

Section X



Workforce Development Initiatives



Workforce Development Initiatives

Overview

The previous sections analyzed the skill levels of the Los Angeles workforce, as well as the number, wage levels, geographic distribution and other key characteristics of the city's jobs. In this section, we analyze how the city's workforce training system can best improve skills and wages of workers, and equally important, improve the productivity and competitiveness of the city's businesses.

This section draws on the experiences of job training programs in Los Angeles and throughout the country over the past decade. It also draws on research regarding the elements of effective job training and career ladder projects. Chief among our findings:

- The emerging economy in Los Angeles places a premium on literacy and English-language skills for most jobs. The Mayor's Office has embarked on a major literacy effort that seeks both to expand literacy instruction and tie it more closely to the workplace. Experience suggests that literacy and ESL training often is most effective, as it is tied to the workplace, and as employers participate in the training design.
- Effective skills training must be tied to the skills needed by employers. Thus, the training programs that will succeed in Los Angeles' emerging economy will be those that are close to employers, flexible, meet changing skill demands and occupation demands, and highly knowledgeable about an industry sector. Identifying these effective programs requires that the Workforce Investment Board (WIB) encourage a broad competition for training funds.
- The One-Stop system that has grown over the past few years needs to be reconsidered. Initial results suggest that an increased amount of funds are going to training infrastructure and government-supported labor market exchange, with reduced percentage to actual training of workers.
- Skills upgrading or "career ladder" training projects offer wage and job mobility gains and can assume an expanded role in the workforce system for Los Angeles' lower-wage workforce. Career ladder projects have been conducted in recent years, not only with large single health care and hospitality employers in Los Angeles, but also with groups of employers. These projects, especially the multi-employer projects, form a career-ladders base to build upon.
- For career ladder projects to obtain scale and be sustainable in Los Angeles, they must bring together the financial participation of the community colleges, employer associations, labor unions and the workforce system, and assume the entrepreneurship of the private proprietary training schools.

Running throughout all of these recommendations is a shift in Los Angeles's workforce system from one that focuses on improving worker skills and wages, to one that focuses on the competitiveness of Los Angeles businesses, as well. Clearly, the two are not exclusive: as worker skills are improved, Los Angeles businesses gain. However, the recommended system gives greater emphasis to sector-based training and the role of employers in shaping training; to the role of employers in skills upgrading for their incumbent workforces; and to the employer benefits of professionalizing low-wage workforces.



The Structure and Role of Los Angeles' Job Training System

The current job training system in Los Angeles is comprised of multiple training providers and multiple training approaches. The training providers include community-based organizations, community colleges, adult education in the Los Angeles Unified School District and private proprietary schools. The training approaches range from literacy and ESL, vocational training, work-orientation and employability, on-the-job training and skills upgrading for low workers.

At the center of this workforce system is the Los Angeles city Workforce Investment Board (WIB). The WIB's fiscal year 2004-2005 budget was \$70 million, the largest part of which is \$48 million of federal formula workforce funds, distributed under the Workforce Investment Act (WIA), the main federal legislation governing job training.

The WIB is governed by a board of approximately 50 members drawn from business, labor, education and civic organizations appointed by the Mayor. The WIB sets general policy goals in workforce development and makes decisions about the distribution of training funds.

The WIB also oversees the system of One-Stop Career Centers, known as the WorkSource Centers, that have been created in line with WIA. The One-Stop system is designed by WIA to bring job placement, counseling and training providers into a number of central locations, so that job seekers can obtain several services at one location. It was also established to extend the reach of the job training system beyond the lower-income unemployed who have traditionally been the target of government employment activities.

In recent years, the Los Angeles WIB has launched several initiatives to improve workforce training. Among these initiatives were those to target training more closely to the higher-wage jobs within the reach of training participants, to customize training to individual business needs through a \$1 million Job Growth Fund, to establish a Workplace Literacy Project, and to extend the reach of career ladder projects.

