an extra line on the UI tax form. The taxpayers see a shift in money, not a new tax, and the requirements of federal law are met.

The California Employment Training Tax is typical of the special taxes. It was enacted in 1982 when the state had surplus of more than \$1 billion in its unemployment insurance fund. The training tax was enacted alongside a general UI tax cut for employers and a benefit increase for workers. The training tax itself is 0.1 percent of the amount of wages taxed for unemployment insurance (the first \$7,000). The tax amounts to a maximum of \$7 per worker per year. Employer taxpayers received an offsetting cut in their regular UI taxes so they viewed the training tax as a shift in an old tax, not the new tax, which it is legally. The tax is collected with the UI tax, using the same forms and accounting procedures. Other states enacted similar taxes as they too have reallocated surplus money in their UI funds.

In addition to serving as a source of funds, the UI-associated taxes create a special political dynamic for the programs they fund. Unlike vocational or other training financed through state general funds, UI taxes are watched carefully by business and labor groups, which take a proprietary interest in the UI system. For example, in California the state manufacturers association and labor federation are seen as the primary constituencies of the training program, which keeps the program focused on customized training for specific firms and groups of firms.

The interest of both business and labor in incumbent worker training is reflected in these programs. More than three-quarters of all the money raised by the UI tax states will be spent on incumbent worker training, and these states account for more than half of all incumbent worker training in the U.S. The ten states with special taxes budgeted a total of \$224 million in 1998-99 for all purposes, 38 percent of all customized training money spent nationally. Table 6 shows current year spending by the special tax states.

### **Other Methods of Funding**

The second financing system is a type of bond financing that was first used in Iowa, and in recent years has spread to North Dakota, Kansas, and Connecticut. These funds are almost exclusively used to support new hire training, mostly for large businesses coming into a state.

The bonds mirror a system of tax increment financing that has been used by governments for years to finance physical infrastructure, but has only recently been used to support development of human capital. The bonds work this way: States or colleges sell bonds to private investors. The bond proceeds are used to finance training for new or expanding businesses. The bonds are repaid from the new payroll tax withholding generated by the new jobs. Instead of the increased taxes going into general government revenues, they are pledged to repay the bonds. As long as the company that is expanding hires enough new employees to generate tax revenue, it receives free training.

The remaining 31 state programs are funded through state general fund appropriations.

### **Spending Per Person and Per Project**

Spending levels vary widely by state. Most states have more demand for money from eligible applicants than they have funds for contracting, and they set up methods of rationing their budgets. Most states require applicants to submit project budgets that are used to set funding amounts. States also usually manage funding levels against formal or informal limits for each person trained, for each hour of training, and/or for total contract amounts. Most states also require cost sharing formulas with participating employers. Funding for business attraction expansion projects that add employment to the state usually are at higher levels than incumbent worker training.

Funding ranges from a few hundred dollars to more than \$2,000 per person trained. Most states fund incumbent worker training at \$500 to \$1,000 per person. Average projects range from \$10,000 in Maryland to \$400,000 in California, and \$850,000 in Kansas. Data for each state is included in the state summaries that follow.

### **Who Provides the Training**

A key difference among the state programs is who provides the training. These are the decisions the states have made:

Thirty-three states allow companies relative freedom to pick their own trainers from among their own employees, from private vendors, and from public community and vocational schools. Some of these states screen vendors and keep for themselves the right to approve which vendors are suitable, but employers usually can use the vendor of their choice. In some of these states (Pennsylvania and Missouri, for example) public schools administer training grants, but are free to pass the entire training amount on to a company to pay costs of internal or contracted trainers.

Twelve states require companies to use the services of community or vocational colleges. Table 8 lists these states. Georgia and South Carolina operate special schools that exclusively provide customized training. The other states rely upon networks of schools to send specialists to companies to assess needs and provide training. In some cases company personnel can be hired as trainers by the college, but companies generally are limited to using college personnel for all training in these states.

### **Which Businesses are Eligible for Training**

Almost every state targets manufacturing and other basic industries that economists believe have multiplier effects for the state economy. Basic industries include any service business with a regional or out-of-state clientele, such as a telephone call center, a multi-state distribution center, or a corporate headquarters. Some states also target tourism and health care. Although they may have difficulty providing training without state assistance, local-serving retail businesses are almost never eligible for training money because they compete against other in-state firms, and do not compete across state lines.

### **Evaluation and Effectiveness Data**

States perform almost no formal evaluations of the programs. Most report the number of persons trained, companies involved in training, and money spent. Many collect testimonials from employers regarding program effectiveness.

Richard Moore and associates at California State University, Northridge, conducted the only systematic evaluations known to the author on the California program.<sup>4</sup> The study, which follows earlier reports by Moore using the same methodology, compared wages reported to the state unemployment insurance tax office for California trainees compared with control groups. The study found evidence of increased employment stability and higher earnings for trainees. It also calculated a return on the state investment in training of at least \$2.50 for every dollar spent by California.

### **Policy Analysis**

Most state programs have enjoyed local success and support because they succeed in appealing

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<sup>4</sup> *Accounting for Training: An Analysis of the Outcomes of California Employment Training Panel Programs*; Richard W. Moore, Daniel R. Blake, and G. Michael Phillips; July 5, 1995; California State University, Northridge, School of Business Administration and Economics.

to business and because the programs are relatively small. In many cases the programs succeed in stimulating additional training, improving the lives of workers, and increasing their incomes.

However, continued expansion like the programs have experienced since 1995 is not assured. The following policy issues and recommendations are based on the results of this study, studies dating to 1988-89 conducted by the authors, and other studies in the field.<sup>5</sup> In addition, they are informed by the experience of one of the authors (Duscha), who served as the executive director of the California customized training program, and worked as a consultant to firms and training vendors in 10 states since 1989.

Following are key issues that face the state programs:

1. How can programs be operated so they are not seen as corporate welfare?

Customized training, both for new hires and incumbent workers, has been criticized as corporate welfare because it subsidizes activities conducted for specific companies and confers specific benefits on individual companies. Both new hire and incumbent worker programs are vulnerable to charges that they are only subsidizing rich corporations with money for training the company would conduct whether or not the state supplied any money.<sup>6</sup>

State and local governments routinely court firms and offer them subsidies to win jobs and improve profits for individual companies. But writing checks from government to companies can be controversial unless the public benefits of the deal are made clear.

One solution is for the states to require companies to show how their training is good for their employees, not just for their own bottom lines, and to provide stronger assurances that the subsidies will add to the amount of training that takes place, not simply substitute for company expenses. States have devoted much energy to laying out a welcome mat for firms and demonstrating how they are business-friendly. Now they need to show that being business-friendly translates into more work, higher incomes, and a better overall state economy.

Another solution is for states to find a way out of the expensive competitions and bidding wars to attract new plants, call centers, distribution centers and other footloose facilities. As long as states and local agencies are willing to offer big subsidies through training and other means, companies will take advantage of them.

Fearing they may place themselves at a competitive disadvantage, no state wants to be the first to renounce the use of these costly subsidies. A federal initiative on incumbent worker training might be tied to acceptance of national rules prohibiting competition between states that results in zero benefits for the nation.

2. How can programs ensure quality instruction?

The 33 states that allow companies to pick their own trainers essentially have voucher systems that let companies select any internal or external trainer. Quality is left to the company to determine. The remaining

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<sup>5</sup> Creticos, P. and Sheets, R. (May 1990). *Evaluating State-Financed, Workplace-Based Retraining Programs: A Report on the Feasibility of a Business Screening and Performance Outcome Evaluation System*. National Commission for Employment Policy, Research Report 89-08.

National Center for Research in Vocational Education and the Center for Labor Research and Education. University of California, Berkeley, October 1993. *Choosing Wisely for California: Targeting the Resources of the Employment Training Panel*.

<sup>6</sup> See, for example, Time Magazine; "What Corporate Welfare Costs You," November 9, 1998. The article is critical of tax cuts and training subsidies offered to firms by states.

states require the use of programs and trainers from public community or vocational colleges.

Company personnel may be good trainers or poor trainers. The same is true for college personnel. Quality of instruction is an issue throughout the educational system and it deserves attention in customized training. Although some firms may have sufficient expertise to make fully informed judgements about training quality, states should consider offering assistance.

For example, states could offer regular train-the-trainer and instructional design courses for company personnel planning to train with state program funds. These courses should be offered at no charge at convenient times and location so company trainers are likely to seek them out.

College instructors participating in these programs also should be encouraged to complete in-service training or show recent firm-based experience before being assigned to a customized training project. Georgia and South Carolina, which operate special schools, already meet this test.

3. Which firms should states pick to help first?

Not every business can have a customized program developed and subsidized by the state for its own use. States must use fair and consistent methods for selecting firms, especially for incumbent worker training which cannot be justified by new jobs created. With good reason states pick basic industries to assist, but not every company in a basic industry can be helped. Multiplier effects of a training contract that improves the survival prospects of a firm and its employees can be calculated for most projects, but policymakers sometimes view these estimates with suspicion.

Another option is to select industries or occupations to support based on broader state policy. Such an approach makes training a support function to state economic development, but it leaves to others responsibility for justifying the need for state-financed training.

States will benefit from criteria for making choices that can be understood and supported by the public. An option that should be considered is to judge effects of training on workers who are trained. How are their lives improved by the training? Employment records collected for unemployment insurance tax and benefit purposes provide tangible evidence of wages before and after training. Following the lead of the Job Training Partnership Act and the Workforce Investment Act, states can assess the impact of their projects on the incomes of individuals. Although not every project will yield wage increases, projects in the aggregate should result in wages increases above the norm for the state.

4. Can states find mechanisms to handle the increasing amounts of money they are allocating to customized training?

The state programs remain on a small Aboutique@scale, dwarfed by federal employment and training and state vocational programs. If the programs are important for the economic well-being of firms and workers, should they be expanded? Should funding be transferred from less critical vocational programs to customized training?

One of the strengths of the state programs is that they have been relatively small and flexible. They are friendly to business, easy to get along with, and quick to fund proposals. They have the flexibility to examine individual situations and make individual decisions. But as they grow, the opportunities to make errors grow as well, and the ability of program staff to make informed decisions on individual applications drops.

One option is to diffuse decision making and disperse smaller amounts of money to local areas through community or vocational colleges or private industry councils or their successors. Such an approach may insulate state decision makers from criticism over controversial decisions, but it does not necessarily lead to better decisions.

No state has made the transition from small Apilot@or Ademonstration@to full-scale program. The change will

take more than money. It will take a new way of making decisions and allocating funds so the programs can have broad effects while maintaining the flexibility to make judgements based on the circumstances of individual companies and groups of employers.

5. Can states find ways to help smaller firms as well as larger firms?

Because of their size, small firms have few employees available to work with government for training or any other purpose. They often have poorly defined human resource systems and little or no training capacity. Yet their need for training is as great as the need for training at bigger firms. The likelihood that small employers will provide training on their own, without government help is less than for big firms. Small firms are viewed as major job producers in many areas of the country.

One option is to create a system of small, on-the-job training contracts, or vouchers to subsidize informal training at small firms. Such a system could result in money flowing to small firms, but might not result in any quality training occurring.

A better answer is the one many states reported, which is the formation of consortia groups of small firms to combine their training into economical classes. Training in basic office automation skills and machinist skills are examples of consortia training. These efforts, which have begun in many states (for example, California, Illinois, and Texas), should be continued and expanded where possible.

6. Can the states move into nontraditional training methods?

Internet and other distance learning systems are especially important in small states with scattered populations. They are important to larger firms with scattered operations too. However, few states to date have moved aggressively into alternative training systems.

This is an area where the state programs can help lead companies and schools in testing computer-based training. States will find interested firms looking for more efficient ways to provide training on a continuing basis for dispersed personnel. States should support experimental and demonstration projects.

7. What is the federal role?

At a time when federal programs are being shifted to the states it would not be appropriate to suggest a major federal role in state customized training programs. However, there are a number of cooperative activities that should be considered.

The state programs have experience and expertise in incumbent worker training and should be encouraged to administer incumbent worker training under the federal Workforce Investment Act (WIA). Specific mechanisms should be developed state-by-state. The programs should be coordinated though WIA at the state level, along with other appropriate state programs.

The federal government should examine ways to end bidding wars for new private sector facilities that give rise to complaints of corporate welfare and pit states against each other in a competition to give away taxpayer money for training and other purposes.

Finally, the federal government should continue to gather and share information about the state programs and encourage systematic program evaluations.

# Tables

**Table 1: National Budget Totals by Year**

	Total U.S. Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita
1988-89	\$364,284,000		\$3.46	
1989-90	\$396,579,612	9%	\$3.67	6%
1990-91	\$323,554,802	-18%	\$2.95	-20%
1991-92	\$293,789,567	-9%	\$2.72	-8%
1992-93	\$316,331,139	8%	\$2.91	7%
1993-94	\$337,443,817	7%	\$3.05	5%
1994-95	\$357,746,417	6%	\$3.13	3%
1995-96	\$414,116,727	16%	\$3.54	13%
1996-97	\$516,099,438	25%	\$4.31	22%
1997-98	\$541,179,726	5%	\$4.41	2%
1998-99	\$593,191,281	10%	\$4.71	7%
<b><i>Increase from 88-89 to 98-99</i></b>	<b><i>\$228,907,281</i></b>	<b><i>163%</i></b>	<b><i>\$1.26</i></b>	<b><i>136%</i></b>

**Table 2: Top Ten States in Total Spending**

	98-99 Budget	98-99 Per Capita Spending	98-99 Rank Per Capita	% Incumbent Workers	\$ Incumbent Workers	% New Hires	\$ New Hires
California	\$117,201,000	\$8.63	6	90%	\$105,480,900	10%	\$11,720,100
Texas	\$66,500,000	\$7.48	8	65%	\$43,225,000	35%	\$23,275,000
Iowa	\$43,402,000	\$29.92	1	5%	\$2,170,100	95%	\$41,231,900
Kansas	\$33,000,000	\$25.28	2	5%	\$1,650,000	95%	\$31,350,000
Michigan	\$30,000,000	\$6.70	9	87%	\$26,100,000	13%	\$3,900,000
Pennsylvania	\$29,000,000	\$5.31	13*	50%	\$14,500,000	50%	\$14,500,000
Missouri	\$28,000,000	\$10.50	4	50%	\$14,000,000	50%	\$14,000,000
Illinois	\$20,573,000	\$3.50	24	90%	\$18,515,700	10%	\$2,057,300
New Jersey	\$20,000,000	\$5.27	15	75%	\$15,000,000	25%	\$5,000,000
North Carolina	\$19,800,000	\$5.31	13*	43%	\$8,514,000	57%	\$11,286,000
<b>Total for Top 10</b>	<b>\$407,476,000</b>			<b>61%</b>	<b>\$249,155,700</b>	<b>39%</b>	<b>\$158,320,300</b>
<b>Percent of All State Budgets</b>	<b>69%</b>				<b>78%</b>		<b>57%</b>

**Table 3: Top Ten States in Per Capita Spending**

	98-99 Budget	98-99 Per Capita Spending	98-99 Rank Per Capita	% Incumbent Workers	\$ Incumbent Workers	% New Hires	\$ New Hires
Iowa	\$43,402,000	\$29.92	1	5%	\$2,170,100	95%	\$41,231,900
Kansas	\$33,000,000	\$25.28	2	5%	\$1,650,000	95%	\$31,350,000
Alaska	\$3,200,000	\$11.59	3	0%	\$0	100%	\$3,200,000
Missouri	\$28,000,000	\$10.50	4	50%	\$14,000,000	50%	\$14,000,000
Alabama	\$18,000,000	\$9.57	5	0%	\$0	100%	\$18,000,000
California	\$117,201,000	\$8.63	6	90%	\$105,480,900	10%	\$11,720,100
New Mexico	\$6,000,000	\$8.33	7	0%	\$0	100%	\$6,000,000
Texas	\$66,500,000	\$7.48	8	65%	\$43,225,000	35%	\$23,275,000
Michigan	\$30,000,000	\$6.70	9	87%	\$26,100,000	13%	\$3,900,000
Idaho	\$3,000,000	\$5.78	10	0%	\$0	100%	\$3,000,000
<b>Total for Top 10</b>	<b>\$348,303,000</b>			<b>55%</b>	<b>\$192,626,000</b>	<b>45%</b>	<b>\$155,677,000</b>
<b>Percent of all State Budgets</b>	<b>59%</b>				<b>61%</b>		<b>57%</b>

