

2008 Innovations Awards Program APPLICATION

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ID # (assigned by CSG): 08-M-12MI

Please provide the following information, adding space as necessary:

State: Michigan

Assign Program Category (applicant): Human Resources/Education (Use list at end of application)

1. Program Name : No Worker Left Behind
2. Administering Agency: Michigan Department of Labor & Economic Growth (DLEG)
3. Contact Person (Name and Title) Andy Levin, DLEG Deputy Director
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8. Web site Address www.michigan.gov/nwlb
9. Please provide a two-sentence description of the program.

An educated workforce is the most important element of job creation therefore No Worker Left Behind (NWLB) will transform Michigan's economy by helping more than 100,000 displaced Michigan workers by:

- providing up to two years free tuition at any Michigan community college or other approved training program;
- Allowing displaced workers to receive needed training for high demand, high growth jobs while receiving unemployment benefits.

NWLB supports the state's employers and economic development needs by filling job vacancies in fields that will bolster further economic growth and offer a 21st century skilled workforce to attract new businesses to Michigan.

10. How long has this program been operational (month and year)? Note: the program must be between 9 months and 5 years old on March 1, 2008 to be considered.

March 5, 2007 - State officials convened top workforce system leaders to operationalize No Worker Left Behind.

11. Why was the program created? What problem[s] or issue[s] was it designed to address?

Michigan's unemployment rate is the highest in the nation due to the state's heavy reliance on the automotive and manufacturing industry. Michigan workers are being left behind by today's competitive global economy as manufacturers outsource jobs.

At the same time, Michigan employers are reporting tens of thousands of job openings are going unfilled due to their inability to find skilled workers to meet this demand. A U-M policy report "Michigan's Economic Transition – Toward a Knowledge Economy" reports Michigan's history of readily available low-skill manufacturing employment and below-average rate of adults with college degrees have created a deficit in human capital in our state. A shortage of 334,000 "skilled" workers is projected in Michigan by 2012, the majority of which require postsecondary degrees. Like other states, Michigan is also facing a nursing shortage and it is anticipated that 18,000 new nurses are needed by 2015.

NWLB is an innovative approach to overcome this disconnect by allowing displaced and underemployed workers to receive training in high-demand sectors and tailored programs at community colleges to boost Michigan's economy and give our workers the competitive advantage in today's global economy.

12. Describe the specific activities and operations of the program in chronological order.

Feb. 6, 2007 – Governor Jennifer M. Granholm announces No Worker Left Behind

March 5, 2007 - first No Worker Left Behind Workgroup meeting. NWLB partners include Michigan's 28 community colleges, the Michigan Community Colleges Association, the Michigan Works! Association and 25 Michigan Works! Agencies, the Michigan Department of Labor & Economic Growth (DLEG), four-year colleges and universities, and licensed proprietary schools.

August 1, 2007 – NWLB website launched and residents begin signing up for No Worker Left Behind at their local Michigan Works! Agency. <http://www.michigan.gov/nwlb>

As of January 31, 2008, 18,046 people have been enrolled in training. MWAs continue to assess eligible candidates, enroll participants in appropriate training for high-demand occupations and provide job placement assistance.

13. Why is the program a new and creative approach or method?

In her 2007 State of the State Address, Governor Jennifer Granholm put forth a bold new vision for economic development, security, and opportunity for Michigan. Her *No Worker Left Behind* proposal guarantees access to education and training for all Michigan residents: those in the workforce who need to upgrade skills, those moving from public assistance to employment, and those displaced from their jobs by economic change. *No Worker Left Behind* is an investment in Michigan's workers and employers, and it is an essential step in securing the state's economic future.

Michigan is experiencing fundamental economic transition: gradual shifts in the manufacturing base have drastically decreased the availability of high-paying jobs that did not require post-secondary education; more than 300,000 Michiganders have lost their jobs since 2000; and unemployment is among the nation's highest. At the same time, employers are facing a significant shortage of skilled workers that will have serious consequences for economic growth. Seventy percent of the fastest growing jobs by 2010 will require a post-secondary degree, but only 29 percent of Michiganders aged 25 and over have attained an associate's or higher degree, compared to the national average of 31 percent and the leading state (Massachusetts) with 40 percent.

No Worker Left Behind is Michigan's opportunity to position the state as a leader in lifelong learning and workforce development. The initiative combines the state and federal dollars already used for worker training programs with anticipated additional general fund support into a comprehensive, unified strategy. The cornerstone is a free tuition program that will provide up to two years of free tuition at any Michigan community college, university or other approved training program for more than 100,000 workers, giving them the education and skills needed to succeed in today's economy.

In the face of Michigan's economic challenges, we need to make investments in our workforce that help us regain and grow jobs that pay family-supporting wages, support a vibrant middle class, and grow a strong tax base. Failing to do so would mean more poverty, job loss, and find ourselves among the states racing to the bottom. *No Worker Left Behind* is our chance to stay competitive in the changing global economy. We owe it to our families, our communities, and our businesses to give our workforce the skills to compete.

14. What were the program's start-up costs? (Provide details about specific purchases for this program, staffing needs and other financial expenditures, as well as existing materials, technology and staff already in place.)

