FOLLOW THE MONEY
Aligning Workforce Funding in Georgia
July 16, 2019
10:00am
OBJECTIVES

#1: Explore what the current labor market conditions mean for the future of Georgia’s workforce development policies, programs, and funding

#2: Gain a deeper understanding of how Georgia deploys funding to support workforce development across the state

#3: Explore steps the State of Georgia can take to deepen it’s impact and prepare a ready, equipped workforce while helping workers remove barriers to employment.
PEOPLE-POWERED PROSPERITY

A People-First Economic Vision for Georgia
PROSPER GEORGIA RECAP

PROSPER is a collective of workforce advocates committed to an inclusive economy in Georgia.

Opportunities to secure good, stable, and upwardly-mobile jobs exist, but so do stubborn systemic barriers, misaligned systems, and inadequate funding.

PROSPER Georgia is a coalition of workforce advocates who champion an inclusive economy. The coalition’s goal is to eliminate poverty in Georgia by removing barriers to meaningful, family-supporting jobs. We can get there by advancing policy and practice solutions that:

- Bolster access to middle-skills training in the state’s high-demand career sectors.
- Implement seamless career paths that help people move up the economic ladder.
- Prioritize equity to improve the inclusiveness of Georgia’s training and employment opportunities.
- Strengthen key work supports that help people find and maintain good jobs.
KEY OBJECTIVES

• **Develop new state workforce policy proposals.** Harness the expertise of local practitioners, businesses, trade associations, and advocates to generate new ideas for training low-income people for good jobs.

• **Bring workforce policies to scale across Georgia.** Increase the number of local areas implementing skills policies and practices that increase economic opportunity for low-income families.

• **Inform state policy and practice innovation.** Use a network of diverse statewide expertise to shape key state policies on workforce/talent development, higher education, and social services/work supports.
Create closer links between technical/community colleges and businesses to help technical/community colleges train people for the jobs businesses are hiring for.

97% support
We get to operate here with PROSPER

We've all been here
A CHANGING LABOR MARKET
GEORGIA’S PEOPLE

“The full utilization of our people and their active participation in the mainstream of our economy and culture is one of the major mandates for our nation and state. The health, even the survival, of the nation depends on adequate solutions to our problems. Through planning, determining the needs, and training the workforce to fill the needs, we can reduce the necessity for welfare and enrich the lives of all citizens through a healthy productivity.”

Most jobs in Georgia’s labor market – 55 percent – are middle-skill jobs, which require more than a high school education but less than a four-year degree.

Middle-skill jobs include paralegals, computer network support specialists, and dental hygienists.

However, only 43 percent of Georgia workers are trained to the middle-skill level. This “skills gap” threatens the state’s economic competitiveness now and in the future.
A GEORGIA JOBS “BOOM”

Georgia’s employers will need to compete more for workers.

Caution: available workers might not have the credentials/skills employers are looking for

Not all jobs are “good jobs”

Source: GBPI analysis of State Jobs Openings and Labor Turnover Survey JOLTS data, 2012-2018
Georgia ranked 41st in percentage of adults with a high school diploma/GED. 46% of Georgia families in poverty where no adult has some postsecondary education. Unemployment rates for Georgians with only a high school diploma more than 2 times higher than those with a bachelor’s degree.
UNEVEN RECOVERY

The percentage of adults 25 and older with only a high school diploma or GED has increased, while adults with some postsecondary training is decreasing.

UNEVEN RECOVERY

Joblessness Consistently Lower for White Georgians
Georgia statewide unemployment rate, by race, 2006-2017

GEORGIA BUDGET & POLICY INSTITUTE GBPI.org
UNEVEN RECOVERY

Labor force participation rate:
The percentage of the population that is either working or actively seeking work.

Reasons the labor force is declining:
Aging workers, younger workers not seeking employment as much, poor worker protections and supports for women and people of color, people with records, etc.

Change in Labor Force Participation in Georgia’s 19 Local Workforce Development Areas (LWDAs), 2012-2018

Source: Georgia Department of Labor, Labor Market Explorer Database, 2012-2018
THREATS TO GEORGIA’S WORKFORCE

High costs of education and training
   Adult re-entry
Lack of transportation
Extremely high child care expenses
Poor proximity to training and “good” jobs
Insufficient wages
Barriers for Immigrant workers
Persistent Discrimination in Hiring
Pay gaps for women and people of color
Imported workforce vs. nurturing “homegrown” talent
FUNDING IS KEY
GEORGIA’S MAJOR WORKFORCE AGENCIES: $214M IN WORKFORCE FUNDS

