

Investing in People: Workforce Training in the Massachusetts State Budget

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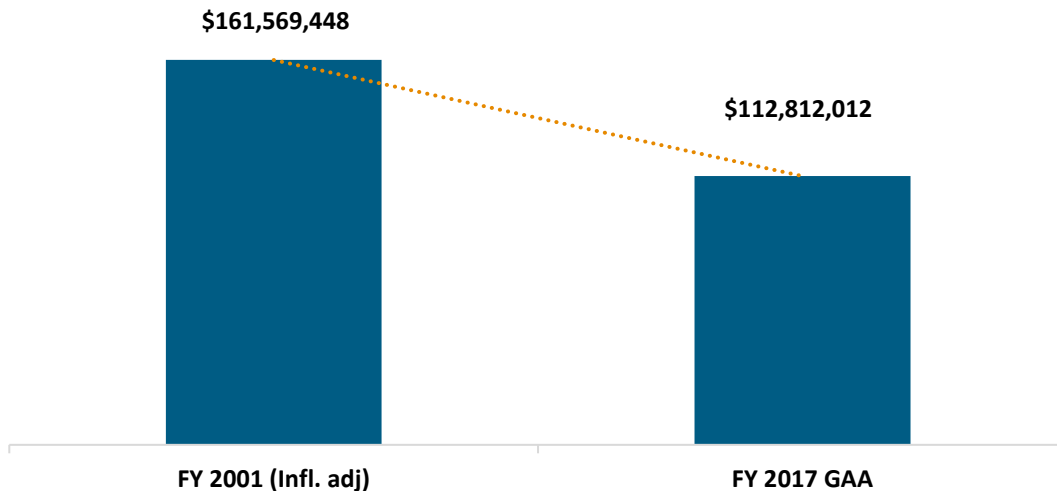
Workforce training gives people the skills they need to get good jobs, support their families, and contribute to the Massachusetts economy. These programs are especially important in Massachusetts where we rely on well-educated, highly skilled workers to sustain a high-wage economy.¹

MassBudget's online tool, the [Jobs & Workforce Budget](#), describes these workforce training programs and tracks their funding histories. These programs are grouped into four categories: Education, Workforce Development, Youth Engagement, and Workers with Disabilities. Federal and state funding support workforce training programs in Massachusetts. The state agencies that support workforce training are located primarily within the Executive Office of Labor and Workforce Development, the Executive Office of Education, and several departments within the Executive Office of Health and Human Services.

Despite the evidence that workforce training gives people the skills they need to succeed, state funding for workforce training has fallen over time, down 30 percent between FY 2001 and FY 2017 GAA (General Appropriations Act), adjusted to inflation.

30% Decline in Workforce Training Spending Since FY 2001*

Adjusted to inflation in FY 2017\$



*Totals do not include the Workforce Training Fund because it is funded through employer contributions, and the Community Day and Work Programs for the Developmentally Disabled because it includes funding largely for other non-employment related supports.

The decline in spending for workforce training follows roughly the same pattern as cuts made to programs like higher education, local aid, and public health. Since cutting income taxes by over \$3 billion between 1998 and 2002, our state has made deep cuts across the budget. This drop in revenues has meant that, even in good times, our state has been barely able to balance the budget. In times of economic crisis, we are forced to make difficult decisions to cut programs and rely on reserves to fill some of the gaps. State spending on workforce training has not been immune to this trend.²

THE JOBS & WORKFORCE BUDGET

To make it easier for everyone to understand the landscape of workforce training programs and services in Massachusetts, MassBudget created the [Jobs & Workforce Budget](#), an online tool that provides funding information and descriptions of the many programs in our state budget that support workforce development.