Building on Los Angeles' Current Job Training System

These initiatives are in line with labor force and labor market trends discussed in earlier sections, and also with the experience of employment programs over the past decade and are thus worth supporting and building upon.

The Primacy of Literacy Training

Surveys of employers across industry sectors repeatedly show that for the great majority of jobs, employers are not looking for workers with specific vocational skills. Rather, they are looking for workers with basic literacy and math skills, and work orientation and ethos. At the same time, literacy and language skills are the skills that employers identify as lacking in many workers.¹

Literacy and ESL training programs for adults are not absent in Los Angeles. On the contrary, there is an extensive network of literacy and ESL programs funded by the federal, state and local governments. These programs are administered by the public school districts, the community colleges, nonprofit training agencies, private English and vocational schools, correctional institutions and faith-based organizations.



To strengthen this network, the Los Angeles Mayor's Office launched "Literacy@Work: The L.A. Workforce Literacy Project" in June 2003.² In July 2004, project officials released a Literacy Action Plan for the upcoming five years. Consistent with the findings in this report, the Literacy Action Plan found a significant segment of the workforce with low literacy skills, and found this lack of literacy and language skills to be a main obstacle to higher-wage jobs and job performance.³

The Literacy Action Plan (the Plan) calls for changes in the current literacy/ESL system, regarding uniform assessment, performance measurement and data management. Consistent with the goals set by the Los Angeles WIB, the Plan seeks to build a coordinated literacy campaign among the existing literacy trainers, to establish more consistency of practice and higher standards for client pre-training and post-training assessment, and as WIB executive director Bruce Stenslie summarizes, "to improve data management and reporting so we better know what's being invested and to what ends."

More broadly, the Literacy Action Plan urges a shift in the structure of literacy training to give a greater role to workplace-based training. This shift is consistent with the growing consensus among workforce practitioners that both workers and businesses often benefit more from workplace-based literacy than traditional classroom-based literacy. The workers benefit as they are more engaged and motivated by employment-related training; and the employers benefit as the literacy more closely benefits job performance. Several projects are being undertaken across the country to test employer and worker participation in literacy and ESL training, and to test computer-based literacy programs.⁴ The workforce challenges lie in identifying employer and worker roles in the training design, as well as employer and worker commitments that will ensure training effectiveness.

Sector-Based and Market-Based Vocational Training Programs and Competition for Training Funds

Several studies have been conducted in recent years on the elements of effective job training and the conclusions bear strong similarities.⁵ Effective job training programs have the following characteristics: (i) flexibility: they keep very close tabs on local labor markets and constantly adjust training to reflect the hiring in the region; (ii) sector expertise: they take time to understand an industry sector in detail and develop credibility among sector employers; and (iii) ties to employers: they either link training to specific job openings, or (more commonly) identify a number of employers who among them are likely to have sufficient job openings when training completes.

Beyond identifying elements of effective training, though, there is the challenge of system-building – creating a system of effective training programs. In this regard, a key element is the competition among training agencies. Where training agencies compete to attract participants, develop ties with employers and achieve high placement rates, job seekers benefit. In Los Angeles, the WIB encourages competition among the training agencies by utilizing a competitive solicitation process to fund the One-Stop Centers and training providers. The WIB utilizes a scorecard and publishes its data to help guide job seekers (<http://erc.laserves.org>). While training agencies may disagree on the appropriate mix of evaluation criteria, there is no question that a competitive process, rooted in training outcomes, will result in the strongest training system.



The “New Technician” Jobs as Successor to Disappearing Manufacturing Jobs

The previous sections have pointed to the loss of higher-paying manufacturing jobs in Los Angeles as elsewhere in California. Yet, technician jobs are emerging in the service sectors that can be thought of as successors to these jobs. These jobs, in such fields as information technology, telecommunications and biotechnology are distinguished by the fact that they are within the reach of workers without college degrees, that the training time is relatively short for entry-level jobs, and that these entry-level jobs usually start at \$13-\$16 per hour. These technician jobs represent an important training niche. Technician training has been funded by the Los Angeles WIB, and might be expanded under the newly-created Job Growth Fund.