**Table 4: Change in Incumbent Worker Training by State**  
*\$0 Indicates No Incumbent Worker Funding*

	1988-89 Incumbent Worker Training	1994-95 Incumbent Worker Training	1998-99 Incumbent Worker Training	Change 1988-89 to 1998-99
Alabama	\$843,300	\$4,233,113	\$0	-\$843,300
Alaska	\$0	\$1,550,000	\$0	\$0
Arizona	\$0	\$0	\$0	\$0
Arkansas	\$136,100	\$0	\$150,000	\$13,900
California	\$66,780,000	\$76,897,800	\$105,480,900	\$38,700,900
Colorado	\$300,000	\$297,300	\$2,109,000	\$1,809,000
Connecticut	\$1,790,100	\$1,289,951	\$3,018,662	\$1,228,562
Delaware	\$432,000	\$260,000	\$866,335	\$434,335
Florida	\$300,000	\$0	\$0	-\$300,000
Georgia	\$0	\$0	\$0	\$0
Hawaii	\$0	\$1,900,000	\$2,375,000	\$2,375,000
Idaho	\$249,000	\$50,000	\$0	-\$249,000
Illinois	\$22,987,250	\$19,350,722	\$18,515,700	-\$4,471,550
Indiana	\$5,100,000	\$8,327,042	\$10,400,000	\$5,300,000
Iowa	\$0	\$1,200,000	\$2,170,100	\$2,170,100
Kansas	\$420,000	\$1,363,750	\$1,650,000	\$1,230,000
Kentucky	\$2,181,750	\$2,450,000	\$1,549,500	-\$632,250
Louisiana	\$0	\$0	\$3,000,000	\$3,000,000
Maine	\$0	\$1,000,000	\$2,880,000	\$2,880,000
Maryland	\$352,500	\$1,621,250	\$2,730,000	\$2,377,500
Massachusetts	\$0	\$1,080,000	\$6,750,000	\$6,750,000
Michigan	\$29,226,000	\$37,000,000	\$26,100,000	-\$3,126,000
Minnesota	\$1,785,000	\$1,125,600	\$5,355,000	\$3,570,000
Mississippi	\$990,000	\$750,000	\$4,400,000	\$3,410,000

**Table 4: Change in Incumbent Worker Training by State**  
*(Continued)*

	1988-89 Incumbent Worker Training	1994-95 Incumbent Worker Training	1998-99 Incumbent Worker Training	Change 1988-89 to 1998-99
Missouri	\$3,700,000	\$4,068,750	\$14,000,000	\$10,300,000
Montana	No Customized Training Program			

**Table 4: Change in Incumbent Worker Training by State**  
(Continued)

	1988-89 Incumbent Worker Training	1994-95 Incumbent Worker Training	1998-99 Incumbent Worker Training	Change 1988-89 to 1998-99
Nebraska	\$0	\$569,500	\$0	\$0
Nevada	\$0	\$0	\$0	\$0
New Hampshire	No Customized Training Program			
New Jersey	\$614,400	\$9,750,000	\$15,000,000	\$14,385,600
New Mexico	\$73,500	\$0	\$0	-\$73,500
New York	\$17,206,800	\$1,700,000	Program Ended 1996	-\$17,206,800
North Carolina	\$2,087,400	\$5,300,000	\$8,514,000	\$6,426,600
North Dakota	\$0	\$0	\$720,000	\$720,000
Ohio	\$11,612,000	\$7,000,000	\$6,500,000	-\$5,112,000
Oklahoma	\$1,000,000	\$0	\$3,146,387	\$2,146,387
Oregon	\$0	\$368,580	Program Ended 1997	\$0
Pennsylvania	\$9,300,000	\$3,887,500	\$14,500,000	\$5,200,000
Rhode Island	\$3,800,000	\$4,700,000	\$900,000	-\$2,900,000
South Carolina	\$1,200,000	\$0	\$0	-\$1,200,000
South Dakota	\$0	\$125,000	\$112,500	\$112,500
Tennessee	\$0	\$925,000	\$2,250,000	\$2,250,000
Texas	\$0	\$3,375,000	\$43,225,000	\$43,225,000

**Table 4: Change in Incumbent Worker Training by State**  
(Continued)

	1988-89 Incumbent Worker Training	1994-95 Incumbent Worker Training	1998-99 Incumbent Worker Training	Change 1988-89 to 1998-99
Utah	\$0	\$783,000	\$1,820,000	\$1,820,000
Vermont	\$64,400	\$208,200	\$342,000	\$277,600
Virginia	\$1,014,800	\$1,240,000	\$650,000	-\$364,800
Washington	\$675,000	\$224,070	\$390,600	-\$284,400
West Virginia	\$126,200	\$350,000	\$1,800,000	\$1,673,800
Wisconsin	\$390,000	\$1,437,500	\$3,412,500	\$3,022,500
Wyoming	No Customized Training Program			
Total	\$186,737,500	\$207,758,628	\$316,783,183	\$130,045,683

**Table 5: Characteristics of Customized Training Programs 1998-99**

**See Excel Chart: Table 5 [two pages]**

**Table 5: Characteristics of Customized Training Programs 1998-99**

	98-99 Budget	98-99 Per Capita Spending	98-99 Rank Per Capita	% Incumbent Workers	\$ Incumbent Workers	% New Hires	\$ New Hires	Revenue Source	Average Per Person	Average Per Project	Direct Training or Contracting	Training Provider choice Yes/No	Welfare to Work? Yes/No	Number of Staff	State Agency	Region
Alabama	#REF!	#REF!	5	0%	#REF!	100%	#REF!	General Fund	\$650	N.A.	Contracting	Y	N	50	Education	S
Alaska	#REF!	#REF!	3	0%	#REF!	100%	#REF!	Special Tax	N.A.	N.A.	Contracting	Y	N	1	Other	PC
Arizona	#REF!	#REF!	34	0%	#REF!	100%	#REF!	General Fund	N.A.	N.A.	Contracting	N	N	1	Commerce	SW
Arkansas	#REF!	#REF!	42	10%	#REF!	90%	#REF!	General Fund	\$750	\$40,000	Contracting	Y	N	6	Commerce	S
California	#REF!	#REF!	6	90%	#REF!	10%	#REF!	Special Tax	\$1,300	\$400,000	Contracting	Y	Y	118	Independent	PC
Colorado	#REF!	#REF!	29	37%	#REF!	63%	#REF!	General Fund	\$400	\$50,000	Contracting	Y	N	N.A.	Education	RM
Connecticut	#REF!	#REF!	33	75%	#REF!	25%	#REF!	General Fund; Bond	\$450	N.A.	Contracting	Y	N	N.A.	Labor	NE
Delaware	#REF!	#REF!	36	96%	#REF!	4%	#REF!	Special Tax	\$635	\$25,000	Contracting	Y	Y	2	Commerce	S
Florida	#REF!	#REF!	43	0%	#REF!	100%	#REF!	General Fund	\$800	N.A.	Contracting	Y	N	N.A.	Commerce	S
Georgia	#REF!	#REF!	30*	0%	#REF!	100%	#REF!	General Fund	\$320	N.A.	Training	N	N	55	Education	S
Hawaii	#REF!	#REF!	17	95%	#REF!	5%	#REF!	Special Tax	N.A.	N.A.	Contracting	N	N	3	Labor	PC
Idaho	#REF!	#REF!	10	0%	#REF!	100%	#REF!	Special Tax	N.A.	N.A.	Contracting	Y	N	1	Labor	RM
Illinois	#REF!	#REF!	24	90%	#REF!	10%	#REF!	General Fund	\$235	\$246,000	Contracting	Y	N	9	Com; Ind	MW
Indiana	#REF!	#REF!	18	80%	#REF!	20%	#REF!	General Fund	\$500	N.A.	Contracting	Y	N	6	Commerce	MW
Iowa	#REF!	#REF!	1	5%	#REF!	95%	#REF!	Bonds	\$2,517	N.A.	Contracting	Y	N	4	Commerce	MW
Kansas	#REF!	#REF!	2	5%	#REF!	95%	#REF!	Bonds; General Fund	N.A.	\$850,000	Contracting	Y	N	4	Commerce	MW
Kentucky	#REF!	#REF!	39	50%	#REF!	50%	#REF!	General Fund	N.A.	N.A.	Contracting	Y	N	6	Independent	S
Louisiana	#REF!	#REF!	22	40%	#REF!	60%	#REF!	General Fund	\$2,500	\$250,000	Contracting	Y	N	4	Com/Ed	S
Maine	#REF!	#REF!	11	90%	#REF!	10%	#REF!	General Fund	\$500	\$50,000	Contracting	Y	N	3	Labor	NE
Maryland	#REF!	#REF!	21	30%	#REF!	70%	#REF!	General Fund	N.A.	\$10,000	Contracting	Y	N	N.A.	Commerce	S
Massachusetts	#REF!	#REF!	28	75%	#REF!	25%	#REF!	Special Tax	N.A.	N.A.	Contracting	Y	N	N.A.	Labor	NE
Michigan	#REF!	#REF!	9	87%	#REF!	13%	#REF!	General Fund	\$600	N.A.	Contracting	N	N	N.A.	Other	MW
Minnesota	#REF!	#REF!	26	70%	#REF!	30%	#REF!	General Fund	\$900	\$300,000	Contracting	N	N	5	Other	MW
Mississippi	#REF!	#REF!	16	80%	#REF!	20%	#REF!	General Fund	\$50	\$15,000	Contracting	N	N	2	Education	S
Missouri	#REF!	#REF!	4	50%	#REF!	50%	#REF!	General Fund	\$700	\$50,000	Contracting	Y	N	6	Commerce	MW
Nebraska	#REF!	#REF!	25	36%	#REF!	64%	#REF!	General Fund	\$1,000	\$50,000	Contracting	Y	N	1	Commerce	MW
Nevada	#REF!	#REF!	44	0%	#REF!	100%	#REF!	General Fund	\$1,000	\$100,000	Contracting	N	N	N.A.	Commerce	RM
New Jersey	#REF!	#REF!	15	75%	#REF!	25%	#REF!	Special Tax	\$1,000	\$180,000	Contracting	Y	N	27	Labor	MA



**Table 6: State Programs Funded by Special VI-Associated Tax**

	98-99 Budget	98-99 Per Capita Spending	98-99 Rank Per Capita	% Incumbent Workers	\$ Incumbent Workers	% New Hires	\$ New Hires
Alaska	\$3,200,000	\$11.59	3	0%	\$0	100%	\$3,200,000
California	\$117,201,000	\$8.63	6	90%	\$105,480,900	10%	\$11,720,100
Delaware	\$902,432	\$2.26	36	96%	\$866,335	4%	\$36,097
Hawaii	\$2,500,000	\$5	17	95%	\$2,375,000	5%	\$125,000
Idaho	\$3,000,000	\$5.78	10	0%	\$0	100%	\$3,000,000
Massachusetts	\$9,000,000	\$2.80	28	75%	\$6,750,000	25%	\$2,250,000
New Jersey	\$20,000,000	\$5.27	15	75%	\$15,000,000	25%	\$5,000,000
Rhode Island	\$1,200,000	\$2.64	32	75%	\$900,000	25%	\$300,000
South Dakota	\$750,000	\$2.08	37	15%	\$112,500	85%	\$637,500
Texas	\$66,500,000	\$7.48	8	65%	\$43,225,000	35%	\$23,275,000
Total for States with Special Tax	\$224,253,432			78%	\$174,709,735	22%	\$49,543,697
Percent of All State Budgets	38%				55%		18%

**Table 7: State Programs Funded by Tax Increment Bonds**

	98-99 Budget	98-99 Per Capita Spending	98-99 Rank Per Capita	% Incumbent Workers	\$ Incumbent Workers	% New Hires	\$ New Hires
Iowa	\$43,402,000	\$29.92	1	5%	\$2,170,100	95%	\$41,231,900
North Dakota	\$900,000	\$2.81	27	80%	\$720,000	20%	\$180,000
Kansas	\$33,000,000	\$25.28	2	5%	\$1,650,000	95%	\$31,350,000
Connecticut	\$4,024,882	\$2	33	75%	\$3,018,662	25%	\$1,006,221
<b>Total for Bond States</b>	<b>\$81,326,882</b>				<b>\$7,558,762</b>		<b>\$73,768,121</b>
<b>Percent of All State Budgets</b>	<b>14%</b>				<b>2%</b>		<b>27%</b>

**Table 8: State Programs Where Colleges are Only Training Provider**

	98-99 Budget	98-99 Per Capita Spending	98-99 Rank Per Capita	% Incumbent Workers	\$ Incumbent Workers	% New Hires	\$ New Hires
Arizona	\$5,000,000	\$2.42	34	0%	\$0	100%	\$5,000,000
Georgia	\$10,200,000	\$2.74	30*	0%	\$0	100%	\$10,200,000
Hawaii	\$2,500,000	\$4.78	17	95%	\$2,375,000	5%	\$125,000
Michigan	\$30,000,000	\$7	9	87%	\$26,100,000	13%	\$3,900,000
Minnesota	\$7,650,000	\$2.99	26	70%	\$5,355,000	30%	\$2,295,000
Mississippi	\$5,500,000	\$5	16	80%	\$4,400,000	20%	\$1,100,000
Nevada	\$500,000	\$0.54	44	0%	\$0	100%	\$500,000
North Carolina	\$19,800,000	\$5.31	13*	43%	\$8,514,000	57%	\$11,286,000
Oklahoma	\$7,865,967	\$5.53	12	40%	\$3,146,387	60%	\$4,719,580
South Carolina	\$7,670,000	\$4.27	19	0%	\$0	100%	\$7,670,000
Utah	\$2,800,000	\$2.74	30*	65%	\$1,820,000	35%	\$980,000
Washington	\$558,000	\$0.21	45	70%	\$390,600	30%	\$167,400
Total College Programs	\$100,043,967				\$52,100,987		\$47,942,980
Percent of All State Budgets	17%				16%		17%

**Table 9: Spending by Region**

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	98-99 Budget	% of Total U.S.	\$ Incumbent Workers	\$ New Hires
Middle Atlantic	\$49,000,000	8%	\$29,500,000	\$19,500,000
Midwest	\$197,600,000	33%	\$88,935,800	\$108,664,200
Northeast	\$17,994,882	3%	\$13,890,662	\$4,104,221
Pacific Coast	\$123,459,000	21%	\$108,246,500	\$15,212,500
Rocky Mountain	\$12,000,000	2%	\$3,929,000	\$8,071,000
South	\$107,771,432	18%	\$25,909,835	\$81,861,597
Southwest	\$85,365,967	14%	\$46,371,387	\$38,994,580
Total	\$593,191,281	100%	\$316,783,184	\$276,408,098

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**Table 10: Middle Atlantic Region Budget Comparison**

	98-99 Budget	98-99 Per Capita Spending	98-99 Rank Per Capita	% Incumbent Workers	\$ Incumbent Workers	% New Hires	\$ New Hires
New Jersey	\$20,000,000	\$5.27	15	75%	\$15,000,000	25%	\$5,000,000
New York	\$0	\$0.00	46*	0%	\$0	0%	\$0
Pennsylvania	\$29,000,000	\$5.31	13*	50%	\$14,500,000	50%	\$14,500,000
<b>TOTAL</b>	<b>\$49,000,000</b>			<b>60%</b>	<b>\$29,500,000</b>	<b>40%</b>	<b>\$19,500,000</b>

**Table 11: Midwest Region Budget Comparison**

	98-99 Budget	98-99 Per Capita Spending	98-99 Rank Per Capita	% Incumbent Workers	\$ Incumbent Workers	% New Hires	\$ New Hires
Illinois	\$20,573,000	\$3.50	24	90%	\$18,515,700	10%	\$2,057,300
Indiana	\$13,000,000	\$4.54	18	80%	\$10,400,000	20%	\$2,600,000
Iowa	\$43,402,000	\$29.92	1	5%	\$2,170,100	95%	\$41,231,900
Kansas	\$33,000,000	\$25.28	2	5%	\$1,650,000	95%	\$31,350,000
Michigan	\$30,000,000	\$6.70	9	87%	\$26,100,000	13%	\$3,900,000
Minnesota	\$7,650,000	\$2.99	26	70%	\$5,355,000	30%	\$2,295,000
Missouri	\$28,000,000	\$10.50	4	50%	\$14,000,000	50%	\$14,000,000
Nebraska	\$2,775,000	\$3.15	25	0%	\$0	100%	\$2,775,000
North Dakota	\$900,000	\$2.81	27	80%	\$720,000	20%	\$180,000
Ohio	\$13,000,000	\$2.39	35	50%	\$6,500,000	50%	\$6,500,000
South Dakota	\$750,000	\$2.08	37	15%	\$112,500	85%	\$637,500
Wisconsin	\$4,550,000	\$1.68	41	75%	\$3,412,500	25%	\$1,137,500
<b>TOTAL</b>	<b>\$197,600,000</b>			<b>45%</b>	<b>\$88,935,800</b>	<b>55%</b>	<b>\$108,664,200</b>