The Jobs & Workforce Budget organizes state spending and program descriptions by three levels:

1. The Overview provides the total picture of state spending on workforce training. The tool's homepage sets the broad context and details historic funding levels for these programs as a group.
2. Category summaries provide data on funding for groups of programs that are similar in type or that serve the same target populations. These categories are:
 - [Education](#)
 - [Workers with Disabilities](#)
 - [Workforce Development](#)
 - [Youth Engagement](#)
3. Individual program (or line item) descriptions provide full descriptions of the various state-supported programs in Massachusetts along with long-term funding histories and funding proposals at each step in the budget process. Users can find individual program descriptions either by navigating within category pages or by searching for keywords.

Many other programs not detailed in this tool also support skill development and contribute to economic growth, but because they perform other functions, we do not include them in this online tool. The state's community college system is one useful example. Community colleges serve a range of functions, providing general education to students hoping to transition into four-year bachelor's programs as well as providing direct job training designed to meet the specific needs of regional labor markets. Ultimately, most of their activities advance both these educational and workforce training goals. For detail on historic support for higher education in Massachusetts, users can navigate through the [Higher Education section of MassBudget's Budget Browser](#).

EDUCATION

	FY 2001 (infl. adj.)	FY 2017 GAA	FY17 - FY01	Percent Change
Education	\$41,872,913	\$37,168,517	-4,704,396	-11%

State government in Massachusetts plays an important role supporting the full education pipeline from early education and care to K-12 education to public higher education. While all of these investments help develop the state's workforce over the long-term, the [Jobs & Workforce Budget](#) focuses on those education programs that most directly perform workforce development functions. These programs help adults improve their basic skills, improve their English, assist with college transition and enrollment, and encourage college students to enter fast-growing sectors of the economy.

The largest program included in this education category is [Adult Basic Education](#) (ABE), funded at roughly \$30 million per year through the state budget. As with many workforce-related programs, this state funding plays an important role that is supplemented by federal, local, and private revenue sources. Altogether, funding for ABE helps over 19,000 individuals per year access English for Speakers of Other Languages (ESOL) and high school equivalency training programs. While funding levels have been the same for the past several years, waitlists for these programs continue to grow, signaling a need for many more resources to address the needs of low-skill adults.³

For more detail, see the [Adult Basic Education](#) program page. The Jobs & Workforce Budget's education category also includes other programs such as [Bridges to College - Adult College Transition Services](#), [Statewide College and Career Readiness Program](#), and [STEM Starter Academies](#).

WORKERS WITH DISABILITIES

	FY 2001 (infl. adj.)	FY 2017 GAA	FY17 - FY01	Percent Change
Workers with Disabilities	\$30,624,217	\$18,789,561	\$11,834,656	-39%

Massachusetts funds a number of programs that help adults with disabilities identify work opportunities, develop needed job skills, and make workplace modifications. State funding for these programs is down dramatically, by roughly 39 percent since FY 2001 (not included is the [Community Day and Work Programs for the Developmentally Disabled](#) for reasons explained below).

The largest of these programs is [Vocational Rehabilitation for the Disabled](#), funded at roughly \$10 million per year, which helps workers with disabilities become more independent. Supports include providing skill evaluations and supporting job goals, providing funds for college and vocational training, and helping inform employers about the Americans with Disabilities Act. It is important to note that other programs, such as [Community Day and Work Programs for the Developmentally Disabled](#), also provide job supports for disabled adults, but because these line items include funding largely for other non-employment related supports, we do not include their funding towards the totals above.

WORKFORCE DEVELOPMENT

	FY 2001 (infl. adj.)	FY 2017 GAA	FY17 - FY01	Percent Change
Workforce Development	\$72,078,751	\$22,694,060	-\$49,384,691	-69%

Our state government funds a set of core workforce development supports for adult workers. Workforce development programs help job seekers receive training, identify employment opportunities, connect to employers, and apply for jobs. These state programs also support incumbent workers (those currently working) in developing new skills to increase their productivity, access career advancement opportunities, and to help their employers become more competitive.

