TO: AFFILIATE AMERICAN JOB CENTER DIRECTORS
COMPREHENSIVE AMERICAN JOB CENTER DIRECTORS
DEPARTMENT OF LABOR EMPLOYMENT AND TRAINING REGIONAL ADMINISTRATORS
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FROM: PORTIA WU
Assistant Secretary

Subject: Release and Availability of a Final Report, Implementation of the H-1B Technical Skills Training Grant: Grantee Characteristics and Experiences Providing Employer-Based Training

1. **Purpose.** To announce the release and availability of a final report, *Implementation of the H-1B Technical Skills Training Grant: Grantee Characteristics and Experiences Providing Employer-Based Training*, that describes the experiences of the H-1B Technical Skills Training (TST) grantees, highlights two types of program interventions used to address long-term unemployment, On-the-Job-Training (OJT) and incumbent worker training, as well as employer-based strategies. This report describes the TST program findings based on data and other information collected between the autumn 2013 and spring 2014. In addition to the data analysis, the report provides an overview of the TST grant programs, structure, size and services; and includes examples of five TST grant programs identified through site visits for the study.

2. **References.**
   - Section 414(c) of the American Competitiveness and Workforce Improvement Act of 1998, (29 U.S.C. 2916a transferred to 29 U.S.C 3224a).

3. **Background.** Launched in 2011, this industry-targeted approach provided $340 million in financial, evaluation, and other technical assistance resources using the H-1B employer fees collected to grow a skilled American workforce. Grants awarded to 76 competitively-selected public-private partnerships in 48 states provided education, training and job

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placement assistance in related high-growth fields in which employers frequently use the H-1B nonimmigrant program to hire foreign workers. The TST grantees focused on three major-skill-building strategies: 1) OJT, by partially subsidizing the wages of individuals in the program as an incentive for employers; 2) incumbent worker training for current employees to upgrade skills or advance into new positions; and 3) classroom training provided by community colleges or other training providers.

This final report on the implementation of the TST initiative provides a general overview of the programs, examines the scope and focus of both the incumbent worker training programs and OJT programs, discusses participant recruitment strategies, and explains the differences in employer partnerships and training arrangements. In addition to the overview of implementation strategies, the report:

- Identifies key lessons from the TST grant programs;
- Summarizes site visit information for five TST grantees; and
- Organizes the information and data collected by
  - Types of industries, training strategies, and
  - Numbers of participants, organizations serving as lead agencies, employer partners, other partners, and services offered; and certificate and credentials targeted.


The primary sources of data for this evaluation include: grant document reviews (e.g. grant applications and agreements, as well as quarterly ETA performance and quarterly progress reports); telephone interviews with all 76 TST grantees; and site visits to a subset of grantees. The implementation study focused on four key topics of interest to the Department:

- **Incumbent worker training programs.** Interviews with employers who provide the training, provides insight into how individuals are selected for the training; the nature of the training provided, including content and intensity; the extent to which the training is for job advancement or to prevent job layoffs; and their perceptions of the benefits of the grant program.

- **OJT programs.** The study also examined OJT for the long-term unemployed populations to understand how these programs are designed and operated, the nature of the OJT, and successes and challenges in launching these programs. In particular, examination of the type of training provided, the extent to which it would be transferable to other employers (e.g., specific skills, certificates), and experiences in providing permanent placements to trainees.

- **Recruitment strategies and challenges.** The target populations recruited for the H-1B TST grants are those individuals who are long-term unemployed or who need skills and education to move into or advance in mid-to-higher skilled job. The study explains the recruitment challenges for grantees with less experience in recruiting these populations.
• **Partnerships.** Interviews and site visits documented the range of partners involved (e.g. community colleges, employers, unions, workforce agencies) and how relationships with partners were established.

5. **Final Report Findings.** The findings in the final report are identified as lessons derived from the grantees' experiences. Insights from the grantees focus on seven factors to consider when implementing incumbent worker and OJT programs. These factors include:

• **Partnerships with employers are critical to the training initiatives, and concerted recruitment efforts are needed to engage this community.** For the most part, the TST grantees established the necessary partnerships with employers to operate their incumbent worker training and OJT programs. While some grantees use employer partnerships that were established when the grant was awarded, many also found it important to engage in ongoing employer outreach throughout the grant period. This outreach was done through searching job banks, contacting employers and industry associations at job fairs, conducting direct outreach to industry associations, and developing targeted marketing materials.

• **The dual target groups for the TST grants have presented recruitment challenges for some grantees and made participant outreach a priority.** While most grantees succeeded in recruiting participants for the employer-based programs, some faced challenges in identifying individuals who were both unemployed for long periods, and had the experience and educational background required for middle-skill positions. Recruitment was particularly challenging for the OJT and classroom training programs, and less so for programs targeting incumbent workers who are generally easier to identify. Grantees approached this challenge by establishing strong connections with America Job Centers, community and four-year colleges, and other community organizations. Some grantees relied on reverse referrals, where the employer recommends a candidate for the program that it has identified through its own channels.

• **Grantees' efforts to establish employer partnerships broadened awareness of the public workforce system in the business community.** Through their training programs, some grantees were able to expand some employers' knowledge of and involvement with the workforce system. Some of the larger employer partners involved in the incumbent worker training programs have previous exposure to the public workforce system. However, many smaller and medium-sized firms, particularly those recruited as partners later in the grant period, reported that they were not previously aware that this type of public support for training was available.

• **Employer-based training models require ongoing attention.** Many grantees that support incumbent worker training programs had employer partnerships and commitments in place when their grant applications were prepared. By the time the grant was awarded and activities were implemented, the training needs of some employers had changed.
In these cases, the employers either filled fewer training slots than expected or disengaged entirely. As a result, some grantees redistributed funds to existing partners that absorbed additional training slots or to newly identified employers that identified workers and training needs.

- **Reducing the administrative burden on employers helps to gain and maintain their commitment to the program.** When interviewed, some employers expressed hesitation about participating in publicly funded workforce programs because of the perceived administrative burden. TST grantees worked to alleviate employer anxiety and addressed reluctance to participate in the program by completing grant-required paperwork and/or simplifying the funding application process for employers.

- **Grant funds are useful for leveraging employers’ specialized training resources.** Many TST grantees, particularly those supporting incumbent worker training, partner with very large Fortune 500 firms that historically relied very heavily on H-1B visas. These firms typically have extensive and customized training operations to develop their internal workforce and do not need to rely on external providers to create or adapt training offerings.

- **Employer-based training requires balancing the needs of workers and employers.** Employer-based training can be challenging to deliver. Workers must make time for training while holding down a job. At the same time, employers must maintain productivity levels while their workers learn new skills. Numerous grantees offer asynchronous distance learning, such as online coursework, which allows training to be pursued during off-hours or without leaving the workplace. Other grantees bring the training directly to the workplace during work hours or allow the employers to rely on the resources and systems they already have in place.

The final report analysis and findings are descriptive and primarily summarize the implementation experiences of the TST grants. The results do not support causal relationships.

6. **Inquiries.** To view an abstract of this publication, as well as download the full report, visit the Employment and Training Administration Research Publication Database Website at: [http://wdr.doleta.gov/research/keyword.cfm](http://wdr.doleta.gov/research/keyword.cfm). For additional details about the evaluation, please contact Gloria Salas-Kos at salas-kos.gloria@dol.gov.