**Table 12: Northeast Region Budget Comparison**

	98-99 Budget	98-99 Per Capita Spending	98-99 Rank Per Capita	% Incumbent Workers	\$ Incumbent Workers	% New Hires	\$ New Hires
Connecticut	\$4,024,882	\$2.45	33	75%	\$3,018,662	25%	\$1,006,221
Maine	\$3,200,000	\$5.67	11	90%	\$2,880,000	10%	\$320,000
Massachusetts	\$9,000,000	\$2.80	28	75%	\$6,750,000	25%	\$2,250,000
New Hampshire	\$0	\$0	46*	0%	\$0	0%	\$0
Rhode Island	\$1,200,000	\$2.64	32	75%	\$900,000	25%	\$300,000
Vermont	\$570,000	\$2.02	38	60%	\$342,000	40%	\$228,000
<b>TOTAL</b>	<b>\$17,994,882</b>			<b>77%</b>	<b>\$13,890,662</b>	<b>23%</b>	<b>\$4,104,221</b>

**.Table 13: Pacific Coast Region Budget Comparison**

	98-99 Budget	98-99 Per Capita Spending	98-99 Rank Per Capita	% Incumbent Workers	\$ Incumbent Workers	% New Hires	\$ New Hires
Alaska	\$3,200,000	\$11.59	3	0%	\$0	100%	\$3,200,000
California	\$117,201,000	\$8.63	6	90%	\$105,480,900	10%	\$11,720,100
Hawaii	\$2,500,000	\$4.78	17	95%	\$2,375,000	5%	\$125,000
Oregon	\$0	\$0	46*	0%	\$0	0%	\$0
Washington	\$558,000	\$0.21	45	70%	\$390,600	30%	\$167,400
<b>TOTAL</b>	<b>\$123,459,000</b>			<b>88%</b>	<b>\$108,246,500</b>	<b>12%</b>	<b>\$15,212,500</b>

**Table 14: Rocky Mountain Region Budget Comparison**

	98-99 Budget	98-99 Per Capita Spending	98-99 Rank Per Capita	% Incumbent Workers	\$ Incumbent Workers	% New Hires	\$ New Hires
Colorado	\$5,700,000	\$2.77	29	37%	\$2,109,000	63%	\$3,591,000
Idaho	\$3,000,000	\$5.78	10	0%	\$0	100%	\$3,000,000
Montana	\$0	\$0.00	46*	0%	\$0	0%	\$0
Nevada	\$500,000	\$1	44	0%	\$0	100%	\$500,000
Utah	\$2,800,000	\$2.74	30*	65%	\$1,820,000	35%	\$980,000
Wyoming	\$0	\$0.00	46*	0%	\$0	0%	\$0
<b>TOTAL</b>	<b>\$12,000,000</b>			<b>33%</b>	<b>\$3,929,000</b>	<b>67%</b>	<b>\$8,071,000</b>

**Table 15: Southern Region Budget Comparison**

	98-99 Budget	98-99 Per Capita Spending	98-99 Rank Per Capita	% Incumbent Workers	\$ Incumbent Workers	% New Hires	\$ New Hires
Alabama	\$18,000,000	\$9.57	5	0%	\$0	100%	\$18,000,000
Arkansas	\$1,500,000	\$1.33	42	10%	\$150,000	90%	\$1,350,000
Delaware	\$902,432	\$2.26	36	96%	\$866,335	4%	\$36,097
Florida	\$4,000,000	\$1	43	0%	\$0	100%	\$4,000,000
Georgia	\$10,200,000	\$2.74	30*	0%	\$0	100%	\$10,200,000
Kentucky	\$3,099,000	\$1.77	39	50%	\$1,549,500	50%	\$1,549,500
Louisiana	\$7,500,000	\$3.98	22	40%	\$3,000,000	60%	\$4,500,000
Maryland	\$9,100,000	\$3.99	21	30%	\$2,730,000	70%	\$6,370,000
Mississippi	\$5,500,000	\$4.87	16	80%	\$4,400,000	20%	\$1,100,000
North Carolina	\$19,800,000	\$5.31	13*	43%	\$8,514,000	57%	\$11,286,000
South Carolina	\$7,670,000	\$4.27	19	0%	\$0	100%	\$7,670,000
Tennessee	\$4,500,000	\$1.72	40	50%	\$2,250,000	50%	\$2,250,000
Virginia	\$13,000,000	\$3.90	23	5%	\$650,000	95%	\$12,350,000
West Virginia	\$3,000,000	\$4.21	20	60%	\$1,800,000	40%	\$1,200,000
<b>TOTAL</b>	<b>\$107,771,432</b>			<b>24%</b>	<b>\$25,909,835</b>	<b>76%</b>	<b>\$81,861,597</b>

**Table 16: Southwest Region Budget Comparison**

	98-99 Budget	98-99 Per Capita Spending	98-99 Rank Per Capita	% Incumbent Workers	\$ Incumbent Workers	% New Hires	\$ New Hires
Arizona	\$5,000,000	\$2.42	34	0%	\$0	100%	\$5,000,000
New Mexico	\$6,000,000	\$8.33	7	0%	\$0	100%	\$6,000,000
Oklahoma	\$7,865,967	\$5.53	12	40%	\$3,146,387	60%	\$4,719,580
Texas	\$66,500,000	\$7	8	65%	\$43,225,000	35%	\$23,275,000
<b>TOTAL</b>	<b>\$85,365,967</b>			<b>54%</b>	<b>\$46,371,387</b>	<b>46%</b>	<b>\$38,994,580</b>

# State Data

For each state the report includes a program summary with the following items:

<b>Category</b>	<b>Definition</b>
1998-99 budget	Total program budget for latest year. Although some programs carry out multiple functions, only state funds for customized training are included in the totals. For states with more than one operating program, the budget for the combined programs is listed.
1998-99 per capita spending	Total program budget for latest year divided by the states nonfarm employment for July 1998 as reported by the Bureau of Labor Statistics.
Year program created	Year the current program or any predecessor program began operation.
Money for incumbent worker training	Percent of latest annual budget expected to be spent for training existing workers. In cases where the state could not provide a percentage, the author made a conservative estimate based on past activities.
Money for new hire training	Percent of latest annual budget expected to be spent for training employees who are new to the firm.
State overview	Summary of goals of the program and unusual program elements.
Source of money	Funding source within state government.
Company targeting	What types of companies the state selects for training assistance.
Trainee targeting	What types of individuals the state selects for training assistance.
Typical training amounts	Average amounts spent for training per person trained and/or per training project. In most cases these are estimates by program staff.
Limits on training or project amounts	Official limits, if any, set by states on training reimbursements.
State program administration	Where the program is located within state government.
State program administration staff	The number of state-level administrative staff assigned to the program.
Application process	The process an employer follows to apply for funds.
Training project administration	How individual training projects are administered.
Training providers	Who can provide the training. Note that Acollege@is used to mean community, technical and/or vocational college, not a four-year institution.
Limits on types of training	Training that is not funded.
Welfare-to-work training	Any involvement by the program in customized training

<i>Category</i>	<i>Definition</i>
	designed to move welfare recipients into jobs.

### ***Historical Budget Detail***

For the years from 1988-89 through 1994-95, budget information is drawn from the authors' previous surveys and other research. Data for the last four years is drawn from the authors' most recent survey.

For each state with a program, the state program summary includes the following annual budget information for each state fiscal year from 1988-89 to the present.

Column 1 lists the total annual budget for customized training. For states with biennial appropriations, it is assumed that funds are spent equally between the two years in the biennium.

Column two is a calculation of the year-to-year change in column 1.

Column three is a calculation of per capita spending. Total annual spending is divided by a number representing total employment in the state for the same year. The number used for state employment is nonfarm employment by state for July of the first calendar year in the fiscal year. For example, per capita rankings for 1988-89 are calculated on nonfarm employment for July 1988.

Column four is a calculation of the year-to-year change in per capita spending.

The final column shows the rank order in per capita spending among all states for each year for which data is complete. The final report will contain rankings for the remaining years.

## Alabama Program Summary

### ***Industrial Development Training Institute***

1 Technology Court  
 Montgomery, AL 36116  
 205-242-4158 X411

1998-99 budget:	\$18,000,000
1998-99 per capita spending	\$9.57
Year program created	1971
Money for incumbent worker training	None
Money for new hire training	100%
State overview	Program to bring new business to the state. Big prize was a Mercedes auto plant that won a multi-year training commitment. Mercedes costs are included in current year budget. Program has authority for incumbent worker training, but is not currently using it.
Source of money	General fund
Company targeting	All industries are eligible.
Trainee targeting	No training for very low wage workers.
Typical training amounts	\$600 to \$700 per person.
Limits on training or project amounts	None, but projects average \$150,000.
State program administration	Community colleges
State program administration staff	50 staff
Application process	Contracts are between the state and the participating employer.
Training project administration	Funds can go directly to employers or to schools that provide training.
Training providers	Most training is provided directly by employers.
Limits on types of training	None
Welfare-to-work training	None

## Alabama Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$8,433,000		\$5.39		7
1989-90	\$8,432,962	0%	\$5.29	-2%	7
1990-91	\$7,667,967	-9%	\$4.68	-11%	8
1991-92	\$7,200,000	-6%	\$4.38	-6%	9
1992-93	\$5,800,000	-19%	\$3.46	-21%	15
1993-94	\$5,559,953	-4%	\$3.23	-7%	15
1994-95	\$16,932,453	+205%	\$9.63	+198%	4
1995-96	\$12,000,000	-29%	\$6.65	-31%	9
1996-97	\$12,000,000	0%	\$6.56	-1%	11
1997-98	\$14,000,000	+17%	\$7.49	+14%	8
1998-99	\$18,000,000	+29%	\$9.57	+28%	5

## Alaska Program Summary

### **State Training and Employment Program**

Department of Community and Regional Affairs  
 333 W. 4<sup>th</sup> Ave., Suite 220  
 Anchorage, AK 99501  
 907-269-4653

1998-99 budget:	\$3,200,000
1998-99 per capita spending	\$11.59
Year program created	1989
Money for incumbent worker training	Not reported
Money for new hire training	Not reported
State overview	Training money and responsibility is delegated to the states- three federal job training service delivery areas, which set policy and funding rules. Big program results from dedicated tax revenue. Money is available for new hires and incumbent workers.
Source of money	Employer tax collected through the state unemployment insurance system.
Company targeting	None
Trainee targeting	Special targeting to women, minority groups, welfare recipients, unemployment insurance claimants. Alaska program is more heavily targeted to needs of trainees than most states, which target employers more heavily.
Typical training amounts	Not available
Limits on training or project amounts	None
State program administration	Department of Community and Regional Affairs
State program administration staff	1 staff
Application process	Apply through the appropriate regional service delivery area.
Training project administration	By the service delivery area
Training providers	Company trainers, community institutions, vendors, or public schools.
Limits on types of training	None
Welfare-to-work training	No specific program, although welfare recipients are targeted for training help.

## Alaska Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$2,000,000		\$9.33		3
1989-90	\$1,725,000	-14%	\$7.47	-20%	5
1990-91	\$2,140,000	24%	\$8.94	+20%	3
1991-92	\$1,800,000	-16%	\$7.39	-17%	4
1992-93	\$2,800,000	+56%	\$11.30	+53%	3
1993-94	\$2,900,000	+4%	\$11.47	+1%	2
1994-95	\$3,100,000	+7%	\$11.99	+4%	3
1995-96	\$3,200,000	+3%	\$12.18	+2%	2
1996-97	\$3,200,000	0%	\$12.10	-1%	2
1997-98	\$3,200,000	0%	\$11.84	-2%	2
1998-99	\$3,200,000	0%	\$11.59	-2%	3

\* Tie with one or more states.

## Arizona Program Summary

### **Workforce Recruitment and Job Training Program**

Arizona Department of Commerce  
 3800 Central Ave., Suite 1500  
 Phoenix, AZ 85012  
 602-280-1327

1998-99 budget:	\$5,000,000
1998-99 per capita spending	\$2.42
Year program created	1993
Money for incumbent worker training	None
Money for new hire training	100%
State overview	Business attraction and expansion program with training provided by community colleges. Businesses must create net new jobs to be eligible for short term customized training. Pays for recruitment, screening and training.
Source of money	General Fund
Company targeting	To new or expanding companies with net new jobs. Companies must be financially sound as evidenced by financial statements. Manufacturers, warehouses, corporate headquarters receive priority. 25% of money is set aside for businesses with fewer than 100 employees and 25% is reserved for businesses in rural areas.
Trainee targeting	Jobs must pay at least 80% of local average wage. Hiring disabled, veterans, and displaced workers is encouraged but not required.
Typical training amounts	For companies with 100 or fewer employees \$300 to \$1,000 per person; for bigger companies \$600 to \$3,500 per person.
Limits on training or project amounts	Companies usually contribute 25% of training costs.
State program administration	13-member board appointed by the governor supervises program in state department of commerce.
State program administration staff	1 staff position.
Application process	Employer and college submit joint application. Must demonstrate maintenance of effort, employer in-kind, attempt to leverage other training dollars.

Training project administration	By local community and vocational colleges.
Training providers	Most training by community colleges. In some cases company personnel can be designated as trainers.
Limits on types of training	No basic skills training.
Welfare-to-work training	None

### Arizona Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$0		\$0.00		45*
1989-90	\$0		\$0.00		44*
1990-91	\$0		\$0.00		44*
1991-92	\$0		\$0.00		43*
1992-93	\$0		\$0.00		43*
1993-94	\$3,000,000		\$1.89		27
1994-95	\$3,000,000	0%	\$1.77	-6%	25
1995-96	\$4,500,000	+50%	\$2.50	+42%	25
1996-97	\$4,500,000	0%	\$2.38	-5%	31
1997-98	\$5,000,000	+11%	\$2.53	+7%	31
1998-99	\$5,000,000	0%	\$2.42	-4%	34

\* Tie with one or more states.

## Arkansas Program Summary

### ***Customized Training Incentive Program***

Economic Development Commission  
 State Capitol Mall, Room 506C  
 Little Rock, AR 72201  
 501-682-1350

1998-99 budget:	\$1,500,000
1998-99 per capita spending	\$1.33
Year program created	1969
Money for incumbent worker training	10%
Money for new hire training	90%
State overview	Business attraction program to train workers for new and expanding firms. Pre-employment and on-the-job training are stressed. The small allocation for incumbent worker training is new.
Source of money	General fund.
Company targeting	Manufacturing only.
Trainee targeting	None
Typical training amounts	\$750 per person trained and \$40,000 per project. 30 to 40 contracts per year.
Limits on training or project amounts	No formal limits.
State program administration	Economic development commission
State program administration staff	6 staff handle a variety of economic development activities, including customized training.
Application process	Apply directly to state.
Training project administration	Contracts are made directly with employers.
Training providers	Employers can provide training themselves or hire a public or private vendor of their choice.
Limits on types of training	None
Welfare-to-work training	None

## Arkansas Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$1,361,000		\$1.57		28
1989-90	\$1,700,000	+25%	\$1.91	+22%	24
1990-91	\$1,600,000	-6%	\$1.73	-9%	24
1991-92	\$1,200,000	-25%	\$1.28	-26%	29
1992-93	\$1,500,000	+25%	\$1.56	+21%	25
1993-94	\$1,516,000	+1%	\$1.52	-2%	28*
1994-95	\$1,520,000	0%	\$1.46	-4%	29
1995-96	\$1,500,000	-1%	\$1.41	-4%	37
1996-97	\$1,500,000	0%	\$1.38	-2%	38
1997-98	\$1,500,000	0%	\$1.36	-2%	41
1998-99	\$1,500,000	0%	\$1.33	-2%	42

## California Program Summary

### ***Employment Training Panel***

1100 J St., Fourth Floor  
 Sacramento, CA 95814  
 916-327-5640

1998-99 budget:	\$117,201,000
1998-99 per capita spending	\$8.63
Year program created	1983
Money for incumbent worker training	90%
Money for new hire training	10%
State overview	Primarily an incumbent worker training program. 100% performance based contracts, with performance defined as completion of specified training and retention in the job after training for at least 90 days. Tough performance rules mean employers and employment drive the program. Consortia contractors play a substantial role in serving small and large employers who prefer not to contract directly with the state.
Source of money	The first state to tap unemployment insurance for job training, California cut its unemployment insurance tax by .1% of taxable wages and imposed an identical training tax on the same employers to fund customized training.
Company targeting	80% of the incumbent worker money is targeted to manufacturers and service companies that export services outside the state or compete with out of state imports of services.
Trainee targeting	Wage floor for incumbent worker trainees is set at 85% of the average wage for state workers, which was \$9.28 for major metropolitan areas in 1998.
Typical training amounts	Payments for incumbent worker training average \$1,300 per person. In 1997-98 California funded 250 contracts, averaging \$400,000.
Limits on training or project amounts	State pays \$13 per hour of classroom training and \$8 an hour for on-the-job training.
State program administration	An eight-member appointed board administers an independent state agency.