Projection for employment in these high-tech sectors is strong. As shown in Table 1, Los Angeles County had slightly more than 286,000 workers in these high-tech sectors in 2001. By 2008, the number of high-tech sector workers is expected to increase to over 316,000.



Table 1-X
Industry Employment Projections (1)
 Los Angeles County, 2001-2008

Industry	SIC	Annual Average Employment		Employment Change		Average Annual Growth Percent
		2001 (2)	2008	Number	Percent	
Total Nonfarm	074,075,078,10-99 except 88	4,093,900	4,474,500	380,600	9.3	1.33
High Tech						
Manufacturing						
Computer & Office Equipment	357	6,300	5,400	-900	-14.3	-2.04
Communications Equipment	366	4,600	5,200	600	13	1.86
Electronic Components	367	14,500	12,000	-2,500	-17.2	-2.46
Search & Navigation Equipment	381	30,900	29,200	-1,700	-5.5	-0.79
Measuring & Control Devices	382	7,500	6,900	-600	-8.0	-1.14
Communication Services						
Communications	48	57,400	64,400	7,000	12.2	1.74
Telephone						
Communications	481	27,128	30,436	3,308	12.2	1.74
Telegraph and Other Communications	482	222	249	27	12.2	1.74
Radio and Television Broadcasting	483	13,358	14,987	1,629	12.2	1.74
Cable and Other Pay TV Services	484	10,473	11,750	1,277	12.2	1.74
Communication Services, NEC	489	6,220	6,978	758	12.2	1.74
Computer-Related Services						
Computer and Data Processing		55,551	71,300	15,749	28.4	4.05
Other Professional Services						
Engineering & Architectural Services	871	25,766	29,016	3,250	12.6	1.8
Research and Testing Services	873	25,965	29,240	3,275	12.6	1.8

1. Estimates (see the introduction for a full explanation of data limitations). Employment is reported by place of work and excludes self-employed persons, unpaid family workers, domestics, volunteers and those involved in labor-management trade disputes. These data are based on 1987 Standard Industrial Classifications. Annual Average industry detail may not add up to totals due to independent rounding. Government data include all civilian government employees regardless of the activities in which they are engaged.

2. March 2001 benchmark.

Released December 2003

Even greater growth is projected for IT jobs in nonhigh-tech or non-IT firms. According to the Information Technology Association of America (ITAA), around 60 percent of IT jobs are not in high-tech firms and this percentage is expected to grow. These IT jobs are in such Old Economy workplaces as banks, insurance companies or government agencies. These jobs involve developing and maintaining the company's internal and external networks, online services, websites and other company activities related to computerized activities or the Internet.⁶



Among the IT jobs, there is a subset of New Technician jobs most relevant to employment officials, as they are decent-paying jobs available to workers without college degrees. They include field service technician, telecommunications technician, customer service technician and multi-media technician. These jobs have three key characteristics:

- The new technician jobs pay decent wages. Most start at \$13 an hour and have grades of advancement to \$17 or \$18 an hour.
- The new technician jobs rarely require a college degree. Instead they require skills that can be taught in targeted courses, ranging from four to nine months, or learned on the jobs.
- The new technician jobs are within the reach of workers with ninth grade math and reading levels.

According to both the Education Development Department (EDD) and Department of Labor (DOL) estimates, these support jobs are among the fastest growing IT jobs, as shown in Table 2. EDD projections expect computer support specialists to grow from 13,800 to 21,220 jobs between 2001 and 2008, and network and computer systems administrators are projected to grow in number from 9910 to 14,470 jobs.



