

## CAREER PATHWAYS INNOVATION FUND

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>						
(Dollars in Thousands)						
	FY 2008 Enacted	FY 2009 Enacted	Diff. FY08 Enacted / FY09 Enacted	Recovery Act	FY 2010 Request	Diff. FY09 Enacted / FY10 Req
<b>Activity Appropriation</b>	<b>122,816</b>	<b>125,000</b>	<b>2,184</b>	<b>0</b>	<b>135,000</b>	<b>10,000</b>

Note: In FY 2008 and FY 2009 these funds were included in the Dislocated Worker National Reserve activity and designated for Community-Based Job Training Grants.

### **Introduction**

The Career Pathways Innovation Fund will take the place of the Community-Based Job Training Grants (CBJTG), continuing the support for community colleges provided by the CBJTG, but focusing on career pathway programs at community colleges. These programs help individuals of varying skill levels enter and pursue rewarding careers in high-demand and emerging industries.

Career pathway programs are clear sequences of coursework and credentials, each leading to a better job in a particular field, such as health care, law enforcement, and clean energy. These programs have multiple entry and exit points and often include links to services, such as basic adult education and English as a Second Language classes, which make them accessible to individuals who are not yet prepared to enroll in college courses. Career pathways are a relatively new strategy for community colleges, but several existing programs have shown promising outcomes.

The Employment and Training Administration (ETA) will work with the Department of Education as it develops and implements this new initiative, especially to gain insight into curriculum development, the importance of credit transferability, and linkages between community colleges and K-12 education.

The predecessor CBJTG program was funded within the Dislocated Worker National Reserve at a program level of \$125,000,000. Funding for the Career Pathways Innovation Fund is requested as a national activity under the authority of section 171 of the Workforce Investment Act (WIA). This best reflects the nature of the grant funding to be provided to community colleges and other entities. Previous CBJTG awards have provided training services to a broader population than dislocated workers, and the new Career Pathways Innovation Fund will focus on broader populations, including disadvantaged adults.

### **Funding Mechanism**

Career Pathways Innovation Fund grants will be awarded competitively through Solicitations for Grant Applications (SGAs). Grants will be awarded to community colleges and consortia of community colleges, and also may be awarded to two-year colleges that have been designated as Hispanic-Serving Institutions or Historically Black Colleges.

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## Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2005	249,000	0
2006	123,750	0
2007	123,750	0
2008	122,816	0
2009	125,000	0

NOTE: Excludes Recovery Act Funding. See budget activity head table.

## FY 2010

The Budget requests \$135,000,000 for the Career Pathways Innovation Fund, which is a \$10,000,000 increase over the amount awarded in FY 2009 through Community-Based Job Training Grants. To implement the initiative, the ETA will issue a competitive SGA.

Grants will be awarded to community colleges and consortia of community colleges that are developing or expanding career pathway programs in partnership with education and training providers, employers, and the workforce investment system. In addition to the provision of training services, a portion of funds may be used for program operations and capacity-building activities, such as curriculum development, faculty hiring, and equipment purchase. Grants may also be awarded to two-year colleges that meet these criteria and have been designated as Hispanic-Serving Institutions or Historically Black Colleges.

Applicants will be required to:

- Demonstrate that the career pathway program prepares individuals for careers that have current or projected job openings in the region
- Explain how the program will recruit and retain students
- Describe the types of students the program aims to serve and how the program is targeted to meet their needs
- Submit a detailed spending plan and timetable for achieving measurable benchmarks
- Set a reasonable time limit for development of new programs, after which grantees will promptly begin delivering services
- Explain how capacity-building activities will contribute to positive outcomes for program participants

In awarding the grants, ETA will give priority to existing programs that can clearly demonstrate positive academic and employment outcomes and to new programs that are based on models which have shown strong outcomes for participants. ETA will also give a priority to programs with specific strategies for serving individuals who may not otherwise participate fully in job training programs, such as English Language Learners, for example, by integrating basic education with occupational training. Applicants also will be asked to detail proposed linkages with the local WIA system, particularly in regards to outreach and recruitment of participants, job placement services, and leveraging of other resources.

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ETA plans to hold grantees accountable for results, but recognizes the challenges of measuring success in career pathways, which are made up of small programs with varied goals, including degree completion, an industry-recognized credential, and employment. ETA will develop a set of key outcomes that must be tracked by grantees, such as percentage of enrollees completing each portion of the pathway program, percentage of participants obtaining a credential or degree, and percentage of participants obtaining employment.

### **FY 2009**

For FY 2009, \$125,000,000 was appropriated for CBJTG grants. This funding level will allow ETA to make approximately 70 to 75 new grant awards of between \$500,000 and \$2,000,000. This is similar to the amount of grants that ETA awarded in FY 2008.