Overall state funding for programs in this category has been cut by 69 percent since FY 2001 (this figure excludes Workforce Training Fund totals for reasons explained below). While funding has varied across the different programs in this category, the majority of this dramatic decrease is driven by cuts to the [Employment Services Program](#), which primarily funds employment and training services for recipients of temporary assistance (TAFDC). This program was funded at about \$55 million in FY 2001 (adjusted for inflation) and is now down to just under \$13 million in FY 2017. In addition, the [Workforce Competitiveness Trust Fund](#), established in FY 2006 to support sector-based training programs and partnerships with businesses, has received state contributions just four times – in FY 2006, FY 2013, FY 2016, and FY 2017.

Another program focused on employer needs is the [Advanced Manufacturing Workforce Development Grants](#) program. These workforce development grants are distributed by the Executive Office of Housing and Economic Development and are designed to increase company productivity by enrolling, training, graduating, and placing high-quality workers that meet the workforce needs of employer partners.

While most funding for these programs comes from general fund appropriations, funding for the [Workforce Training Fund](#) program comes entirely from employer assessments that are connected to the state's unemployment insurance system. Employer contributions are deposited into a trust fund administered by the Executive Office of Labor and Workforce Development. Commonwealth Corporation, along with an advisory board, administers the programs supported by the fund. Any Massachusetts business that pays into the fund is eligible to apply for grants to train current and newly hired employees. For this reason, funding totals are not included above; however, it plays an important role by providing grants to employers, training providers, and labor organizations in Massachusetts to invest in employee training. The fund typically collects between \$18 and \$22 million per year.

YOUTH ENGAGEMENT

	FY 2001 (Infl. adj.)	FY 2017 GAA	FY17 - FY01	Percent Change
Youth Engagement	\$16,993,567	\$34,159,874	\$17,166,307	101%

The [Youth Engagement](#) section provides an overview of programs designed to help young people get on pathways toward promising careers. Since the needs of young people range widely, most of these programs provide more than just direct job training or placement. Some combine job training with academic support for those who have not yet finished high school. Others combine job training with social services and violence prevention programs for young adults who have struggled to stay on a positive track.

Youth Engagement is the one category within the Jobs & Workforce Budget that has received significantly increased state funding, doubling since FY 2001. Funding for [YouthWorks](#), for instance, increased from less than one million dollars in FY 2001 to roughly \$10 million in FY 2017.

Within Youth Engagement, however, support for various other core line items has declined even as total funding has increased. In particular, funding for [School-to-Career Connecting Activities](#), which helps in-school young adults connect to career-focused paid jobs and internships, has decreased from \$6.9 million in FY 2001 to \$3.4 million in FY 2017, meaning many thousands of young people have not been able to access these employment opportunities. Even more, roughly \$699,000 of the \$3.4 million for this program goes to earmarks that are not core to the program.

OTHER WORKFORCE TRAINING FUNDING SOURCES

The Jobs & Workforce Budget focuses on worker training programs funded through the state budget. It is important to note, however, that many of these programs also rely on other non-state funding sources. Specifically, the federal government plays a role in providing some funding for programs like [One Stop Career Centers](#) and [Adult Basic Education](#). Because federal dollars for programs like these do not flow through our state budget, they are not reflected in the funding detail we include here.

Further, some federally-funded programs, such as training supported by the federal Workforce Innovation and Opportunity Act (WIOA), are not tracked in MassBudget's [Budget Browser](#) or in the [Jobs & Workforce Budget](#) because funding flows by formula to the local or regional level. More information about these streams of direct, federal support is available through the [National Skills Coalition](#).

Also, many providers raise philanthropic funds to help support their workforce programs. Even local governments help support workforce training, such as through support for vocational high schools.

¹ For more on income trends and wages see MassBudget's [The State of Working Massachusetts](#).

² For a discussion of income trends and wages see MassBudget's [The State of Working Massachusetts](#).

³ The current waitlists contain over 14,000 individuals for ESOL, and over 2,500 for ABE, according to the Department of Elementary and Secondary Education's Adult Basic Education Directory available online at: <http://acls.doemass.org>; Also, see the Jobs and Workforce Budget's [Adult Basic Education](#) for more discussion on waitlists.