

THE WORKFORCE SOLUTIONS GROUP

EMPath (Economic Mobility Pathways)
Massachusetts AFL-CIO
Massachusetts Business Roundtable
Massachusetts Communities Action Network

Massachusetts Workforce Board Association
Massachusetts Workforce Professionals Association
SkillWorks: Partners for a Productive Workforce

SB 1006/HB 3160 - An Act to Diversify the Use of the Workforce Training Fund to support the Workforce Competitiveness Trust Fund

Lead Sponsors: Senator Kenneth Donnelly and Representative Joseph Wagner

Cosponsors: Sen. Donoghue, Sen. Lewis, Sen. Lovely, Sen. McGee, Rep. Connelly, Rep. Crighton, Rep. Gordon, Rep. Malia, Rep. Schmidt, Rep. Vega

Summary: The goal of this legislation is to broaden the use of the Workforce Training Fund to meet the needs for skilled labor where there are job vacancies; and to enable unemployed and underemployed people to access skills training for jobs. It would allow up to \$2.2 million per year to be used from the Workforce Training Fund for sector based job training for non-incumbent workers.

Background: According to a recent survey by the MA Business Alliance for Education, two thirds of employers in MA have trouble finding workers with the right skills. That's not surprising when you consider that one in three adults in our state have only a high school diploma or less.

Solution: This bill would allow up to 5% of the state's [Workforce Training Fund](#) (WTF), a \$22M fund supported by employer-backed contributions from Unemployment Insurance for incumbent worker training, to also be used for pipeline training through the [Workforce Competitiveness Trust Fund](#) (WCTF), a proven sector based training model that has served hundreds of employers with qualified talent. Pipeline training is the supply chain for our workforce; ensuring that we have people trained with the necessary skills to fill job vacancies; such as airplane mechanics, dental hygienists, machine operators, licensed truck drivers, etc.

If 5% of the WTF were able to be used for pipeline training for unemployed people or non-incumbent workers; that would amount to \$1.1 million of the \$22 million. A state match would bring the amount up to \$2.2 million and create a sustained fund for workforce training.

Please consider co-sponsoring this bill and support it as it moves through the committee process.

What is the WCTF?

The Workforce Competitiveness Trust Fund invests in demand-driven programs designed by industry sector partnerships that train and place unemployed and underemployed workers. Between 2007 and 2011, the Fund supported **31 partnerships** serving more than **6,700 youth and adults**. During this period participating businesses documented significant improvements in productivity, profitability, increased sales and employee retention.

Addressing the Middle Skills Gap

Between 2013 and 2016 the WCTF Addressing the Middle Skills Gap grant program awarded **\$4.5 million** to **15 partnerships** to train and place unemployed and underemployed individuals and meet the hiring needs of regional businesses. The industry sectors represented by these partnerships included construction, manufacturing, health care, early childhood education, financial services, transportation and travel and tourism.

Outcomes

903	Job seekers enrolled
817	Job seekers completed training (90%)
670	People were placed in jobs
447	Employers hired a job seeker who participated in this round
74%	Placement rate out of enrollments vs 56% National rate
83%	Retained for 6 months vs 64% National rate
\$15.02	Average wage of those placed in jobs

Demographics

56% Race/Ethnic Minority	42% Female	84% Low-Income	57% Have a High School Diploma or less	40% Receiving Public Assistance
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