An analysis of available CBJTG grantee reporting of training outputs indicates that, since 2005:

- 118,724 individuals have enrolled in training;
- 43,144 individuals have completed training; and
- 33,265 individuals have received certifications

Last year, the number of participants that enrolled in training and completing training was 15,296. In PY 2008, baseline data are being collected for the common measures (listed below). The use of the common measures enables ETA to describe in a similar manner the core purposes and results of the workforce investment system— how many people got a job, how many stayed employed, and what were their earnings. The definitions of the measures are as follows:

- *Entered Employment Rate* - Percent of participants employed in the first quarter after exit;
- *Employment Retention Rate* - Percent of participants employed in the first quarter after program exit still employed in the second and third quarters after exit;
- *Average Earnings* - The average six-month earnings.

Outcome data for these measures will be available in September 2009.

### **FY 2008**

CBJTG funds were awarded to support or engage community and technical colleges in a combination of capacity building and training activities to ensure workers have the skills needed to succeed in high growth, high demand industries in regional economies.

Based on evaluation of active grantee outcomes and continuous analysis of workforce challenges facing high-growth, high-demand industries, ETA has focused its investments through CBJT grants in:

- Skill and competency needs of high growth, high demand industries as defined in the context of the regional economy;
- Flexible education strategies that promote multiple pathways for workers to gain skills incrementally, including supporting efforts of community colleges and their education partners to offer multiple entry and exit points for workers in need of continuous training;

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- Strategies to further integrate community college workforce education and talent development activities with regional economic development, with an increased emphasis on coordination of these grants with state, local, and community workforce development strategies;
- New and innovative education and learning models that can be replicated and distributed to support workers in receiving the training they need on-demand and in the workplace, promoting life-long learning, and personal accountability and responsibility for skill development; and
- Joint applications from community colleges and their partners in the continuum of education, including K-12 and four-year educational institutions.

In FY 2008, ETA awarded a third round of CBJT grants. The funding level of \$124,000,000 allowed ETA to make 69 investments between \$500,000 and \$2,000,000 each and train approximately 26,000 people.

During FY 2008, ETA began an evaluation of the CBJT grant program. It will be focused on all grants awarded under the first three competitive SGAs. The purposes of the evaluation are to document the different models and projects operating with grant funds, examine and assess the implementation of grant-funded projects, and identify innovative features and potentially promising strategies.

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<b>WORKLOAD SUMMARY</b>			
<b>(Dollars in Thousands)</b>			
	<b>FY 2008 Actual</b>	<b>FY 2009 Target</b>	<b>FY 2010 Target</b>
Career Pathways Innovation Fund*			
Individuals Recruited and Retained	--	--	--***
Placement in careers in current or projected job openings in the region	--	--	--
Capacity-building activities	--	--	--
Cost per Participant		--	--
Community-Based Job Training Grants	37,325**	--	
Cost per Participant	\$3,349	--	
<b>Budget Activity Total</b>	<b>\$122,816</b>	<b>\$125,000</b>	<b>\$135,000</b>

\* Career Pathways Innovation Fund replaces Community-Based Job Training Grants (CBJTGs). CBJTGs will be continued to be tracked until the program ends.

\*\*The participants served for FY2008 is an estimated result for the year ending 6/30/09. CBJTG served 25,250 participants in the year ending 6/30/08.

\*\*\* The schedule for awarding the Career Pathways Innovation Fund grants has not yet been determined, but since these grants will not be executed until PY2010 ETA may not award these grants before 7/1/10. Based on this preliminary planning estimate, at most, these grants would only be active for the final three months of FY 2010. Since all grants have a start up phase these grants would not serve a significant number of participants (if any) during FY 2010. Grant implementation will be well underway in FY 2011, and, based on the population focus of the Career Pathways Innovation Fund grants, ETA projects that approximately 22,000 participants will be served through these grants in FY 2011.