State program administration staff	118 staff
Application process	After attending an orientation meeting, applicants submit form to establish basic eligibility. If eligible, applicants submit complete training plan, including curriculum and vendor information.
Training project administration	State can contract with employers, groups of employers and schools. State monitors performance.
Training providers	Employers have complete freedom to select public or private training providers.
Limits on types of training	None
Welfare-to-work training	\$20 million setaside for retention services for a person who is working and receiving TANF benefits or received TANF benefits within the previous year. Objective is to support recipients so they can remain employed. Funds both classroom and on-the-job training and mentoring.

### California Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$106,000,000		\$8.89		4
1989-90	\$137,090,000	+29%	\$11.22	+26%	2
1990-91	\$75,306,000	-45%	\$6.00	-46%	5
1991-92	\$95,607,000	27%	\$7.74	29%	3
1992-93	\$101,276,000	+6%	\$8.32	+7%	4
1993-94	\$95,446,000	-6%	\$7.92	-5%	6
1994-95	\$85,442,000	-10%	\$7.03	-11%	8
1995-96	\$76,210,309	-11%	\$6.14	-13%	12
1996-97	\$96,659,379	+27%	\$7.59	+24%	9
1997-98	\$117,686,783	+22%	\$8.91	+17%	4
1998-99	\$117,201,000	0%	\$8.63	-3%	6

## Colorado Program Summary

**Colorado First Customized Job Training**

**Colorado Existing Industry Job Training**

Office of Business Development  
 Community College and Occupational Education System  
 1625 Broadway, Suite 1710  
 Denver, CO 80202  
 303-892-3840

1998-99 budget:	\$5,700,000
1998-99 per capita spending	\$2.77
Year program created	1984
Money for incumbent worker training	37%
Money for new hire training	63%
State overview	Two programs operated jointly: Colorado First is for new and expanding companies. Colorado Existing Industry Program is for incumbent worker training. As the program budget has grown, more money is allocated to incumbent worker training. As recently as 1995, 85% of the total budget went for new hire training.
Source of money	General fund.
Company targeting	Mostly manufacturing. Other Aprimary@or Adollar-importing@ jobs are also eligible. No retail or tourist industry training. Recently training in biotechnology and pharmaceuticals.
Trainee targeting	No seasonal or part time jobs. Trainees must earn \$7 per hour in rural areas and \$8 per hour in urban areas.
Typical training amounts	Average new hire training project is \$46,000; average incumbent worker project is \$51,000. In 1996-97 state funded 65 new hire projects for 7,105 trainees and 18 incumbent worker projects for 2,611 trainees.
Limits on training or project amounts	\$400 per employee trained. For incumbent worker training employers must pay at least 40% of direct training costs.
State program administration	Community college system.
State program administration staff	Staffed through community college.

Application process	Application is through the community colleges. Colleges promise to prepare application on behalf of business.
Training project administration	State grants money to community colleges, which in turn fund company trainers or provide training services to companies.
Training providers	Company or college personnel may provide training.
Limits on types of training	None
Welfare-to-work training	None

### Colorado Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$1,276,000		\$0.89		32
1989-90	\$1,687,000	+32%	\$1.14	+28%	31
1990-91	\$1,675,000	-1%	\$1.10	-3%	31
1991-92	\$2,000,000	+19%	\$1.30	+18%	28
1992-93	\$1,982,000	-1%	\$1.24	-5%	30*
1993-94	\$1,982,000	0%	\$1.18	-4%	32
1994-95	\$1,982,000	0%	\$1.13	-5%	32
1995-96	\$3,700,000	+87%	\$2.02	+79%	29
1996-97	\$4,020,000	+9%	\$2.12	+5%	32
1997-98	\$5,700,000	+42%	\$2.87	+35%	25*
1998-99	\$5,700,000	0%	\$2.77	-3%	29

## Connecticut Program Summary

### **Customized Job Training**

Connecticut Department of Labor  
 200 Folly Brook Blvd.  
 Wethersfield, CT 06109  
 860-566-2459

1998-99 budget:	\$4,024,882
1998-99 per capita spending	\$2.45
Year program created	1977
Money for incumbent worker training	75%
Money for new hire training	25%
State overview	Money for employers= short term formal training. About 150 contracts per year assist almost 10,000 people working for 500 businesses. Contracts are made directly with single employers and with associations and schools for training multiple employers in a single contract. The program targets training for companies seeking to become high performance work organizations.
Source of money	Half from general fund and half from state bond funds.
Company targeting	Manufacturers with fewer than 500 employees. Also preference for firms that need training to implement new technology, improve quality or productivity, and shift to high performance work systems.
Trainee targeting	Targeted to frontline workers, not higher level employees.
Typical training amounts	\$400 to \$500 per person trained.
Limits on training or project amounts	None
State program administration	State labor department
State program administration staff	No dedicated staff. Costs absorbed by department of labor.
Application process	Employers apply directly to state.
Training project administration	State contracts with employers or groups of employers.
Training providers	Employers chose providers and can use own staff or local colleges.
Limits on types of training	Short term training only.
Welfare-to-work training	None

## Connecticut Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$3,978,000		\$2.39		20
1989-90	\$2,800,000	-30%	\$1.68	-29%	27
1990-91	\$2,300,000	-18%	\$1.42	-16%	26
1991-92	\$2,473,000	+8%	\$1.60	+13%	22*
1992-93	\$2,089,035	-16%	\$1.37	-15%	29
1993-94	\$2,209,759	+6%	\$1.44	+6%	30
1994-95	\$3,205,501	+45%	\$2.07	+43%	20
1995-96	\$3,619,413	+13%	\$2.32	+12%	27*
1996-97	\$4,025,182	+11%	\$2.55	+10%	30
1997-98	\$4,024,882	0%	\$2.50	-2%	32
1998-99	\$4,024,882	0%	\$2.45	-2%	33

\* Tie with one or more states.

## Delaware Program Summary

**Blue Collar Jobs Act**

Economic Development Office  
 99 Kings Hwy.  
 Dover DE 19901  
 302-739-4271

1998-99 budget:	\$902,432
1998-99 per capita spending	\$2.26
Year program created	1984
Money for incumbent worker training	96%
Money for new hire training	4%
State overview	Goal is to assure the availability of a skilled workforce by helping new and existing businesses obtain, upgrade, and retain suitable workers. Budget has not been fixed for 1997-98. Amounts used in this report assume no change from 1997-98.
Source of money	Special training tax collected with the state unemployment insurance tax. A portion of the tax funds other types of training.
Company targeting	Mostly manufacturing, but other businesses are helped if they are considered strategic to the state economy.
Trainee targeting	Blue collar, non-management jobs.
Typical training amounts	\$635 per person and \$25,000 per project.
Limits on training or project amounts	\$100,000 limit per project.
State program administration	Economic development office.
State program administration staff	2 staff
Application process	Company applies directly to state. If the company seeks an outside trainer, the state seeks bids and both the state and the company must agree on the trainer selected.
Training project administration	Projects administered by the state, which pays the trainers directly for services rendered.

Training providers	Company personnel, colleges, for-profit vendors, and unions can provide training. Currently, company and college trainers provide 80% of the training.
Limits on types of training	None
Welfare-to-work training	One of three state agencies implementing the state welfare-to-work program. Brokers custom training for employers.

### Delaware Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$1,080,000		\$3.22		14
1989-90	\$900,000	-17%	\$2.64	-18%	19
1990-91	\$1,150,000	+28%	\$3.31	+25%	16
1991-92	\$500,000	-57%	\$1.47	-56%	24
1992-93	\$515,000	+3%	\$1.51	+3%	26
1993-94	\$772,400	+50%	\$2.21	+46%	22
1994-95	\$520,000	-33%	\$1.47	-34%	28
1995-96	\$846,543	+63%	\$2.32	+58%	27*
1996-97	\$1,078,329	+27%	\$2.86	+23%	24*
1997-98	\$902,432	-16%	\$2.33	-19%	35
1998-99	\$902,432**	0%	\$2.26	-3%	36

\*\* Estimate

## Florida Program Summary

### **Quick Response Training**

Division of Economic Development  
 Department of Commerce  
 107 West Gaines St.  
 466 Collins Building  
 Tallahassee, FL 32399  
 904-922-8645

1998-99 budget:	\$4,000,000
1998-99 per capita spending	\$0.60
Year program created	1968
Money for incumbent worker training	None
Money for new hire training	100%
State overview	An incentive program to encourage business location and expansion in the state.
Source of money	General fund
Company targeting	Companies that produce exportable goods or services. Emphasis on small businesses.
Trainee targeting	Trainees must earn at least 115% of the minimum wage, except in rural areas.
Typical training amounts	\$800 per trainee. State requests employer match.
Limits on training or project amounts	No formal limits. Company can apply only once every two years for training at the same site.
State program administration	A state advisory committee including state officials and private sector representatives oversees the program for the department of commerce.
State program administration staff	No dedicated staff.
Application process	Companies apply to state department of commerce in collaboration with college or other training provider.
Training project administration	Colleges act as fiscal agents for program.
Training providers	Companies can provide own training or subcontract with a college.
Limits on types of training	None
Welfare-to-work training	None

## Florida Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$1,500,000		\$0.30		41*
1989-90	\$1,500,000	0%	\$0.29	-4%	41
1990-91	\$1,500,000	0%	\$0.28	-2%	41
1991-92	\$0	-100%	\$0.00	-100%	43*
1992-93	\$0	N.A.	\$0.00	N.A.	43*
1993-94	\$5,000,000	N.A.	\$0.89	N.A.	35
1994-95	\$2,700,000	-46%	\$0.46	-48%	39
1995-96	\$4,371,000	+62%	\$0.73	+57%	40
1996-97	\$4,000,000	-8%	\$0.65	-11%	41
1997-98	\$4,000,000	0%	\$0.62	-4%	42
1998-99	\$4,000,000	0%	\$0.60	-4%	43

\* Tie with one or more states.

## Georgia Program Summary

### **QuickStart**

Economic Development Programs  
 Department of Technical and Adult Education  
 1800 Century Place, Suite 300  
 Atlanta, GA 30345  
 404-679-1700

1998-99 budget:	\$10,200,000
1998-99 per capita spending	\$2.74
Year program created	1967
Money for incumbent worker training	None
Money for new hire training	100%
State overview	Business attraction and expansion program operated by state community colleges. All training is provided by the colleges, which can operate at company locations. Training includes orientation, basic skills, job-specific skills, productivity tools, employee involvement and human resource development.
Source of money	General fund
Company targeting	Mostly manufacturers, but increasingly service companies too. No retail or hospitality. Companies must add at least 15 new employees. State conducts needs assessment, develops training materials, and provides training.
Trainee targeting	None
Typical training amounts	\$320 per person
Limits on training or project amounts	None. Average project is about \$40,000.
State program administration	Community college system
State program administration staff	55 staff
Application process	Applications are handled through local colleges.
Training project administration	Colleges provide services, not money to companies.
Training providers	College personnel only.
Limits on types of training	None
Welfare-to-work training	None

## Georgia Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$4,900,000		\$1.70		27
1989-90	\$5,360,000	+9%	\$1.82	+7%	26
1990-91	\$5,360,000	0%	\$1.79	-2%	23
1991-92	\$5,800,000	+8%	\$1.98	+11%	19
1992-93	\$5,800,000	N.A.	\$1.94	N.A.	21
1993-94	\$7,030,561	N.A.	\$2.26	N.A.	20
1994-95	\$6,517,889	-7%	\$2.00	-11%	22
1995-96	\$8,800,000	+35%	\$2.60	+30%	24
1996-97	\$9,500,000	+8%	\$2.65	+2%	28
1997-98	\$10,000,000	+5%	\$2.77	+4%	29
1998-99	\$10,200,000	+2%	\$2.74	-1%	30*

\* Tie with one or more states.

## Hawaii Program Summary

### **Employment and Training Fund Program**

Department of Labor and Industrial Relations  
 830 Punchbowl St., Room 322  
 Honolulu, HA 96813  
 808-586-8864

1998-99 budget:	\$2,500,000
1998-99 per capita spending	\$4.78
Year program created	1987
Money for incumbent worker training	95%
Money for new hire training	5%
State overview	Special tax raises more money than can be spent for training and legislature has transferred money to other purposes during states economic downturn. At one time companies could provide own training, but now only schools can act as trainers. Current year budget is an estimate that may vary, depending on carryover.
Source of money	Employer tax collected with the state unemployment insurance tax since 1991-92.
Company targeting	Targeting to support creation of skills standards for hotel and tourism companies.
Trainee targeting	None
Typical training amounts	Not reported
Limits on training or project amounts	First year grants limited to \$100,000 and two-year total limited to 4350,000.
State program administration	Department of Labor and Industrial Relations
State program administration staff	3 staff
Application process	Apply to state or school.
Training project administration	Money is administered through public schools.
Training providers	Public schools
Limits on types of training	None
Welfare-to-work training	None

## Hawaii Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$250,000		\$0.52		37
1989-90	\$250,000	0%	\$0.50	-5%	37*
1990-91	\$250,000	0%	\$0.47	-5%	39
1991-92	\$2,000,000	+700%	\$3.70	+684%	13
1992-93	\$2,500,000	N.A.	\$4.59	N.A.	9
1993-94	\$2,500,000	N.A.	\$4.64	N.A.	9
1994-95	\$3,800,000	+52%	\$7.09	+53%	7
1995-96	\$3,800,000	0%	\$7.14	+1%	7
1996-97	\$3,800,000	0%	\$7.16	0%	10
1997-98	\$4,727,000	+24%	\$8.90	+24%	5
1998-99	\$2,500,000	-47%	\$4.78	-46%	17

\* Tie with one or more states.

## Idaho Program Summary

### ***Workforce Development Training Fund***

Idaho Department of Labor  
 217 Main St.  
 Boise, ID 83735  
 208-334-6298

1998-99 budget:	\$3,000,000
1998-99 per capita spending	\$5.78
Year program created	1982
Money for incumbent worker training	None
Money for new hire training	100%
State overview	Customized training for new and expanding companies. Program is primarily a business attraction tool. Only in case of an imminent threat of layoff or other special circumstance can the state fund training for incumbent workers.
Source of money	Special state tax collected as part of the unemployment insurance system since July 1996.
Company targeting	Companies that sell a majority of their products or services outside the state or their local market area have priority. Other service companies are eligible if they can show a compelling economic benefit to the state. Companies must be adding or preserving at least 5 jobs.
Trainee targeting	Trainees must make at least \$6 per hour.
Typical training amounts	Less than \$2,000 per person trained. Typical contract is to train 10 to 200 people. Employers are expected to show matching contribution of at least 25% of costs.
Limits on training or project amounts	Cost per trainee is limited to \$2,000 unless there is a showing of a compelling benefit to the community.
State program administration	Program administered jointly by labor and commerce departments in consultation with community colleges.
State program administration staff	One part time staff funded by the state department of labor.
Application process	State recommends calling a representative of the department of labor, department of commerce, or division of vocational education before submitting an application to the department of labor.

Training project administration	The state department of labor contracts with employers who pay colleges and other trainers through the course of the project. The state reimburses the employer for training expenses.
Training providers	Colleges provide most training. There are few private vendors in Idaho and most companies are too small to have their own trainers.
Limits on types of training	Training in basic skills and quality practices is supported only in conjunction with job skills training.
Welfare-to-work training	None

### Idaho Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$415,000		\$1.19		30
1989-90	\$415,000	0%	\$1.13	-4%	32
1990-91	\$415,000	0%	\$1.08	-5%	32
1991-92	\$415,000	0%	\$1.04	-4%	31*
1992-93	\$400,000	-4%	\$0.96	-8%	33
1993-94	\$400,000	0%	\$0.91	-4%	34
1994-95	\$100,000	-75%	\$0.22	-76%	46
1995-96	\$100,000	0%	\$0.21	-3%	45
1996-97	\$3,000,000	+2,900%	\$6.08	+2,790%	13
1997-98	\$3,000,000	0%	\$5.85	-4%	13
1998-99	\$3,000,000	0%	\$5.78	-1%	10

## Illinois Program Summary

### **Industrial Training Program**

Department of Commerce and Community Affairs  
 James R. Thompson Center  
 100 W. Randolph St., Suite 3-400  
 Chicago, IL 60601  
 312-814-2809

### **Prairie State 2000 Authority**

James R. Thompson Center  
 100 W. Randolph St., Suite 4-800  
 Chicago, IL 60601  
 312-814-2700

1998-99 budget:	\$20,573,000
1998-99 per capita spending	\$3.50
Year program created	1978
Money for incumbent worker training	90%
Money for new hire training	10%
State overview	Illinois has two separately administered programs. The Industrial Training Program (1998-99 budget \$17 million) provides training for larger businesses and consortia of firms. The program began as a business attraction program but is now mostly for incumbent worker training. Prairie State 2000 Authority (1998-99 budget \$3.573 million) is for smaller companies and includes tuition reimbursement for individuals.
Source of money	General fund
Company targeting	Mostly manufacturing for both programs.
Trainee targeting	None
Typical training amounts	Industrial Training Program average project is \$246,000 and spending per person averages \$235. Prairie State average project is \$75,000. Both programs require 50-50 match from employers.
Limits on training or project amounts	For Prairie State no more than \$1,000 per person.
State program administration	Industrial Training Program is part of the department of commerce. Prairie State is an independent agency.
State program administration staff	Industrial Training Program 2 staff. Prairie State 7 staff.
Application process	Apply directly the each state agency.