NWLB represents a reorganization, augmentation and rebranding of Michigan's workforce programs. NWLB funding includes all public monies used for training. An Action Team was formed from existing staff from several difference bureaus within DLEG that was charged with implementing the NWLB. The Team developed and provided training at 5 locations across the state in less than 4 weeks prior to August 1, 2008. The team has grown from four to seven members and is responsible for the daily implementation of the initiative.

15. What are the program's annual operational costs?

\$56.7 million

16. How is the program funded?

NWLB is funded through all federal dollars received for workforce training – Workforce Investment Act (statewide activity, adult, dislocated and incumbent worker), Trade Assistance Act, Temporary Aid to Needy Families, Family Assistance Employment and Training

17. Did this program require the passage of legislation, executive order or regulations? If YES, please indicate the citation number.

In Fiscal Year 2008 the Governor's Budget Recommendation included \$40 million for NWLB. However due to the state's difficult fiscal situation restricted the funding of new initiatives; consequently, state funding for NWLB was not available. Governor Granholm is proposing \$40 million for NWLB for her FY2009 budget due to the success of the initiative, and prospects for funding are greatly improved due to a better budget outlook.

18. What equipment, technology and software are used to operate and administer this program?

The NWLB website is part of the Michigan.Gov portal. Vignette is the content management tools hosted on Sun servers.

A portion of NWLP participants have been referred to the program by Michigan job training agencies. In those situations, Michigan uses an automated referral tracking system to provide statistics on referrals, and, then subsequent outcomes. Those referrals are tracked using an Oracle 10g database, with a web-front end.

19. To the best of your knowledge, did this program originate in your state? If YES, please indicate the innovator's name, present address, telephone number and e-mail address.

Yes, see contact information above for DLEG Deputy Director Andy Levin.

20. Are you aware of similar programs in other states? If YES, which ones and how does this program differ?

No

Has the program been fully implemented? If NO, what actions remain to be taken?

No. The NWLB is a part of Governor Granholm's long term strategy for helping Michigan workers, and students obtain the necessary skills to compete in the 21st Century economy. The NWLB campaign is complemented by parallel initiatives, including more rigorous high school math and science standards, and, the aggressive goal of doubling the number of college graduates in Michigan by 2012. Michigan is building a student data collection system that will be extended beyond K-12, to allow us to track training and educational programs that include post secondary education. Our goal is to consistently measure the success of the NWLB program, and, all other programs designed to improve educational and employment outcomes.

21. Briefly evaluate (pro and con) the program's effectiveness in addressing the defined problem[s] or issue[s]. Provide tangible examples.

PRO: Within weeks of doors opening for workers to enroll in NWLB, we saw a 300 percent increase in the number of people seeking training in Michigan. Months later, Michigan Works! Agencies continue to report three to five times as many people at training orientations than before NWLB. One NWLB training success story is John Sternhagen, who worked in manufacturing for 31 years, most recently at Electrolux in Greenville, which closed its doors and moved its jobs to Mexico, With six kids, two of whom were in college, John sought help through NWLB and was able to go to Montcalm

Community College through an accelerated program and get a nursing degree. Today, he's working full-time at Gratiot Medical Center as an RN, making almost double his old salary.

A real-life example of how NWLB is benefiting employers is Caraco Pharmaceuticals Ltd., a homegrown Detroit business which was at risk of moving due its demand for skilled workers. The maker of generic medicines needed space to grow – and help to make sure it could find and train the workforce it needs to maintain and hone its world class standards. NWLB worked in partnerships with Wayne State University (to recruit and train chemists) and Henry Ford Community College (to recruit and train production workers) to help fill Caraco's needs. In the end, company CEO Daniel Movens said the comprehensive training package Michigan put together was crucial to the company's decision to stay in Detroit, build a new facility and add hundreds of good jobs for Detroiters.

Other examples:

- As of January 31, 2008, 18,046 people have been enrolled in training.
- Community Colleges and other training providers are adding and updating courses for in-demand occupations at a record pace. Programs added during the first 3 months of NWLB were 45% greater than any other 3-month period since we started tracking in 2005.

CON: Unfortunately, due to the huge demand of NWLB the state is at risk of exhausting federal funds which would result in Michigan residents being placed on waiting lists when they could be on payrolls. Governor Granholm is proposing additional \$40 million in state revenue to support NWLB in FY2009.

22. How has the program grown and/or changed since its inception?

The NWLB website was redesigned to better address the anticipated questions potential candidates may have and provide better search options. The new format leads readers through the steps necessary to participate in NWLB, provides additional information on high demand occupations by MWA region and information for training providers is more accessible.

DLEG has also issued an RFP inviting community colleges to submit proposals to foster innovation and increased capacity. Goals include online/offsite/non-work hours training delivery; "just-in-time" training to meet employer needs; and helping workers who need basic or remedial education.

As noted above, the NWLB effort will be integrated into data systems designed to measure program outcomes. The development of a student tracking system, scheduled for September 2008 release, is our first building block in this strategy. This tracking system will be offered to post secondary education as a mechanism of tracking educational / job training outcomes.

23. What limitations or obstacles might other states expect to encounter if they attempt to adopt this program?

Other states will need to be fiscally savvy with finding funding resources to support the anticipated high-demand for NWLB participation.