TCSG – WIOA: Technical College System of Georgia, Workforce Innovation Opportunity Act
DHS: Georgia Department of Human Services
GaDOL: Georgia Department of Labor
GVRA: Georgia Vocational Rehabilitation Agency

TCSG – WIOA: $137,023,340
DHS: $29,274,790
GVRA: $20,741,234
GaDOL: $27,406,673

Source: GBPI analysis of Georgia Budget Appropriations and Federal Program Allocations, 2012-2019
GEORGIA DEPENDS HEAVILY ON FEDERAL FUNDS TO SUPPORT WORKFORCE DEVELOPMENT

Source: GBPI analysis of Georgia Budget Appropriations and Federal Program Allocations, 2012-2019
Public Funds for Georgia’s Training and Employment declined between 2012 & 2019

State and federal funds for job training in Georgia have fallen in recent years

Source: GBPI analysis of Georgia Budget Appropriations and Federal Program Allocations, 2012-2019
Federal Workforce Innovation and Opportunity Act (WIOA) funds make up the largest share of workforce funds in Georgia. Funding in Georgia for 2019 is less than it was in 2012.

Source: GBPI analysis of WIA/WIOA Allocations by Program Year, 2012-2019
Deep cuts to Youth and Adult WIOA Title I funding in Georgia

Source: GBPI analysis of WIA/WIOA Allocations by Program Year, 2012-2019
CREDENTIAL ATTAINMENT RATES

WIOA requires Georgia to report recognized postsecondary or secondary credentials attained by participants who received services. Youth participants have the lowest rates, while also being the most difficult to serve. For youth and adults, people of color have more difficulty than white participants acquiring new credentials during or after program exit, yet these two areas are seeing the deepest funding cuts.

<table>
<thead>
<tr>
<th></th>
<th>PY 2017</th>
<th>White</th>
<th>Latinx</th>
<th>Asian</th>
<th>Black</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credential Attainment Rates - Adult</td>
<td>82%</td>
<td>88%</td>
<td>84%</td>
<td>81%</td>
<td>79%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>PY 2017</th>
<th>White</th>
<th>Latinx</th>
<th>Black</th>
<th>Asian</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credential Attainment Rates - Youth</td>
<td>55%</td>
<td>68%</td>
<td>63%</td>
<td>50%</td>
<td>48%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>PY 2017</th>
<th>Latinx</th>
<th>White</th>
<th>Asian</th>
<th>Black</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credential Attainment Rates - Dislocated Workers</td>
<td>77%</td>
<td>95%</td>
<td>85%</td>
<td>78%</td>
<td>72%</td>
</tr>
</tbody>
</table>

Source: GBPI analysis of WIOA state annual reports, Program Year 2017
MORE FEDERAL FUNDING STREAMS

- SNAP Employment & Training: $1.9 million in FY 2019
- Temporary Assistance for Needy Families (TANF): $11.2 million in FY 2018 (latest available expenditures for work assistance, employment & training)
- Community Service Block Grant (CSBG): $16 million in FY 2019 allocations
- HUD Section 3: Spending data unavailable

-46%  
-7%
STATE GENERAL FUNDS FOR WORKFORCE SERVICES: $56M

- Workforce Solutions: $16M
- GA Quick Start: $7M
- Vocational Rehabilitation Services: $11M
- Adult Basic Ed/Literacy: $20M

Source: Georgia Budget Appropriations, FY 2019
Quick Start is one of Georgia’s most important tools for economic development. The program provides no-cost, customized job-specific training to workers for qualified companies relocating or expanding in Georgia. The program also targets local residents for local jobs. Despite being ranked as “one of the top training programs in the U.S.”, funding for Quick Start has fallen 13% since 2012.

Source: Georgia Budget Appropriations, FY 2012 & 2019
**STATE FUNDS FOR COLLEGE ACCESS**

HOPE Grants cover a portion of tuition costs for individuals seeking certificates or diplomas.

<table>
<thead>
<tr>
<th>Program Group</th>
<th>HOPE Grant</th>
<th>Zell Miller Grant</th>
<th>HOPE Career Grant</th>
<th>Total HOPE Grant Program</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Students</td>
<td>Dollars</td>
<td>Students</td>
<td>Dollars</td>
</tr>
<tr>
<td>Fiscal Year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>81,290</td>
<td>$73,012,029.41</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>2015</td>
<td>67,014</td>
<td>$54,855,086.15</td>
<td>14,563</td>
<td>$17,662,368.07</td>
</tr>
<tr>
<td>2016</td>
<td>48,414</td>
<td>$42,080,270.91</td>
<td>15,768</td>
<td>$19,281,971.45</td>
</tr>
<tr>
<td>2017</td>
<td>43,386</td>
<td>$38,092,362.57</td>
<td>13,940</td>
<td>$17,050,127.40</td>
</tr>
</tbody>
</table>
# JOB TRAINING TAX CREDITS