Training project administration	Contracts are directly with employers or consortia contractors.
Training providers	Employers, vendors and schools are eligible. Employers provide most of their own training under Industrial Training Program.
Limits on types of training	No standalone basic skills.
Welfare-to-work training	None

### Illinois Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$35,365,000		\$6.92		6
1989-90	\$32,708,400	-8%	\$6.26	-9%	6
1990-91	\$30,604,800	-6%	\$5.77	-8%	6
1991-92	\$19,974,829	-35%	\$3.82	-34%	12
1992-93	\$15,944,200	-20%	\$3.04	-20%	17
1993-94	\$17,414,753	9%	\$3.27	8%	14
1994-95	\$21,500,802	23%	\$3.93	20%	13
1995-96	\$15,823,000	-26%	\$2.84	-28%	22
1996-97	\$18,573,000	17%	\$3.27	15%	20
1997-98	\$20,823,000	12%	\$3.60	10%	20
1998-99	\$20,573,000	-1%	\$3.50	-3%	24

\* Tie with one or more states.

## Indiana Program Summary

### **Training 2000 Program**

Department of Commerce  
 Business Development Division  
 One North Capitol, Suite 700  
 Indianapolis, IN 46204  
 317-232-8782

1998-99 budget:	\$13,000,000
1998-99 per capita spending	\$4.54
Year program created	1981
Money for incumbent worker training	80%
Money for new hire training	20%
State overview	Training for new and expanding companies committed to workforce development and training. State pays 50% of costs for incumbent workers.
Source of money	General fund
Company targeting	Manufacturers, distribution centers, headquarters and back office operations. Capital investment required. No retail, local service, non-profits, or start-ups.
Trainee targeting	None
Typical training amounts	\$400 per person for incumbent workers; \$550 to \$650 per person for new hires.
Limits on training or project amounts	Up to \$200,000 per project. For incumbent workers usually will pay no more than about \$400 per person. State pays up to 50% of costs.
State program administration	State department of commerce
State program administration staff	6 staff
Application process	Company meets with state and then files application.
Training project administration	Contracts are through Ivy Technical College for a two-year period. Companies are eligible to reapply once every two years.
Training providers	Company trainers, colleges or vendors.
Limits on types of training	No management or safety training.
Welfare-to-work training	None

## Indiana Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$10,200,000		\$4.26		10
1989-90	\$12,600,000	+24%	\$5.06	+19%	8
1990-91	\$12,600,000	0%	\$4.96	-2%	7
1991-92	\$13,100,000	+4%	\$5.23	+5%	6
1992-93	\$13,100,000	0%	\$5.11	-2%	8
1993-94	\$11,769,525	-10%	\$4.47	-12%	10
1994-95	\$11,102,722	-6%	\$4.09	-9%	12
1995-96	\$13,000,000	+17%	\$4.68	+14%	15
1996-97	\$13,000,000	0%	\$4.65	-1%	15
1997-98	\$13,000,000	0%	\$4.54	-2%	17
1998-99	\$13,000,000	0%	\$4.54	0%	18

## Iowa Program Summary

***Iowa Industrial New Jobs Training Program***

***Iowa Jobs Training Program***

***Targeted Industries Training Program***

***Innovative Skills Development Program***

Department of Economic Development

200 East Grant Ave.

Des Moines, IA 50309

515-281-9009

1998-99 budget:	\$43,402,000
1998-99 per capita spending	\$29.92
Year program created	1983
Money for incumbent worker training	5%
Money for new hire training	95%
State overview	<p>Iowa is the only state allowed by federal law to use tax-exempt, tax increment financing to pay for customized training. Community colleges finance training by selling bonds that are repaid through increases in property taxes from new business investment or increases in income taxes paid by the company that benefits from the training. Federal law limits amount of tax-exempt bonds that can be issued so some taxable bonds also are sold. Small programs offer new hire training for companies too small to qualify for bonds, retraining and special projects, including consortia training. Bonds are sold as projects are identified so current year budget is an estimate based on the previous year.</p>
Source of money	New hire money (95% of total) comes from bond funds. Remainder from general revenue.
Company targeting	None
Trainee targeting	None
Typical training amounts	Average cost per trainee for main new hire program is \$2,517.
Limits on training or project amounts	None
State program administration	Department of Economic Development
State program administration staff	4 state-level staff
Application process	Apply through community colleges

Training project administration	Administered by community colleges. State department of Economic Development must approve all projects.
Training providers	Colleges provide most training, but company trainers and vendors may also train.
Limits on types of training	None
Welfare-to-work training	None

### Iowa Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$20,000,000		\$17.29		1
1989-90	\$20,000,000	0%	\$16.64	-4%	1
1990-91	\$20,000,000	0%	\$16.25	-2%	1
1991-92	\$20,000,000	0%	\$16.10	-1%	1
1992-93	\$20,000,000	0%	\$15.98	-1%	1
1993-94	\$20,000,000	0%	\$15.65	-2%	1
1994-95	\$21,200,000	6%	\$16.01	2%	2
1995-96	\$16,939,000	-20%	\$12.47	-22%	1
1996-97	\$45,199,000	+167%	\$32.64	+162%	1
1997-98	\$43,402,000	-4%	\$30.83	-6%	1
1998-99	\$43,402,000	0%	\$29.92	-3%	1

\* Tie with one or more states.

## Kansas Program Summary

***Investments in Major Projects and Comprehensive Training (IMPACT)***

***Kansas Industrial Training (KIT)***

***Kansas Industrial Retraining (KIR)***

Business Development Division  
 Department of Commerce & Housing  
 700 S. W. Harrison St., Suite 1300  
 Topeka, KS 66603  
 785-296-5298

1998-99 budget:	\$33,000,000
1998-99 per capita spending	\$25.28
Year program created	1973
Money for incumbent worker training	5%
Money for new hire training	95%
State overview	IMPACT is a business attraction program using tax increment bond funds for new hires at new or expanding companies with large numbers of new employees. About 10% of IMPACT money is for private capital costs of new facilities and the rest is for training. KIT is training funding for smaller companies with at least 5 new employees. KIR (\$1.8 million) is training for incumbent workers. The big budget increase this year is due to planned expansion of training under IMPACT for an 7,000 new jobs at Sprint.
Source of money	IMPACT program is funded by bonds that are repaid with state withholding taxes generated by the new jobs over a 10-year period. KIT and KIR are from the general fund.
Company targeting	Basic industries, which consist of manufacturing, distribution, regional or national service, agriculture, mining, research and development, interstate transportation, and tourism.
Trainee targeting	No specific targeting. KIR incumbent worker training is for workers likely to be displaced because of obsolete or inadequate job skills and knowledge.
Typical training amounts	IMPACT projects average \$850,000. KIR projects average \$39,000. KIT projects average \$33,000.
Limits on training or project amounts	\$2,000 per trainee for KIT and KIR. IIMPACT limits based on withholding tax amounts available to repay bonds.
State program administration	Department of Commerce and Housing

State program administration staff	4 staff
Application process	For KIT and KIR applications are submitted directly to the state. IMPACT applications are submitted in cooperation with a community college or other public school.
Training project administration	Direct contracts with employers for KIT and KIR. For IIMPACT funds flow through the educational institution to the company.
Training providers	Public schools, private vendors, and company personnel may provide training.
Limits on types of training	None
Welfare-to-work training	None

### Kansas Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$2,700,000		\$2.61		18
1989-90	\$3,300,000	+22%	\$3.11	+19%	17
1990-91	\$3,200,000	-3%	\$2.94	-5%	17
1991-92	\$4,560,000	+43%	\$4.13	+40%	11
1992-93	\$8,450,000	+85%	\$7.56	+83%	5
1993-94	\$4,300,000	-49%	\$3.78	-50%	12
1994-95	\$4,400,000	+2%	\$3.80	+1%	14
1995-96	\$8,730,000	+98%	\$7.30	+92%	6
1996-97	\$12,700,000	+45%	\$10.43	+43%	4
1997-98	\$9,460,000	-26%	\$7.44	-29%	9
1998-99	\$33,000,000	+249%	\$25.28	+240%	2

## Kentucky Program Summary

**Bluegrass State Skills Corporation**

500 Mero St., Capital Plaza Tower 21<sup>st</sup> Floor  
 Frankfort, KY 40601  
 502-564-2021

1998-99 budget:	\$3,099,000
1998-99 per capita spending	\$1.77
Year program created	1984
Money for incumbent worker training	50%
Money for new hire training	50%
State overview	Training for new and existing businesses. New administrative procedures took effect in 1998-99 to streamline contracts. State operates web site to help companies receive competitive bids for training services from schools and private training vendors. Companies must demonstrate at least a 50-50 match with state funds for all projects.
Source of money	\$1 million is paid through tax credits claimed by employers. The rest is through grants from the general fund.
Company targeting	Manufacturing, processing of agricultural and forest products, telecommunications, health care, research and development, mining, tourism, trucking. No retail.
Trainee targeting	None
Typical training amounts	Not reported
Limits on training or project amounts	For tax credits \$500 per person. For all projects \$100,000 per company. For consortia grants, \$250,000 per project.
State program administration	Independent corporation established by the state. Attached to the state Cabinet for Economic Development for administrative purposes.
State program administration staff	6 staff
Application process	Grants are submitted through a public school. Companies apply directly to state for tax credit. All applications are reviewed and acted upon by an appointed board.
Training project administration	A local school administers grants.
Training providers	Company personnel, vendors, and public school are all eligible.
Limits on types of training	None
Welfare-to-work training	None

## Kentucky Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$2,909,000		\$2.11		21
1989-90	\$5,169,000	+78%	\$3.60	+71%	15
1990-91	\$5,397,000	+4%	\$3.66	+2%	14
1991-92	\$2,553,950	-53%	\$1.73	-53%	21
1992-93	\$3,280,500	+28%	\$2.17	+25%	19
1993-94	\$3,500,000	+7%	\$2.25	+4%	21
1994-95	\$3,500,000	0%	\$2.19	-3%	18
1995-96	\$4,829,000	+38%	\$2.95	+35%	20
1996-97	\$2,580,000	-47%	\$1.54	-48%	36
1997-98	\$4,731,000	+83%	\$2.76	+79%	30
1998-99	\$3,099,000	-34%	\$1.77	-36%	39

\* Tie with one or more states.

## Louisiana Program Summary

### **Workforce Development and Training**

Department of Economic Development  
 P.O. Box 94185  
 Baton Rouge, LA 70804  
 504-342-5681

### **Quick Start Industrial Training**

Department of Education  
 P.O. Box 94064  
 Baton Rouge, LA 70804  
 504-342-4253 x257

1998-99 budget:	\$7,500,000
1998-99 per capita spending	\$3.98
Year program created	1960s
Money for incumbent worker training	40%
Money for new hire training	60%
State overview	<p>The state operates two separate programs. <b>Workforce Development</b> (\$6.5 million budget for 1998-99) was created in 1996 to provide both new hire and incumbent worker training. The state contracts with employers who can provide their own training or contract with schools or vendors. The program seeks to associate training with expanded employment or investment in the state.</p> <p><b>Quick Start</b> (\$1 million budget for 1998-99) is a business attraction program with all training provided by community and vocational schools for new hires only.</p>
Source of money	General fund for both programs.
Company targeting	Mostly manufacturing
Trainee targeting	None
Typical training amounts	For <b>Workforce Development</b> the average project is about \$250,000 and the average per person is \$2,000 to \$3,000. For <b>Quick Start</b> average project is \$70,000 to \$100,000. Average per person is \$2,500.
Limits on training or project amounts	None
State program administration	Economic development department administers <b>Workforce Development</b> . Education department administers <b>Quick Start</b> .
State program administration staff	3 staff for <b>Workforce Development</b> . 1 staff for <b>Quick Start</b> .

Application process	Apply to each agency.
Training project administration	Third party agencies administer <b>Workforce Development</b> contracts. The education department administers <b>Quick Start</b> .
Training providers	For <b>Workforce Development</b> company personnel, vendors and colleges may provide training. For <b>Quick Start</b> only colleges may provide training.
Limits on types of training	None
Welfare-to-work training	None

### Louisiana Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$800,000		\$0.53		36
1989-90	\$800,000	0%	\$0.52	-2%	36
1990-91	\$800,000	0%	\$0.50	-4%	37
1991-92	\$1,000,000	+25%	\$0.62	+24%	34
1992-93	\$1,000,000	0%	\$0.61	-1%	35
1993-94	\$800,000	-20%	\$0.48	-21%	39
1994-95	\$700,000	-13%	\$0.41	-16%	41*
1995-96	\$700,000	0%	\$0.39	-3%	43
1996-97	\$7,300,000	+943%	\$4.04	+923%	16
1997-98	\$7,500,000	+3%	\$4.05	0%	18
1998-99	\$7,500,000	0%	\$3.98	-2%	22

\* Tie with one or more states.

## Maine Program Summary

### ***Governor-s Training Initiative***

Department of Labor  
 State House, Station 59  
 August, Maine 04333  
 207-624-6390

1998-99 budget:	\$3,200,000
1998-99 per capita spending	\$5.67
Year program created	1993
Money for incumbent worker training	90%
Money for new hire training	10%
State overview	Incumbent worker program. Companies must match state money at least 50-50. State is concerned that companies show they would not have provided training without the state subsidy.
Source of money	General fund
Company targeting	None
Trainee targeting	Trainees must make at least 85% of the state average wage to qualify. Established companies with more than 25 employees must also offer employer-paid health insurance.
Typical training amounts	\$50,000 per company. \$902 per new hire and \$436 per incumbent worker.
Limits on training or project amounts	No more than \$3,000 per person.
State program administration	Department of labor
State program administration staff	3 staff
Application process	State administers money directly.
Training project administration	State contracts with employers directly.
Training providers	State vocational education system provides most of the training, but companies and private vendors can also train.
Limits on types of training	None
Welfare-to-work training	None

## Maine Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$500,000		\$0.95		31
1989-90	\$0	-100%	\$0.00	-100%	44*
1990-91	\$0	N.A.	\$0.00	N.A.	44*
1991-92	\$0	N.A.	\$0.00	N.A.	43*
1992-93	\$0	N.A.	\$0.00	N.A.	43*
1993-94	\$2,000,000	N.A.	\$3.85	N.A.	11
1994-95	\$2,000,000	0%	\$3.77	-2%	15
1995-96	\$3,200,000	+60%	\$5.98	+59%	13
1996-97	\$3,200,000	0%	\$5.89	-2%	14
1997-98	\$3,200,000	0%	\$5.77	-2%	14
1998-99	\$3,200,000	0%	\$5.67	-2%	11

\* Tie with one or more states.

## Maryland Program Summary

**Partnership for Workforce Quality**

**Maryland Industrial Training**

Department of Business and Economic Development

217 East Redwood St., 10<sup>th</sup> Floor

Baltimore, MD 21202

410-767-0095

1998-99 budget:	\$9,100,000
1998-99 per capita spending	\$3.99
Year program created	mid 1970-s
Money for incumbent worker training	30%
Money for new hire training	70%
State overview	Partnership for Workforce Quality (\$2.6 million) is for incumbent worker training. Maryland Industrial Training is a business attraction program for new hires. Incumbent worker program aims to be a catalyst for future company training.
Source of money	General fund
Company targeting	Mostly manufacturing and software.
Trainee targeting	None
Typical training amounts	For incumbent workers the average project is \$10,000.
Limits on training or project amounts	State pays 50 percent of costs for incumbent worker training and 100 percent for new hires.
State program administration	Department of Business and Economic Development
State program administration staff	No dedicated staff
Application process	State office accepts applications.
Training project administration	State contracts with companies.
Training providers	Company personnel, vendors and public schools can provide training.
Limits on types of training	None
Welfare-to-work training	None

## Maryland Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$705,000		\$0.33		40
1989-90	\$750,000	+6%	\$0.35	+4%	40
1990-91	\$1,616,000	+115%	\$0.74	+115%	34
1991-92	\$1,001,900	-38%	\$0.48	-36%	39
1992-93	\$926,736	-8%	\$0.45	-7%	38
1993-94	\$962,266	+4%	\$0.46	+3%	41
1994-95	\$1,621,250	+68%	\$0.75	+65%	35*
1995-96	\$3,665,000	+126%	\$1.68	+123%	34
1996-97	\$6,573,000	+79%	\$2.97	+76%	22
1997-98	\$7,668,000	+17%	\$3.39	+14%	22
1998-99	\$9,100,000	+19%	\$3.99	+18%	21

Tie with one or more states.