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### PERFORMANCE GOAL AND INDICATORS

<b>Increase the employment, retention, and earnings of individuals served through existing Community Based Job Training Grants. (Activity becomes Career Pathways Innovation Fund in FY 2010.)</b>									
<b>Performance Indicators</b>	<b>PY 2005</b>		<b>PY 2006</b>		<b>PY 2007</b>		<b>PY 2008</b>	<b>PY 2009</b>	<b>PY 2010</b>
	<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
1. Number of participants enrolled in training <sup>1</sup>	--	--	--	26,000 <sup>4</sup>	26,000 <sup>6</sup>	31,225 <sup>5</sup>	25,700	25,700	--
2. Number of participants completing training <sup>2</sup>	--	--	--	10,400 <sup>4</sup>	10,400 <sup>7</sup>	15,296 <sup>6</sup>	5,600	5,600	--
3. Number of participants receiving certifications <sup>3</sup>	--	--	--	7,800 <sup>4</sup>	7,800 <sup>8</sup>	11,862 <sup>7</sup>	4,300	4,300	--
4. Percent of participants employed in the first quarter after exit.	--	--	--	--	--	--	Baseline	TBD	--
5. Percent of participants employed in the first quarter after exit still employed in the second and third quarters after exit.	--	--	--	-	--	-	Baseline	TBD	--
6. Average earnings in the second and third quarters after exit.	--	--	--	-	--	--	Baseline	TBD	--
<p><b>Baseline(s):</b> Baseline year for Common Measures (#'s 4, 5, and 6 from Goal 2D) moved from PY 2006 to PY 2008 due to a delay in the reporting system. The baseline year for number of participants enrolled in training, completing training, and receiving certificates (#'s 1, 2, and 3 from Goal 2D) is 2006 which allowed DOL to analyze the data reported for the first full program year of this initiative.</p>									
<p><b>Data Source(s):</b> Grantee Reports to be submitted to DOL. ETA transitioned to an OMB-approved reporting format in June 2008, providing grantees with an approved, standardized performance reporting form. Grantees are now able to report on outcomes based on standardized definitions.</p>									
<p><b>Comments:</b> The performance section of the budget narrative provides participants enrolled in training, completing training, and receiving certifications since October 1, 2005. There are no targets listed for PY 2010 because ETA intends to transform this program into the Career Pathways Innovation Fund, and is still determining the appropriate measures and targets for this initiative.</p>									
<p><sup>1</sup> The number of participants enrolled in training is defined as: the total number of participants, adult and youth, who received or are continuing to receive industry and/or occupational skills education and job training activities during the program year.</p>									
<p><sup>2</sup> The number of participants completing training is defined as: the total number of participants, adult and youth, who have completed one or more industry and/or occupational skills education and job training activities during the program year. This category does not include participants who have not completed because they have dropped out to enter employment.</p>									
<p><sup>3</sup> The number of participants receiving certifications is defined as: the total number of participants, adult and youth, who completed industry and/or occupational skills education and job training activities and received a degree or certificate.</p>									
<p><sup>4</sup> This is derived in part from PY 2006, but takes into consideration an analysis of the cumulative year to date information.</p>									
<p><sup>5</sup> The baseline was derived from cumulative to date information reported by 142 grantees that received CBJTG awards in PY 2005 and PY 2006. The data used in developing the baseline projections is in large part from PY 2006 but takes into consideration data from PY 2005 and the first quarter of PY 2007. PY 2007 results are cumulative to date information for the quarter ending 6/30/2008.</p>									

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<sup>6</sup> The number of participants completing training reflects only those participants who will complete training during the life of the grant. Given the longer-term nature of some of the training occurring under the grants (e.g. nursing, which takes up to two years), DOL expects a significant number of enrolled participants to complete their training after the period of performance for the grants has ended. DOL cannot mandate grantees to provide data after the period of performance has ended. PY 2007 results are cumulative grant to date information for the quarter ending 6/30/2008.

<sup>7</sup> The number of participants receiving certificates is linked to the number of participants completing training as only those receive a certificate or degree AND complete training can be counted. Given the longer-term nature of some of the training occurring under the grants (e.g. nursing, which takes up to two years), DOL expects a significant number of enrolled participants to receive degrees or certificates after the period of performance for the grants has ended. DOL cannot mandate grantees to provide data after the period of performance has ended. PY 2007 results are cumulative to date information for the quarter ending 6/30/2008.

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<b>BUDGET ACTIVITY by OBJECT CLASS</b>						
(Dollars in Thousands)						
		<b>FY 2008 Enacted</b>	<b>FY 2009 Enacted</b>	<b>Recovery Act</b>	<b>FY 2010 Request</b>	<b>Change FY 10 Req / FY 09 Enacted</b>
41.0	Grants, subsidies, and contributions	122,816	125,000	0	135,000	10,000
<b>Total</b>		<b>122,816</b>	<b>125,000</b>	<b>0</b>	<b>135,000</b>	<b>10,000</b>

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## CHANGES IN FY 2010

(Dollars in Thousands)

### Activity Changes

#### Built-In

To Provide For:

#### Built-Ins Subtotal

0

#### Net Program

10,000

#### Direct FTE

0

Estimate

FTE

#### Base

125,000

0

#### Program Increase

10,000

0