The below table presents the training-related tax credits in Georgia for fiscal years 2018, 2019, and 2020:

<table>
<thead>
<tr>
<th>Training-Related Tax Credits in Georgia</th>
<th>FY 18</th>
<th>FY 19</th>
<th>FY 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer GED Tax Credit</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Approved Employee Retraining Credit</td>
<td>$52,000,000</td>
<td>$56,000,000</td>
<td>$61,000,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$52,000,000</strong></td>
<td><strong>$56,000,000</strong></td>
<td><strong>$61,000,000</strong></td>
</tr>
</tbody>
</table>

**Qualified Job Training Tax Credit:**
Sales of tangible personal property and services to a qualified job training organization located in this state when such organization is tax exempt under 501(c)(3).

**Employer GED Tax Credit:**
Businesses which provide or sponsor an approved adult basic skills program may receive a tax credit. The program is administered by the Technical College System of Georgia.

**Approved Employee Retraining Credit:**
The retraining tax credit allows employers to claim certain costs of retraining employees to use new equipment, new technology, or new operating systems.

Source: Georgia Department of Revenue, 2019
# Funding for Major Workforce Programs in Georgia

<table>
<thead>
<tr>
<th>Program</th>
<th>Agency</th>
<th>Type of Funds</th>
<th>2012</th>
<th>2019</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>State ABE Program</td>
<td>TCSG</td>
<td>State</td>
<td>$13,144,937</td>
<td>$16,743,009</td>
<td>27%</td>
</tr>
<tr>
<td>WIOA Title II: Adult Literacy</td>
<td>TCSG</td>
<td>Federal</td>
<td>$19,110,000</td>
<td>$23,199,486</td>
<td>21%</td>
</tr>
<tr>
<td>WIOA Title I: Youth</td>
<td>TCSG</td>
<td>Federal</td>
<td>$25,482,226</td>
<td>$23,153,178</td>
<td>-9%</td>
</tr>
<tr>
<td>WIOA Title I: Adult</td>
<td>TCSG</td>
<td>Federal</td>
<td>$24,047,603</td>
<td>$22,242,515</td>
<td>-8%</td>
</tr>
<tr>
<td>WIOA Title I: Dislocated Worker</td>
<td>TCSG</td>
<td>Federal</td>
<td>$36,619,541</td>
<td>$38,491,175</td>
<td>5%</td>
</tr>
<tr>
<td>WIOA Title III: Wagner-Peyser</td>
<td>TCSG</td>
<td>Federal</td>
<td>$20,518,463</td>
<td>$19,757,815</td>
<td>-4%</td>
</tr>
<tr>
<td>Workforce Solutions</td>
<td>GaDOL</td>
<td>State</td>
<td>$6,588,215</td>
<td>$7,648,858</td>
<td>16%</td>
</tr>
<tr>
<td>GA QuickStart</td>
<td>TCSG</td>
<td>State</td>
<td>$12,910,423</td>
<td>$11,293,977</td>
<td>-13%</td>
</tr>
<tr>
<td>Temporary Assistance for Needy Families*</td>
<td>DHS</td>
<td>Federal</td>
<td>$20,717,480</td>
<td>$11,264,653</td>
<td>-46%</td>
</tr>
<tr>
<td>Vocational Rehabilitation Services</td>
<td>GVRA</td>
<td>State</td>
<td>$12,895,493</td>
<td>$20,741,234</td>
<td>61%</td>
</tr>
<tr>
<td>Community Services Block Grant</td>
<td>DHS</td>
<td>Federal</td>
<td>$17,282,159</td>
<td>$16,110,137</td>
<td>-7%</td>
</tr>
<tr>
<td>SNAP E&amp;T</td>
<td>DHS</td>
<td>Federal</td>
<td>-</td>
<td>$1,900,000</td>
<td></td>
</tr>
</tbody>
</table>

Source: GBPI analysis of Georgia Budget Appropriations and Federal Program Allocations, 2012-2019; TANF dollars represent expenditures
Would you support or oppose state funding for a need-based financial aid program to make college more affordable? 82% support

In order to meet the growing demand for technically skilled jobs, grow the economy and tax base in Georgia, would you support or oppose tuition-free post-secondary technical training in Georgia? 75% support

Make it easier for people who receive government assistance like welfare or food stamps to get skills training, so they can find a family supporting job. 88% support
#1: TUITION-FREE TECHNICAL COLLEGE

Georgia Can Afford An Investment in Tuition-Free Technical College

- **Tuition-Free Technical College**: $40M
- **Business Research Tax Credit**: $31M
- **Jobs Tax Credit**: $149M
- **Insurance Company Tax Breaks**: $309M
- **Film Tax Credit**: $414M
HOPE Grants link individuals to hundreds of sector-based training opportunities in the Technical College System.

