

TRANSMITTAL # 6

MEMORANDUM

DATE: May 8, 2012

TO: Workforce Development Council

FROM: Roger Madsen, Director
Idaho Department of Labor

SUBJECT: "Talent Development" program for the Workforce Development Training Fund

ACTION REQUESTED: Approve recommendation to create a targeted "Talent Development Program" for the Workforce Development Training Fund

BACKGROUND:

Currently Idaho's Workforce Development Training Fund (WDTF) program is used to provide resources for needed skills or upgrade the skills to companies in targeted industries that are expanding their workforce or for workers at risk of permanent layoff.

The Workforce Development Council has reviewed policies and procedures to expand the use of the WDTF to increase its impact as an effective job creation and retention initiative to give Idaho firms a competitive edge and to support local community efforts to attract new companies and retain existing businesses.

In view of the continued high unemployment rate in the state the departments of Labor and Commerce have been exploring ways to better utilize the WDTF resources to expand training opportunities and meet the Council's goal of reducing Idaho's unemployment rate by 40 percent by 2015.

There are over 36,000 Idahoans who are currently out of work looking for employment including approximately 28,000 who are currently receiving unemployment benefits. In addition, there are about 13,900 who have exhausted their unemployment benefits.

RECOMMENDATION:

Create a "Talent Development Program" to the WDTF to allow grants to companies to train employees who are filling job vacancies if the company hires someone who is currently receiving unemployment benefits or who has exhausted their unemployment benefits.

This change would provide WDTF resources to businesses that are not currently expanding or laying individuals off as currently required to access WDTF resources. It would help existing Idaho businesses address skill gaps within their workforce as they replace retiring or leaving employees.

This new component would be in place until the state's unemployment rate falls below seven percent.

Eligible businesses would still need to meet all of the other WDTF requirements of being in the targeted sectors, selling their services or products outside their region and providing \$12 an hour or better wages with benefits.

This change would provide a tool to the Department of Labor to help job seekers receiving unemployment benefits gain the skills needed to compete in the job market and increase their chance of employment thereby reducing reliance on the unemployment insurance program

In order to implement this new Talent Development Program to effectively re-employ Idaho's unemployment insurance claimants, this request includes a blanket authorization from the Directors of Labor and Commerce to allow local office Department of Labor business consultants to approve Talent Development contracts with businesses utilizing the program. The Department of Labor will be modifying the WIA On-The-Job Training two-page contract to be used for this program to expedite the employment of those receiving/exhausting unemployment insurance.

Contacts:	Primary	Dwight Johnson	(208) 332-3570, ext. 3335
	Secondary	Jenny Hemly	(208) 332-3570, ext. 3480