## Massachusetts Program Summary

### **Workforce Training Fund**

Department of Labor and Workforce Development  
 One Ashburton Place, 14<sup>th</sup> Floor  
 Boston, MA 02108  
 617-727-6573

1998-99 budget:	\$9,000,000
1998-99 per capita spending	\$2.80
Year program created	1981
Money for incumbent worker training	75%
Money for new hire training	25%
State overview	New program began in 1998-99 with enactment of a dedicated tax. Tax will raise up to \$18 million a year when the program is in full operation. Predecessor programs date to 1981. The allocation for incumbent worker and new hire training above is made by the author based on the experience of other states with similar programs.
Source of money	Tax collected as part of the state unemployment insurance system. Employers pay : of one percent of taxable wages for training fund.
Company targeting	Employers who make a commitment to invest in training.
Trainee targeting	Improving the skills of low-wage, low-skilled persons and preserving jobs at wages sufficient to support a family.
Typical training amounts	Not reported.
Limits on training or project amounts	Projects cannot exceed \$250,000.
State program administration	Department of Labor and Workforce Development
State program administration staff	Not reported
Application process	Apply to state.
Training project administration	State will contract with employers and schools.
Training providers	No limits on training providers.
Limits on types of training	None
Welfare-to-work training	None

## Massachusetts Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$1,764,000		\$0.56		34*
1989-90	\$1,565,250	-11%	\$0.50	-11%	37*
1990-91	\$1,443,035	-8%	\$0.48	-4%	38
1991-92	\$1,200,000	-17%	\$0.43	-12%	40
1992-93	\$1,200,000	0%	\$0.43	0%	39
1993-94	\$1,200,000	0%	\$0.42	-2%	42
1994-95	\$1,200,000	0%	\$0.41	-2%	41*
1995-96	\$1,200,000	0%	\$0.40	-2%	42
1996-97	\$1,200,000	0%	\$0.40	-2%	44
1997-98	\$1,200,000	0%	\$0.38	-3%	44
1998-99	\$9,000,000	+650%	\$2.80	+629%	28

\* Tie with one or more states.

## Michigan Program Summary

### ***Economic Development Job Training Fund***

Michigan Jobs Commission  
 201 N. Washington Square, First Floor  
 Lansing, MI 48913  
 517-373-6508

1998-99 budget:	\$30,000,000
1998-99 per capita spending	\$6.70
Year program created	1978
Money for incumbent worker training	87%
Money for new hire training	13%
State overview	Colleges provide training services customized for individual companies. Most training is process improvement, technical, and basic skills. Employer matches are required.
Source of money	General fund
Company targeting	Manufacturing, warehousing, research and development, software, and construction.
Trainee targeting	None
Typical training amounts	About \$600 per trainee.
Limits on training or project amounts	No more than \$1,000 per person trained or \$100 per instructional hour.
State program administration	Jobs Commission
State program administration staff	Not reported
Application process	Local colleges and companies jointly apply for money from the state.
Training project administration	By local colleges
Training providers	Colleges provide nearly all the training. Rules permit up to 20% of funds for a company to be spent on private vendor training.
Limits on types of training	None
Welfare-to-work training	None

## Michigan Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$38,968,000		\$10.19		2
1989-90	\$38,968,000	0%	\$9.95	-2%	3
1990-91	\$38,968,000	0%	\$9.75	-2%	2
1991-92	\$26,000,000	-33%	\$6.68	-31%	5
1992-93	\$26,000,000	0%	\$6.60	-1%	6
1993-94	\$40,000,000	+54%	\$9.97	+51%	3
1994-95	\$40,000,000	0%	\$9.62	-3%	5
1995-96	\$34,000,000	-15%	\$7.96	-17%	5
1996-97	\$34,000,000	0%	\$7.81	-2%	8
1997-98	\$31,000,000	-9%	\$6.97	-11%	10
1998-99	\$30,000,000	-3%	\$6.70	-4%	9

\* Tie with one or more states.

## Minnesota Program Summary

**Minnesota Job Skills Partnership**

500 Metro Square  
 121 7<sup>th</sup> Place East  
 St. Paul, MN 55101  
 612-296-0388

1998-99 budget:	\$7,650,000
1998-99 per capita spending	\$2.99
Year program created	1983
Money for incumbent worker training	70%
Money for new hire training	30%
State overview	Aim of program is to (1) keep businesses viable, (2) enhance economic security for individuals, and (3) serve as a catalyst for educational change. All training is provided by community colleges on a project by project basis. Developing employer consortia for more efficient training. Working with school-to-work programs.
Source of money	General fund
Company targeting	Mostly manufacturing, but no formal targeting.
Trainee targeting	None
Typical training amounts	Average project is \$125,000 to \$250,000. Average per trainee is \$800 to \$1,000.
Limits on training or project amounts	None
State program administration	State Department of Trade and Tourism
State program administration staff	5 staff
Application process	Company and community college work out training plan to present to state.
Training project administration	Community college
Training providers	Community colleges provide all training.
Limits on types of training	None
Welfare-to-work training	None

## Minnesota Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$2,550,000		\$1.25		29
1989-90	\$2,600,000	+2%	\$1.24	-1%	29
1990-91	\$2,600,000	0%	\$1.22	-2%	29
1991-92	\$1,247,000	-52%	\$0.58	-52%	36
1992-93	\$1,247,000	0%	\$0.57	-2%	36
1993-94	\$1,608,000	+29%	\$0.72	+26%	38
1994-95	\$1,608,000	0%	\$0.70	-3%	37
1995-96	\$4,500,000	+180%	\$1.89	+171%	30
1996-97	\$4,500,000	0%	\$1.85	-2%	33
1997-98	\$7,650,000	+70%	\$3.07	+66%	24
1998-99	\$7,650,000	0%	\$2.99	-2%	26

\* Tie with one or more states.

## Mississippi Program Summary

**Industrial Services**

Department of Education  
 Office of Vocational and Technical Education  
 359 North West St.  
 P.O. Box 771  
 Jackson, MS 39205  
 601-359-3989

1998-99 budget:	\$5,500,000
1998-99 per capita spending	\$4.87
Year program created	1982
Money for incumbent worker training	80%
Money for new hire training	20%
State overview	A college-based customized training program for business. State offers on-site training, college training and mobile training equipment.
Source of money	General fund
Company targeting	Mostly manufacturing
Trainee targeting	None
Typical training amounts	Average project is \$15,000. Average per person trained is \$50.
Limits on training or project amounts	None
State program administration	State department of education
State program administration staff	2 staff
Application process	Companies contact one of 15 regional college coordinators to negotiate training plan.
Training project administration	Money flows from state office to colleges which provide training.
Training providers	Community and technical colleges provide all training.
Limits on types of training	None
Welfare-to-work training	None

## Mississippi Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$1,650,000		\$1.84		25
1989-90	\$1,700,000	+3%	\$1.84	0%	25
1990-91	\$1,700,000	0%	\$1.81	-2%	22
1991-92	\$1,500,000	-12%	\$1.60	-11%	22*
1992-93	\$1,700,000	+13%	\$1.77	+10%	22
1993-94	\$950,000	-44%	\$0.95	-46%	33
1994-95	\$1,000,000	+5%	\$0.94	-1%	33
1995-96	\$6,906,000	+591%	\$6.47	+588%	10
1996-97	\$4,298,000	-38%	\$3.95	-39%	17
1997-98	\$4,453,000	+4%	\$4.01	+2%	19
1998-99	\$5,500,000	+24%	\$4.87	+21%	16

\* Tie with one or more states.

## Missouri Program Summary

### **Customized Training Program**

Division of Job Development and Training  
 Department of Economic Development  
 2023 St. Marys Boulevard  
 Jefferson City, MO 65102  
 800-877-8698

1998-99 budget:	\$28,000,000
1998-99 per capita spending	\$10.50
Year program created	1986
Money for incumbent worker training	50%
Money for new hire training	505
State overview	Customized training for job creation and job retention. Supports and a program of job analysis to help plan training. Program will pay for on-the-job training only for new hires.
Source of money	General fund
Company targeting	Manufacturing
Trainee targeting	High paying jobs
Typical training amounts	Average project is \$50,000; average per person trained is \$700.
Limits on training or project amounts	None reported
State program administration	Economic Development Department
State program administration staff	6 staff
Application process	Apply through community college., which can help prepare application.
Training project administration	Projects administered through community colleges.
Training providers	Company personnel, vendors, and colleges can provide training.
Limits on types of training	None
Welfare-to-work training	None

## Missouri Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$10,000,000		\$4.42		9
1989-90	\$10,000,000	0%	\$4.32	-2%	10
1990-91	\$8,500,000	-15%	\$3.63	-16%	15
1991-92	\$8,500,000	0%	\$3.68	2%	14
1992-93	\$8,500,000	0%	\$3.64	-1%	14
1993-94	\$8,500,000	0%	\$3.55	-2%	13
1994-95	\$16,275,000	+91%	\$6.57	+85%	10
1995-96	\$22,750,000	+40%	\$9.05	+38%	3
1996-97	\$28,000,000	+23%	\$10.93	+21%	3
1997-98	\$28,000,000	0%	\$10.61	-3%	3
1998-99	\$28,000,000	0%	\$10.50	-1%	4

\* Tie with one or more states.

## Montana

No state-funded customized training program.

## Nebraska Program Summary

### **Customized Job Training**

Department of Economic Development  
P.O. Box 95666  
Lincoln, NE 68509  
402-471-3780

### **Worker Training Program**

Department of Labor  
550 S. 16<sup>th</sup>  
Lincoln, NE 68509  
402-471-3478

1998-99 budget:	\$2,775,000
1998-99 per capita spending	\$3.15
Year program created	Early 1980s
Money for incumbent worker training	36%
Money for new hire training	64%
State overview	<b>Customized Job Training</b> (\$1,775,000 budget for 1998-99) is a business attraction program that is entirely for new hires. <b>Worker Training</b> (\$1 million) is a retraining program that started in 1998-99.
Source of money	General fund for <b>Customized Job</b> . Interest earned by UI fund for <b>Worker Training</b> .
Company targeting	Manufacturing
Trainee targeting	None
Typical training amounts	\$50,000 per project and \$1,000 per trainee.
Limits on training or project amounts	None reported
State program administration	Economic development department for <b>Customized Job</b> . Labor Department for <b>Worker Training</b> .
State program administration staff	2 staff
Application process	Apply to state office.
Training project administration	Companies administer their own contracts.
Training providers	Company personnel and local colleges provide training
Limits on types of training	None
Welfare-to-work training	None

## Nebraska Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$175,000		\$0.25		43
1989-90	\$775,000	+343%	\$1.09	+330%	33
1990-91	\$775,000	0%	\$1.06	-3%	33
1991-92	\$775,000	0%	\$1.04	-2%	31*
1992-93	\$775,000	0%	\$1.03	-1%	32
1993-94	\$670,000	-14%	\$0.87	-15%	36
1994-95	\$670,000	0%	\$0.84	-4%	34
1995-96	\$770,000	+15%	\$0.94	+13%	38
1996-97	\$770,000	0%	\$0.92	-2%	40
1997-98	\$1,775,000	+131%	\$2.06	+123%	37
1998-99	\$2,775,000	+56%	\$3.15	+53%	25

\* Tie with one or more states.

## Nevada Program Summary

### ***Train Employees Now***

Commission on Economic Development  
 5151 South Carson St.  
 Carson City, NV 89710  
 702-687-8917

1998-99 budget:	\$500,000
1998-99 per capita spending	\$0.54
Year program created	1985
Money for incumbent worker training	None
Money for new hire training	100%
State overview	Program is an economic development tool to encourage manufacturers and other targeted companies to locate in the state. Provides recruitment and short term job training services.
Source of money	General fund
Company targeting	Mostly manufacturing. No construction, mining, retail, wholesale, or tourism companies.
Trainee targeting	Trainees must earn a minimum wage of about \$10 an hour plus health benefits to qualify.
Typical training amounts	Average of 5 contracts of \$100,000 each per year. \$1,000 for person trained. State can pay up to 75% of total costs.
Limits on training or project amounts	No more than \$1,000 per person trained.
State program administration	Program administered by the commission on economic development.
State program administration staff	No dedicated staff. Support provided through community college budget.
Application process	Apply to commission on economic development.
Training project administration	Money is allocated to community colleges or private vocational schools to train for specific companies.
Training providers	All training is provided by community colleges.
Limits on types of training	Training can last for no more than 30 days.
Welfare-to-work training	None

## Nevada Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$207,000		\$0.39		38
1989-90	\$150,000	-28%	\$0.26	-33%	43
1990-91	\$150,000	0%	\$0.24	-7%	43
1991-92	\$150,000	0%	\$0.24	0%	42
1992-93	\$0	-100%	\$0.00	-100%	43*
1993-94	\$150,000	N.A.	\$0.22	N.A.	47
1994-95	\$150,000	0%	\$0.20	-10%	47
1995-96	\$150,000	0%	\$0.19	-6%	46
1996-97	\$150,000	0%	\$0.18	-7%	46
1997-98	\$500,000	+233%	\$0.56	+217%	43
1998-99	\$500,000	0%	\$0.54	-4%	44

\* Tie with one or more states.

## New Hampshire

No state-funded, customized training program

## New Jersey Program Summary

### **Customized Training Program**

Office of Customized Training  
 New Jersey Department of Labor  
 P.O. Box 933  
 Trenton, NJ 08625  
 609-292-2239

1998-99 budget:	\$20,000,000
1998-99 per capita spending	\$5.27
Year program created	1978
Money for incumbent worker training	75%
Money for new hire training	25%
State overview	Objective is to enhance the creation and retention of high wage, high skilled jobs. Currently reports demand for training in computer skills, quality, English as a second language, and occupational safety.
Source of money	Special tax collected as part of the unemployment insurance system has funded program since 1992. Tax raises about \$50 million a year. \$17 to \$20 million is used for customized training. The remainder goes to individual training grants for displaced and disadvantaged workers and to occupational safety and health training.
Company targeting	Manufacturing is targeted, but other industries, including health care, are not excluded.
Trainee targeting	Preference for training frontline workers, but managers and supervisors can be trained too.
Typical training amounts	Average project is \$180,000 with about \$1,000 spent per trainee.
Limits on training or project amounts	No formal limits. Vendor costs limited to no more than \$200 per hour. Will not fund course development costs.
State program administration	State department of labor.
State program administration staff	27 staff positions.
Application process	Applicants submit summary of training and costs. State approves or rejects outline, sets funding amount. Then applicant submits course-by-course training plan for final review by state.

Training project administration	Employers, employers associations, and consortia organized by schools hold contracts and administer them directly. State program staff monitors performance.
Training providers	Companies chose providers. Company personnel, private vendors and public schools all can be used.
Limits on types of training	None
Welfare-to-work training	None

### New Jersey Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$2,048,000		\$0.56		34*
1989-90	\$2,000,000	-2%	\$0.54	-3%	35
1990-91	\$2,000,000	0%	\$0.55	1%	36
1991-92	\$1,750,000	-13%	\$0.50	-9%	38
1992-93	\$20,000,000	+1,043%	\$5.77	+1,049%	7
1993-94	\$18,900,800	-5%	\$5.43	-6%	8
1994-95	\$19,500,000	+3%	\$5.47	+1%	11
1995-96	\$17,600,000	-10%	\$4.90	-10%	14
1996-97	\$23,300,000	+32%	\$6.39	+31%	12
1997-98	\$22,500,000	-3%	\$6.04	-6%	12
1998-99	\$20,000,000	-11%	\$5.27	-13%	15

\* Tie with one or more states.

