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NWLB Nears Enrollment Capacity While Fight for More Federal Funds Continues

July 1 will mark the beginning of limited enrollment

June 29, 2010 – The Department of Energy, Labor & Economic Growth (DELEG) today announced that beginning July 1 No Worker Left Behind (NWLB) will be accepting a very limited number of new applicants into the program due to a loss of federal funding. While the majority of funds in the upcoming year that begins Thursday will be devoted to helping participants finish the training they are enrolled in, each Michigan Works! Agency's (MWA) will be offering enrollment opportunities based on their particular funding levels, which varies among the agencies.

"I am proud that No Worker Left Behind is helping tens of thousands of workers complete training for in-demand jobs and we will continue to enroll as many people as possible into meaningful degree and certificate programs as possible," said Andy Levin, Michigan's Chief Workforce Officer and DELEG deputy director. "Unfortunately, our options are limited and that is why we are continuing our fight for additional federal funding."

DELEG encourages unemployed and underemployed workers to continue to work with their local MWAs in order to take advantage of other career services that are available. For example, all workers eligible for Trade Adjustment Assistance (TAA) will be eligible to enter training regardless of the status of other funds. Beyond training, interview preparation, career search assistance and resume help are a few of the services available.

Over 130,000 Michigan workers have enrolled in retraining since the start of NWLB in August 2007, and thousands are on a waiting list. For 22 consecutive months, NWLB has enrolled more people in training than were enrolled the same month of the previous year. Even with limited funding, NWLB will help train approximately 60,000 participants in the coming year.

Over the past two years, Michigan's federal Workforce Investment Act (WIA) formula funding decreased by \$72.1 million or 39 percent. These funding reductions occurred even as Michigan's unemployment rate rose to over 14 percent. American Recovery and Reinvestment Act (Recovery Act) funding filled much of the gap caused by last year's funding drop, but almost all of that one-time money is now accounted for.

Given the reduction in federal funds, the following temporary policy for NWLB is necessary. Effective immediately:

- The statewide wait list for NWLB will be eliminated.
- NWLB will continue to honor its obligations to current applicants:
 - Everyone already in training will complete it;

- The MWAs will contact workers on the wait list as of June 28, 2010, and anyone in that group who has been approved for training and who wants to continue with their training will be assisted.
- Each MWA will announce to its local community when funds are available for new people to enter training.

Since the start of NWLB, DELEG has acquired more than \$110.6 million in additional federal and philanthropic funding for workforce programs in Michigan through aggressive and creative use of all available avenues, including WIA, TAA and the Recovery Act.

DELEG will immediately initiate an effort to expand the number of workers who qualify for Pell Grants.

DELEG is seeking additional funding for training through a variety of sources, including National Emergency Grants, other Recovery Act related grants, and additional private foundation support.

The Granholm Administration and the Michigan Congressional delegation are continuing to fight for changes in the way formula funds are distributed to states. The state of Michigan is a vocal advocate for system-wide reform of the entire workforce system.

Currently, states must manage multiple funding streams and data systems related to workforce development. Even within WIA, the system for tracking funding is archaic and cannot obligate funds for training beyond the current program year – making planning for and providing longer term training very difficult.

DELEG advocates that the federal government should:

- Create a national workforce financing system that allows states and localities to spend and obligate funds on an as-needed basis with local, state and national transparency on all expenditures and obligations.
- This will eliminate a great deal of inefficient guess-work on creating formulas for fund distribution and recapture of funds when formula distributions missed the mark.

“NWLB’s funding situation underscores the importance of -- and urgent need for -- reform of our national workforce system,” said Levin. “We need more investment in long-term training built into our system.”

DELEG’s policy white paper on the topic is available here:

http://www.michigan.gov/documents/nwlb/WIA_White_Paper_319395_7.pdf

To learn more about the No Worker Left Behind initiative, visit the NWLB website at

www.michigan.gov/nwlb.

For more information about DELEG, please visit www.michigan.gov/deleg.

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Section 7_b_June 2010 NWLB Press Release