HOPE Grant Funding covers less tuition costs than it used to since TCSG raised tuition rates.

Increasing HOPE Grant funding to cover 100% of tuition costs is needed to ensure industry demands are met and Georgians with low-incomes can afford training for high-growth, high wage jobs.

### HOPE Grants cover less tuition now than they did in 2012.

<table>
<thead>
<tr>
<th></th>
<th>FY 2012</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>HOPE Grant Award Per Credit Hour</td>
<td>$61</td>
<td>$76</td>
</tr>
<tr>
<td>TCSG Tuition Per Credit Hour</td>
<td>$75</td>
<td>$100</td>
</tr>
<tr>
<td><strong>HOPE Grant as Percentage of Cost</strong></td>
<td>81%</td>
<td>76%</td>
</tr>
</tbody>
</table>

Source: Georgia Student Finance Commission, FY 2012 & 2019
HOPE Career Grants do not apply to associate’s degrees in high-demand fields:

Technical colleges offer associate’s degrees in many high-demand fields, but these students are not eligible for HOPE Career Grants.

For example, a student pursuing a practical nursing diploma can get a HOPE Career Grant, but a student in a registered nursing associate’s degree program cannot.

Including associate’s degrees in HOPE Career Grants would help align colleges with employers’ workforce needs.

Georgia could help make career pathways seamless by extending the HOPE Career Grant to associate’s degree-seeking students.

Estimated Cost = $15.6 million
Apprenticeship:
“Training which takes place within the context of a wage-earning, long-term employment relationship between a business and a worker, in which the learning worker has the opportunity to develop measurable skills through instruction both at the work site and, where appropriate, off site at a school or other training program.”

Despite being home to hundreds of apprenticeship programs, Georgia does not have a dedicated state funding source to help job seekers access registered apprenticeships.

States that use general funds for apprenticeships:
- North Carolina
- South Carolina
- Iowa
- Connecticut

States with tax credits for apprenticeships:
- Alabama
- Arkansas
- Louisiana
- South Carolina
Georgia is one of only 10 states that limits parents receiving state-funded child care subsidies to less than a bachelor’s degree.

This rule threatens the future earning potential and financial security of families.

If a parent currently decides to pursue a bachelor’s degree to move up the economic ladder, they become ineligible for child care assistance, leading them to fall off the child care cliff.
• The Second Chance for Georgia Campaign, led by the Georgia Justice Project (GJP) to expand Georgia’s expungement law to allow expungement of certain misdemeanor and felony convictions after a period of conviction free years.

• 4.2 million people (nearly 40% of adults) have a Georgia criminal record. Currently, only arrests that did not lead to a conviction and certain misdemeanor convictions before someone turned 21 can be expunged in Georgia. Everything else stays on forever, creating lifetime barriers under Georgia’s current law.

• Changing Georgia’s law so that certain misdemeanor and felony convictions can be restricted and sealed after a period of time will unlock opportunity for thousands of Georgians who want to work, rebuild their lives, and provide better futures for their families.
#5: ALIGN SYSTEMS TO LAUNCH CAREER PATHWAYS

It is clear that Georgia’s workforce system cannot depend on just one funding source. Multiple sources that flow into Georgia should be aligned – especially since they serve many of the same individuals.

Georgia’s WIOA state plan **does not include TANF and SNAP E&T as partner programs**, despite the many ways both funding sources could augment WIOA service delivery.

**Arkansas: An Aligned Model for Career Pathways**

The Arkansas Career Pathways Initiative provides academic and support services to help people with low incomes and low skills secure credentials or degrees necessary to acquire and maintain jobs in selected high-wage, high-demand industries.

TANF and state general funds combine at the community college level to cover the costs of tuition, fees, books, child care, transportation and other support for TANF eligible individuals. Each student is assigned a counselor trained to identify barriers people in poverty often face.
ALIGNING SYSTEMS:
SNAP EMPLOYMENT & TRAINING
AND
CENTRAL GEORGIA TECHNICAL COLLEGE

Speakers:
Ruby Holmes-Hamb,
Central Georgia Technical College

Tatrina Young,
Georgia SNAP Employment and Training, DHS
Q & A
THANK YOU

Thoughtful Analysis, Responsible Policy
GBPI.org | 404.420.1324
50 Hurt Plaza SE, Ste 720, Atlanta, GA 30303