## New Mexico Program Summary

### ***Industry Development Training Program***

Economic Development Department

11 St. Francis Dr.

Santa Fe, NM 87504

505-827-0323

1998-99 budget:	\$6,000,000
1998-99 per capita spending	\$8.33
Year program created	1972
Money for incumbent worker training	None
Money for new hire training	100%
State overview	Business attraction program. State pays half of trainee wages (65% in rural areas) for new hires to reimburse for on-the-job training. In addition, community colleges provide classroom training.
Source of money	General fund
Company targeting	No retail
Trainee targeting	None
Typical training amounts	Average project is \$490,000. Average spending per person is \$3,300.
Limits on training or project amounts	None
State program administration	Economic development department. Program shifted from education department.
State program administration staff	2.5 staff
Application process	Apply to local college
Training project administration	Colleges administer money and pay employers for OJT.
Training providers	Companies provide OJT; colleges provide classroom training.
Limits on types of training	None
Welfare-to-work training	None

## New Mexico Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$1,470,000		\$2.68		17
1989-90	\$2,150,000	+46%	\$3.83	+43%	14
1990-91	\$2,150,000	0%	\$3.70	-3%	13
1991-92	\$1,700,000	-21%	\$2.90	-22%	16
1992-93	\$2,500,000	+47%	\$4.15	+43%	12
1993-94	\$6,000,000	+140%	\$9.61	+131%	4
1994-95	\$6,000,000	0%	\$9.08	-5%	6
1995-96	\$6,000,000	0%	\$8.81	-3%	4
1996-97	\$6,000,000	0%	\$8.64	-2%	7
1997-98	\$6,000,000	0%	\$8.46	-2%	6
1998-99	\$6,000,000	0%	\$8.33	-2%	7

\* Tie with one or more states.

## New York

New York's state-funded customized training program ended in 1995-96. The former program was aimed at smaller firms implementing high performance workplace practices.

The state now attempts to help companies out of regular appropriations and non-state money.

### New York Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$26,472,000		\$3.23		13
1989-90	\$26,624,000	+1%	\$3.23	0%	16
1990-91	\$23,090,000	-13%	\$2.81	-13%	19
1991-92	\$4,730,000	-80%	\$0.60	-79%	35
1992-93	\$2,000,000	-58%	\$0.26	-57%	40*
1993-94	\$2,000,000	0%	\$0.26	0%	46
1994-95	\$2,000,000	0%	\$0.26	-1%	45
1995-96	\$6,000,000	+200%	\$0.76	+199%	39
1996-97	\$0	-100%	\$0.00	-100%	47*
1997-98	\$0	N.A.	\$0.00	N.A.	46*
1998-99	\$0	N.A.	\$0.00	N.A.	46*

## North Carolina Program Summary

***New and Expanding Industry Training  
Focused Industrial Training  
Economic Development Small Business Centers***

Department of Community Colleges  
200 West Jones St.  
Raleigh, NC 27603  
919-733-7051

1998-99 budget:	\$19,800,000
1998-99 per capita spending	\$5.31
Year program created	1958
Money for incumbent worker training	43%
Money for new hire training	57%
State overview	New and Expanding Industry Program (\$11.2 million) is an all new-hire business attraction and expansion program. Focused Industrial Training (\$3.3 million) and Economic Development Small Business Centers (\$5.3 million) are incumbent worker programs. North Carolina started the first customized training program in the country in 1958 before its community college system was created. The program was designed to bring industry to an agricultural state. For new hires any company creating 12 or more new jobs in a year in one community is eligible for customized training.
Source of money	General fund
Company targeting	Mostly manufacturing, but some service sector training. For new hires, companies must have 12 or more new jobs.
Trainee targeting	Mostly production level people and first line supervisors.
Typical training amounts	Not available.
Limits on training or project amounts	None
State program administration	Community college system
State program administration staff	8 staff
Application process	Companies approach colleges.

Training project administration	Colleges administer program and provide training.
Training providers	All training is provided by community college system. Colleges may hire company personnel to teach at the job site.
Limits on types of training	None. Training can include traditional instruction, development of training programs, customized video training, temporary training facilities, equipment, and supplies for new hire training.
Welfare-to-work training	None

### North Carolina Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$10,437,000		\$3.48		12
1989-90	\$7,828,000	-25%	\$2.55	-27%	20
1990-91	\$6,000,000	-23%	\$1.92	-24%	21
1991-92	\$7,105,000	+18%	\$2.32	+21%	17
1992-93	\$9,647,000	+36%	\$3.08	+33%	16
1993-94	\$9,600,000	0%	\$2.94	-4%	16
1994-95	\$10,600,000	+10%	\$3.16	+7%	16
1995-96	\$8,500,000	-20%	\$2.46	-22%	26
1996-97	\$10,000,000	+18%	\$2.83	+15%	26*
1997-98	\$8,800,000	-12%	\$2.39	-15%	34
1998-99	\$19,800,000	125%	\$5.31	122%	13*

\* Tie with one or more states.

## North Dakota Program Summary

### **Workforce 2000**

State Board for Vocational and Technical Education  
 600 East Boulevard Ave.  
 Bismarck, ND 58505  
 701-328-3183

1998-99 budget:	\$900,000
1998-99 per capita spending	\$2.81
Year program created	1992
Money for incumbent worker training	80%
Money for new hire training	20%
State overview	Customized training using loans that are paid off with increased tax revenue to state.
Source of money	Tax increment financing system. Companies obtain a loan from the state or a qualified private lender to pay for training. Companies pay off the loan with state income tax withholding revenue generated by new jobs. Financing system began in 1995.
Company targeting	Mostly manufacturing
Trainee targeting	None
Typical training amounts	Projects range from \$3,000 to \$130,000.
Limits on training or project amounts	None
State program administration	State education department
State program administration staff	1 staff
Application process	Apply to state
Training project administration	Companies receive money for training from loan.
Training providers	Company personnel and schools provide training.
Limits on types of training	None
Welfare-to-work training	None

## North Dakota Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$0		\$0.00		45*
1989-90	\$0	N.A.	\$0.00	N.A.	44*
1990-91	\$0	N.A.	\$0.00	N.A.	44*
1991-92	\$0	N.A.	\$0.00	N.A.	43*
1992-93	\$37,500	N.A.	\$0.14	N.A.	42
1993-94	\$92,500	+147%	\$0.32	+139%	44
1994-95	\$92,500	0%	\$0.31	-3%	43
1995-96	\$900,000	+873%	\$2.98	+852%	19
1996-97	\$900,000	0%	\$2.91	-2%	23
1997-98	\$900,000	0%	\$2.87	-1%	25*
1998-99	\$900,000	0%	\$2.81	-2%	27

\* Tie with one or more states.

## Ohio Program Summary

### **Industrial Training Program**

Department of Development  
77 S. High St., 28<sup>th</sup> Floor  
Columbus, OH 43215  
614-466-4155

1998-99 budget:	\$13,000,000
1998-99 per capita spending	\$2.39
Year program created	1981
Money for incumbent worker training	50%
Money for new hire training	50%
State overview	Customized training for new and expanding companies and retraining and upgrading skills of incumbent workers. Projects are reviewed by regional development offices.
Source of money	General fund
Company targeting	Mostly manufacturing. Also research and development, information technology. Non-manufacturing companies generally eligible if they are creating large numbers of jobs.
Trainee targeting	None
Typical training amounts	Average project is \$67,000. Average per person is \$500.
Limits on training or project amounts	Most projects are limited to about \$100,000. State sometimes encourages mini-grants of about \$10,000.
State program administration	Economic development department
State program administration staff	14 staff
Application process	Apply to local economic development office.
Training project administration	Employers contract directly with the state.
Training providers	Company personnel and colleges split training about 50-50.
Limits on types of training	None
Welfare-to-work training	\$2 million, two-year special project.

## Ohio Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$14,515,000		\$3.08		15
1989-90	\$14,400,000	-1%	\$2.99	-3%	18
1990-91	\$14,100,000	-2%	\$2.88	-4%	18
1991-92	\$10,000,000	-29%	\$2.08	-28%	18
1992-93	\$10,000,000	0%	\$2.06	-1%	20
1993-94	\$10,000,000	0%	\$2.03	-1%	25
1994-95	\$10,000,000	0%	\$1.97	-3%	23
1995-96	\$9,000,000	-10%	\$1.73	-13%	32
1996-97	\$9,000,000	0%	\$1.70	-2%	35
1997-98	\$9,000,000	0%	\$1.67	-2%	40
1998-99	\$13,000,000	+44%	\$2.39	+43%	35

\* Tie with one or more states.

## Oklahoma Program Summary

### **Training for Industry Program**

Department of Vocational and Technical Education

1500 West 7<sup>th</sup> Ave.

Stillwater, OK 74074

405-743-5559

1998-99 budget:	\$7,865,967
1998-99 per capita spending	\$5.53
Year program created	1968
Money for incumbent worker training	40%
Money for new hire training	60%
State overview	Wide-ranging college based program reaching out to service and manufacturing companies. Training includes traditional technical subjects as well as math, science and communication. Active in school-to-work.
Source of money	General fund
Company targeting	Manufacturing and service business that Aexport@from the state.
Trainee targeting	None
Typical training amounts	\$85,000 per project and \$600 per person
Limits on training or project amounts	None
State program administration	Education department
State program administration staff	7 staff
Application process	Apply to state or through college
Training project administration	Community colleges
Training providers	Colleges provide all training.
Limits on types of training	None
Welfare-to-work training	None

## Oklahoma Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$2,129,000		\$1.89		24
1989-90	\$5,000,000	+135%	\$4.26	+126%	11
1990-91	\$5,210,000	+4%	\$4.33	+2%	11
1991-92	\$5,210,000	0%	\$4.31	0%	10
1992-93	\$5,210,000	0%	\$4.27	-1%	10
1993-94	\$3,500,000	-33%	\$2.80	-34%	18
1994-95	\$3,500,000	0%	\$2.72	-3%	17
1995-96	\$4,774,290	+36%	\$3.63	+33%	16
1996-97	\$5,136,037	+8%	\$3.80	+4%	18
1997-98	\$7,321,066	+43%	\$5.29	+39%	15
1998-99	\$7,865,967	+7%	\$5.53	+5%	12

\* Tie with one or more states.

## Oregon

Oregon's customized training programs ceased operation in June 1997 following enactment of a state property tax cap that put pressure on many state budget items.

The former programs, known as Targeted Training and Key Industry Training, were community college-centered and mainly trained incumbent workers.

### Oregon Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$388,000		\$0.34		39
1989-90	\$550,000	+42%	\$0.45	+35%	39
1990-91	\$550,000	0%	\$0.44	-3%	40
1991-92	\$787,000	+43%	\$0.63	+44%	33
1992-93	\$787,500	0%	\$0.62	-3%	34
1993-94	\$614,300	-22%	\$0.47	-24%	40
1994-95	\$614,300	0%	\$0.45	-4%	40
1995-96	\$600,000	-2%	\$0.42	-6%	41
1996-97	\$600,000	0%	\$0.41	-4%	43
1997-98	\$0	-100%	\$0.00	-100%	46*
1998-99	\$0	N.A.	\$0.00	N.A.	46*

\* Tie with one or more states.

## Pennsylvania Program Summary

### **Customized Job Training**

Office of Workforce and Technology Development  
 Department of Community & Economic Development  
 464 Forum Building  
 Harrisburg, PA 17120  
 717-787-4147

1998-99 budget:	\$29,000,000
1998-99 per capita spending	\$5.31
Year program created	1982
Money for incumbent worker training	50%
Money for new hire training	50%
State overview	A major customized training program to encourage business expansion and retention of existing jobs. Recent emphasis on training for groups of employers with similar training needs that now accounts for about a third of the total budget. Consortia include machine shop and tool and die training. Also sizeable budget for customized projects for single employers.
Source of money	General fund
Company targeting	Companies locating or expanding in the state, companies with employees likely to be laid off within 6 months without retraining, and companies where upgrade training is important to maintaining competitiveness and long term viability of the company. Companies must show capital investments in the state.
Trainee targeting	None
Typical training amounts	\$1,500 per person trained. State pays 100% of total costs for new hires and usually a lesser amount for incumbent worker training.
Limits on training or project amounts	Largest project is a consortia contract for \$474,000. No company can receive more than 20 percent of the total program budget.
State program administration	Economic development agency.
State program administration staff	All staff paid by economic development agency, not program funds.

Application process	Local education agencies prepare applications on behalf of companies. Applications are reviewed by local economic development Action Team offices and then reviewed by a state committee.
Training project administration	Local educational agencies administer program on behalf of state and companies.
Training providers	Company personnel can provide training or use local schools or private vendors.
Limits on types of training	None
Welfare-to-work training	None

### Pennsylvania Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$15,500,000		\$3.06		16
1989-90	\$10,000,000	-35%	\$1.94	-37%	23
1990-91	\$6,500,000	-35%	\$1.26	-35%	28
1991-92	\$7,000,000	+8%	\$1.38	+10%	26
1992-93	\$7,000,000	0%	\$1.38	-1%	27*
1993-94	\$7,775,000	+11%	\$1.52	+10%	28*
1994-95	\$7,775,000	0%	\$1.49	-1%	27
1995-96	\$9,000,000	+16%	\$1.72	+15%	33
1996-97	\$15,000,000	+67%	\$2.83	+64%	26*
1997-98	\$19,000,000	+27%	\$3.52	+25%	21
1998-99	\$29,000,000	+53%	\$5.31	+51%	13*

\* Tie with one or more states.

## Rhode Island Program Summary

***Human Resource Investment Council***

610 Manton Ave.  
 Providence, RI 02090  
 401-222-6700

1998-99 budget:	\$1,200,000
1998-99 per capita spending	\$2.64
Year program created	1988
Money for incumbent worker training	75%
Money for new hire training	25%
State overview	Switched from funding individual companies to preference for funding industry clusters, or consortia. Some basic skills training and help for ISO 9000.
Source of money	Special tax collected with the unemployment insurance tax.
Company targeting	Manufacturing, hospitals, tourism industry.
Trainee targeting	None
Typical training amounts	Average project is about \$20,000.
Limits on training or project amounts	None reported.
State program administration	State workforce commissions
State program administration staff	5 staff
Application process	Apply to state.
Training project administration	Not reported
Training providers	Company personnel, colleges and vendors.
Limits on types of training	None
Welfare-to-work training	None

## Rhode Island Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$4,000,000		\$8.64		5
1989-90	\$4,000,000	0%	\$8.72	1%	4
1990-91	\$4,000,000	0%	\$8.91	2%	4
1991-92	\$6,225,000	56%	\$14.91	67%	2
1992-93	\$5,510,000	-11%	\$12.92	-13%	2
1993-94	\$4,000,000	-27%	\$9.25	-28%	5
1994-95	\$9,400,000	135%	\$21.67	134%	1
1995-96	\$1,500,000	-84%	\$3.42	-84%	17
1996-97	\$1,500,000	0%	\$3.42	0%	19
1997-98	\$1,000,000	-33%	\$2.22	-35%	36
1998-99	\$1,200,000	20%	\$2.64	19%	32

\* Tie with one or more states.

## South Carolina Program Summary

### ***Special Schools Program***

State Board for Vocational and Comprehensive Education  
 111 Executive Center Dr.  
 Columbia, SC 29210  
 803-737-9334

1998-99 budget:	\$7,670,000
1998-99 per capita spending	\$4.27
Year program created	1961
Money for incumbent worker training	0%
Money for new hire training	100%
State overview	Customized training for new and expanding companies with training provided by public vocational schools. The program was created at the same time as the states vocational schools.
Source of money	General fund
Company targeting	New and expanding companies
Trainee targeting	None
Typical training amounts	\$60,000 per project and \$1,100 per trainee.
Limits on training or project amounts	None reported
State program administration	State education agency
State program administration staff	12 staff
Application process	Apply to state
Training project administration	Training administered by state vocational agency.
Training providers	State vocational schools provide all training.
Limits on types of training	None
Welfare-to-work training	None

## South Carolina Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$5,900,000		\$4.05		11
1989-90	\$5,900,000	0%	\$3.90	-4%	13
1990-91	\$6,800,000	+15%	\$4.39	+13%	10
1991-92	\$6,800,000	0%	\$4.51	+3%	8
1992-93	\$6,400,000	-6%	\$4.19	-7%	11
1993-94	\$10,800,000	+69%	\$6.86	+64%	7
1994-95	\$11,000,000	+2%	\$6.84	0%	9
1995-96	\$10,563,000	-4%	\$6.41	-6%	11
1996-97	\$15,568,000	+47%	\$9.38	+46%	5
1997-98	\$10,698,000	-31%	\$6.20	-34%	11
1998-99	\$7,670,000	-28%	\$4.27	-31%	19

\* Tie with one or more states.

## South Dakota Program Summary

### **Workforce Development Program**

Governor's Office of Economic Development  
 711 E. Wells Ave.  
 Pierre, SD 57501  
 605-773-5032

1998-99 budget:	\$750,000
1998-99 per capita spending	\$2.08
Year program created	1993
Money for incumbent worker training	15%
Money for new hire training	85%
State overview	Primarily a business attraction program.
Source of money	This year one-third general fund and two-thirds from the state Future Fund, which is financed by employer contributions collected with the state unemployment insurance tax.
Company targeting	None
Trainee targeting	None
Typical training amounts	Not reported.
Limits on training or project amounts	Not reported
State program administration	Economic development department
State program administration staff	Not reported
Application process	Not reported
Training project administration	Not reported
Training providers	Not reported
Limits on types of training	Not reported
Welfare-to-work training	None

## South Dakota Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$0		\$0.00		45*
1989-90	\$0	N.A.	\$0.00	N.A.	44*
1990-91	\$0	N.A.	\$0.00	N.A.	44*
1991-92	\$0	N.A.	\$0.00	N.A.	43*
1992-93	\$0	N.A.	\$0.00	N.A.	43*
1993-94	\$250,000	N.A.	\$0.78	N.A.	37
1994-95	\$250,000	0%	\$0.75	-4%	35*
1995-96	\$0	-100%	\$0.00	-100%	47*
1996-97	\$219,835	N.A.	\$0.63	N.A.	42
1997-98	\$1,165,563	+430%	\$3.27	+418%	23
1998-99	\$750,000	-36%	\$2.08	-36%	37

\* Tie with one or more states.

## Tennessee Program Summary

### ***Industrial Training Service***

Department of Economic and Community Service Development  
 Rachael Jackson Building, 7<sup>th</sup> Floor  
 320 Sixth Ave., North  
 Nashville, TN 37243  
 615-741-1746

1998-99 budget:	\$4,500,000 (estimate)
1998-99 per capita spending	\$1.72
Year program created	1973
Money for incumbent worker training	50%
Money for new hire training	50%
State overview	Goal of program is to build workforce skills, including support for ISO 9000. Reimbursements are made to company based on the number of instructor hours of training provided.
Source of money	General fund
Company targeting	Manufacturing, corporate and regional offices, telecommunications, warehousing.
Trainee targeting	None
Typical training amounts	Average project is about \$90,000 and the average per person is \$850.
Limits on training or project amounts	None reported
State program administration	Economic development department
State program administration staff	9 staff
Application process	Apply to state.
Training project administration	Companies administer projects.
Training providers	About 40% of training is by company personnel; 40% by community colleges and 20% by private vendors.
Limits on types of training	None
Welfare-to-work training	None

## Tennessee Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$10,370,000		\$4.93		8
1989-90	\$2,500,000	-76%	\$1.15	-77%	30
1990-91	\$2,500,000	0%	\$1.14	-1%	30
1991-92	\$7,000,000	+180%	\$3.21	+182%	15
1992-93	\$5,000,000	-29%	\$2.23	-31%	18
1993-94	\$5,000,000	0%	\$2.14	-4%	23
1994-95	\$3,700,000	-26%	\$1.53	-29%	26
1995-96	\$3,900,000	+5%	\$1.56	+3%	36
1996-97	\$3,700,000	-5%	\$1.46	-7%	37
1997-98	\$4,500,000	+22%	\$1.74	+19%	38
1998-99	\$4,500,000	0%	\$1.72	-1%	40

Tie with one or more states.

# Texas Program Summary

**Smart Jobs Fund**

Department of Economic Development  
 1700 North Congress Ave.  
 Austin, TX 78711  
 512-936-0063

**Skills Development Fund**

Texas Workforce Commission  
 101 East 15<sup>th</sup> St.  
 Austin TX 78711  
 512-463-8844

1998-99 budget:	\$66,500,000
1998-99 per capita spending	\$7.48
Year program created	1970
Money for incumbent worker training	65%
Money for new hire training	35%
State overview	<p>Texas operates two separate customized training programs. The <b>Smart Jobs Fund</b> (\$54,000,000 budget for 1998-99) was created in 1993. It provides direct grants to companies for new hire and incumbent worker training. For incumbent worker training the state requires a showing of wage increases after training for most trainees.</p> <p>The <b>Skills Development Fund</b> (\$12,500,000 budget for 1998-99) finances training provided by community and vocational colleges for businesses and groups of businesses with similar training needs. It was created in 1995.</p> <p>Both programs emphasize training for small business, and both allow both new hire and incumbent worker training. Predecessor programs date to about 1970.</p>
Source of money	For <b>Smart Jobs</b> a tax collected with the state unemployment insurance tax. For <b>Skills Development</b> the general fund.
Company targeting	Manufacturing is targeted for <b>Smart Jobs</b> . No specific company targeting for <b>Skills Development</b> .
Trainee targeting	None for either program, except wages must meet local norms.

Typical training amounts	For <b>Smart Jobs</b> \$125,000 per project and \$1,250 per trainee. For <b>Skills Development</b> \$300,000 per project and \$900 per trainee.
Limits on training or project amounts	For <b>Smart Jobs</b> no more than \$1.5 million per project and \$1,200 per person for big business or \$2,500 per person for small business. For <b>Skills Development</b> \$500,000 per project limit.
State program administration	The state commerce department administers <b>Smart Jobs</b> . <b>Skills Development</b> is administered by the state workforce commission.
State program administration staff	22 for <b>Smart Jobs</b> . Not reported for <b>Skills Development</b> .
Application process	Apply directly to each state agency.
Training project administration	<b>Smart Jobs</b> contracts are directly with employers. <b>Skills Development</b> projects are administered by public schools.
Training providers	Employers may select any training public or private training provider for <b>Smart Jobs</b> . Only community and vocational schools may provide training under <b>Skills Development</b> .
Limits on types of training	None
Welfare-to-work training	None

### Texas Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$890,000		\$0.13		44
1989-90	\$1,890,000	+112%	\$0.28	+108%	42
1990-91	\$1,890,000	0%	\$0.27	-4%	42
1991-92	\$1,900,000	+1%	\$0.27	0%	41
1992-93	\$1,900,000	0%	\$0.26	-2%	40*
1993-94	\$3,100,000	+63%	\$0.41	+58%	43
1994-95	\$4,500,000	+45%	\$0.58	+40%	38
1995-96	\$56,284,172	+1,151%	\$7.03	+1,114%	8
1996-97	\$76,587,676	+36%	\$9.28	+32%	6
1997-98	\$66,500,000	-13%	\$7.71	-17%	7
1998-99	\$66,500,000	0%	\$7.48	-3%	8

\* Tie with one or more states.

## Utah Program Summary

**Custom Fit**

State Board of Vocational Education  
 250 East 500 South  
 Salt Lake City UT 84011  
 801-538-7867

1998-99 budget:	\$2,800,000
1998-99 per capita spending	\$2.74
Year program created	1982
Money for incumbent worker training	65%
Money for new hire training	35%
State overview	Community college system provides custom-designed training services to companies. Companies are required to contribute 20 to 30 percent of the funding as a match.
Source of money	General fund
Company targeting	Applied technology, manufacturing, information technology.
Trainee targeting	None
Typical training amounts	\$14,000 per company and \$500 per person
Limits on training or project amounts	\$250 per person per year.
State program administration	Vocational education department
State program administration staff	2 staff funded from other sources.
Application process	Apply to state or local college
Training project administration	Colleges provide services and administer program.
Training providers	Vocational colleges.
Limits on types of training	None
Welfare-to-work training	None

## Utah Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$1,349,000		\$2.04		23
1989-90	\$1,349,000	0%	\$1.95	-4%	22
1990-91	\$1,900,000	41%	\$2.62	35%	20
1991-92	\$1,000,000	-47%	\$1.34	-49%	27
1992-93	\$950,000	-5%	\$1.24	-8%	30*
1993-94	\$1,566,000	65%	\$1.93	56%	26
1994-95	\$1,566,000	0%	\$1.82	-6%	24
1995-96	\$2,500,000	60%	\$2.75	52%	23
1996-97	\$2,500,000	0%	\$2.62	-5%	29
1997-98	\$2,900,000	12%	\$2.81	7%	28
1998-99	\$2,800,000	0%	\$2.74	-2%	30*

\* Tie with one or more states.

## Vermont Program Summary

### ***Vermont Training Program***

Department of Economic Development  
 National Life Building, Drawer 20  
 Montpelier, VT 05620  
 802-828-3211

1998-99 budget:	\$570,000
1998-99 per capita spending	\$2.02
Year program created	1977
Money for incumbent worker training	60%
Money for new hire training	40%
State overview	Program focused on helping companies in the state, not attracting new ones. Auto suppliers, and other manufacturers are targeted. Training includes help with ISO 9000 and cross training.
Source of money	General fund
Company targeting	Only manufacturing
Trainee targeting	After training trainees must earn at least \$10.09 per hour without benefits or \$10.50, including benefits.
Typical training amounts	\$15,000 to \$20,000 per project and \$1,000 per person trained.
Limits on training or project amounts	None
State program administration	Economic development department
State program administration staff	1 staff
Application process	Apply through state office
Training project administration	Directly by companies
Training providers	Most training is provided by company personnel. Colleges and private vendors provide some training.
Limits on types of training	None
Welfare-to-work training	None

## Vermont Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$644,000		\$2.50		19
1989-90	\$643,000	0%	\$2.45	-2%	21
1990-91	\$347,000	-46%	\$1.35	-45%	27
1991-92	\$347,000	0%	\$1.40	+3%	25
1992-93	\$347,000	0%	\$1.38	-1%	27*
1993-94	\$650,000	+87%	\$2.53	+83%	19
1994-95	\$347,000	-47%	\$1.32	-48%	30
1995-96	\$428,000	+23%	\$1.59	+21%	35
1996-97	\$304,000	-29%	\$1.11	-30%	39
1997-98	\$684,000	+125%	\$2.45	+120%	33
1998-99	\$570,000	-17%	\$2.02	-17%	38

\* Tie with one or more states.

## Virginia Program Summary

### **Industrial Training Program**

Department of Business Assistance  
 P.O. Box 446  
 Richmond, VA 23218  
 804-371-8120

1998-99 budget:	\$13,000,000
1998-99 per capita spending	\$3.90
Year program created	1965
Money for incumbent worker training	5%
Money for new hire training	95%
State overview	Incentive program for new and expanding businesses. State traditionally augments budget if there is more demand than available money. Where possible, the state seeks to train company employees as trainers to provide continuing training.
Source of money	General fund
Company targeting	Companies creating 25 or more new jobs, making a capital investment of \$1 million or more, or making a radical change in technology.
Trainee targeting	None
Typical training amounts	\$770 per trainee.
Limits on training or project amounts	None
State program administration	Economic development agency
State program administration staff	13 staff
Application process	Company submits a letter of request and then a state project manager visits the company and evaluates training needs.

Training project administration	Projects administered by economic development department, which contracts with employers.
Training providers	Employers can provide training directly or contract with a school.
Limits on types of training	None
Welfare-to-work training	None

### Virginia Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$5,074,000		\$1.83		26
1989-90	\$4,300,000	-15%	\$1.50	-18%	28
1990-91	\$4,300,000	0%	\$1.48	-1%	25
1991-92	\$3,422,068	-20%	\$1.22	-18%	30
1992-93	\$4,487,168	+31%	\$1.58	+30%	24
1993-94	\$6,000,000	+34%	\$2.05	+30%	24
1994-95	\$6,200,000	+3%	\$2.06	0%	21
1995-96	\$9,700,000	+56%	\$3.16	+54%	18
1996-97	\$9,400,000	-3%	\$2.99	-5%	21
1997-98	\$15,000,000	+60%	\$4.65	+55%	16
1998-99	\$13,000,000**	-13%	\$3.90	-16%	23

\*\* Preliminary

## Washington Program Summary

### **Job Skills Program**

Workforce Training and Education Coordinating Board  
 Building 17, Airdustrial Park  
 P.O. Box 43105  
 Olympia, WA 98504

1998-99 budget:	\$558,000
1998-99 per capita spending	\$0.21
Year program created	1983
Money for incumbent worker training	70%
Money for new hire training	30%
State overview	Industry-education partnerships to develop customized training materials and deliver short-term, job-specific training. Training for groups of employers is stressed.
Source of money	General fund
Company targeting	Smaller companies in new and growing industries and in areas with high unemployment or shortages of skilled labor.
Trainee targeting	None
Typical training amounts	\$25,000 per project and \$250 per trainee. Companies pay half the total costs.
Limits on training or project amounts	None
State program administration	State workforce board
State program administration staff	No dedicated staff
Application process	Company works with an educational institution to develop program. Plan is submitted to state workforce board for review and action.
Training project administration	Education agencies work with state board.
Training providers	Local education agencies. Private vocational schools also are eligible.
Limits on types of training	None
Welfare-to-work training	None

## Washington Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$1,500,000		\$0.77		33
1989-90	\$1,500,000	0%	\$0.73	-5%	34
1990-91	\$1,500,000	0%	\$0.70	-5%	35
1991-92	\$1,189,500	-21%	\$0.55	-22%	37
1992-93	\$1,189,500	0%	\$0.54	-2%	37
1993-94	\$679,000	-43%	\$0.30	-44%	45
1994-95	\$679,000	0%	\$0.30	-2%	44
1995-96	\$558,000	-18%	\$0.24	-19%	44
1996-97	\$558,000	0%	\$0.23	-3%	45
1997-98	\$558,000	0%	\$0.22	-4%	45
1998-99	\$558,000	0%	\$0.21	-3%	45

\* Tie with one or more states.

## West Virginia Program Summary

### **Governor-s Guaranteed Workforce Program**

Office of Training and Development  
 Capitol Complex  
 Building 6, Room B517  
 Charleston, WV 25305  
 304-558-3083

1998-99 budget:	\$3,000,000
1998-99 per capita spending	\$4.21
Year program created	Late 1960-s
Money for incumbent worker training	60%
Money for new hire training	40%
State overview	In recent years program has shifted from new-hire, business attraction model to emphasis on incumbent worker training to improve state productivity and employment security. Program funds technical writers to help companies determine training needs and emphasizes train-the-trainer activities so training can continue beyond short term. Firms generally must create 10 net new jobs in a year or make a substantial capital investment to be eligible for funding. Money also available for job retention projects.
Source of money	General fund
Company targeting	Manufacturing preferred.
Trainee targeting	None
Typical training amounts	Average project is \$30,000. Recent projects range from \$1,200 to \$400,000. Projects average \$200 per trainee.
Limits on training or project amounts	None
State program administration	State economic development office.
State program administration staff	4 staff
Application process	State office accepts applications directly from employers.
Training project administration	State office oversees projects.
Training providers	Employers receive money from the state and can pick their own trainers.
Limits on types of training	None
Welfare-to-work training	\$60,000 set aside for three years to match federal money.

## West Virginia Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$1,262,000		\$2.08		22
1989-90	\$2,500,000	+98%	\$4.17	+101%	12
1990-91	\$2,500,000	0%	\$3.97	-5%	12
1991-92	\$3,066,320	+23%	\$4.89	+23%	7
1992-93	\$2,580,000	-16%	\$4.02	-18%	13
1993-94	\$1,900,000	-26%	\$2.91	-28%	17
1994-95	\$1,400,000	-26%	\$2.08	-29%	19
1995-96	\$2,000,000	43%	\$2.91	40%	21
1996-97	\$2,000,000	0%	\$2.86	-2%	24
1997-98	\$2,000,000	0%	\$2.83	-1%	27
1998-99	\$3,000,000	50%	\$4.21	48%	20

\* Tie with one or more states.

## Wisconsin Program Summary

### **Customized Labor Training Fund**

Department of Commerce  
P.O. Box 7970  
Madison WI 53707  
608-266-1018

1998-99 budget:	\$4,550,000
1998-99 per capita spending	\$1.68
Year program created	Early 1980-s
Money for incumbent worker training	75%
Money for new hire training	25%
State overview	Customized training, mostly for incumbent workers at manufacturing companies.
Source of money	General fund
Company targeting	Mostly manufacturing
Trainee targeting	None
Typical training amounts	Not reported
Limits on training or project amounts	Not reported
State program administration	Department of commerce
State program administration staff	2 staff
Application process	Apply to state
Training project administration	Companies administer.
Training providers	Company personnel, colleges and for-profit vendors.
Limits on types of training	None reported
Welfare-to-work training	None

## Wisconsin Historical Budget Detail

	Total State Budget	Annual Change in Budget	Per Capita Spending	Annual Change in Per Capita Spending	National Ranking in Per Capita Spending
1988-89	\$650,000		\$0.30		41*
1989-90	\$10,500,000	+1,515%	\$4.70	+1,471%	9
1990-91	\$10,500,000	0%	\$4.57	-3%	9
1991-92	\$4,000,000	-62%	\$1.74	-62%	20
1992-93	\$4,000,000	0%	\$1.69	-3%	23
1993-94	\$2,875,000	-28%	\$1.19	-30%	31
1994-95	\$2,875,000	0%	\$1.15	-4%	31
1995-96	\$4,500,000	+57%	\$1.76	+53%	31
1996-97	\$4,500,000	0%	\$1.73	-2%	34
1997-98	\$4,550,000	+1%	\$1.71	-1%	39
1998-99	\$4,550,000	0%	\$1.68	-2%	41

\* Tie with one or more states.

## Wyoming

No state-financed, customized training program.