Table 2-X
Occupational Employment Projections (1)
 Los Angeles County, 2001-2008

SOC Code	Occupation*	Annual Average Employment		Employment Change		Openings Due to Separations	Education/Experience (BLS Training Level)
		2001 (2)	2,008	Number	Percent		
00-0000	Total, All Occupations	4,093,900	4,474,500	380,600	9	715,400	
15-1021	Computer Programmers	14,330	14,480	150	1	2,090	BA/BS Degree (5)
15-1031	Computer Software Engineers, Applications	11,960	17,050	5,090	43	650	BA/BS Degree (5)
15-1032	Computer Software Engineers, Systems Software	7,200	10,130	2,930	41	390	BA/BS Degree (5)
15-1041	Computer Support Specialists	13,830	21,220	7,390	53	490	AA Degree (6)
15-1051	Computer Systems Analysts	9,670	12,070	2,400	25	640	BA/BS Degree (5)
15-1061	Database Administrators	2,880	3,760	880	31	90	BA/BS Degree (5)
15-1071	Network & Computer Systems Administrators	9,910	14,470	4,560	46	340	BA/BS Degree (5)
15-1081	Network Systems & Data Communications Analysts	2,920	4,040	1,120	38	100	BA/BS Degree (5)
15-1099	Computer Specialists, All Other	4,160	5,430	1,270	31	280	Post-sec voc educ (7)

Notes:

(1) Employment and projections contained in these tables are considered estimates. See introduction for an explanation of data limitations.

(2) March 2001 benchmark

(*) These occupations are summary occupations. There are no separations currently available for these SOC codes. It is anticipated that in the future these categories will be broken out into more detailed occupations.

Subtotals may not add to the county totals due to the rounding and the suppression of data.

Some data are suppressed because of confidentiality and/or other issues.

Source: California Employment Development Department

Labor Market Information Division

(916) 262-2162

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Several training agencies have developed a focus on these new technician jobs. Effective trainers possess the characteristics of effective training programs in other sectors – primarily they have deep knowledge of the IT sector and have close contact with IT employers. These training agencies utilize a training curriculum that is developed in close contact with IT employers.

The Los Angeles IT Consortium, developed by David Gruber and Caz Pereira of the Workforce Strategy Center, in conjunction with the Hollywood WorkSource Center, Goodwill Industries and the Los Angeles Unified School District, is an example of effective new technician training. The training design was developed in close contact with IT employers. Public sector and private sector employers representing a pool of jobs were identified prior to training. The Hollywood WorkSource Center and Goodwill operated a joint training of 50 participants with funding from the Los Angeles WIB in 2004. The training combined vocational ESL with 300 hours of training in A+ certification, customer service and employability skills. Over 70 percent of the participants were placed in IT support positions, primarily in non-IT firms.

Similarly, there is a class of new technician jobs in biotechnology, including lab ware technician, product inspector, documentation reviewer, labeling operator. A college degree is not required. For workers who possess ninth-grade math and literacy levels, training can be completed in a three- to four-month period.

Fields such as information technology and biotechnology are often oversold as solutions to unemployment and/or low-wage employment. The number of these jobs is sufficient only for a limited percentage of the unemployed or low-income workforce. However, these fields represent one important part of a training portfolio, as training is appropriately targeted by occupations.



The One-Stop System Created in Los Angeles under the Federal Workforce Investment Act Needs to be Reconsidered

One of the Workforce Investment Act's (WIA) "reforms" was the establishment of the One-Stop system. This system physically draws resources together into one setting and expands services to a broader economic spectrum of workers. Initial studies on WIA implementation show that money available to training agencies decreased under WIA. Money previously used for training was funneled under WIA to support the infrastructure and labor exchange of One-Stop Centers.⁷

Clearly, there is a tradeoff between a system that provides job search assistance to a large number of workers, and one that provides intensive training services to a smaller number of workers. The One-Stop Centers have moved job training closer to the model of the former. Some form of One-Stop system is required of each workforce investment area by WIA. However, recent interviews with training professionals in Los Angeles suggest that the job search assistance available to many workers in the One-Stops is often short-term assistance, limited in many cases to instruction on the use of the automated labor exchange. Given the literacy and skills training needs set out in previous sections, it is appropriate to open discussion on the balance of resources between job search assistance and training.

Existing Low-Wage Workforces in Los Angeles and Skills Upgrading

The New Focus on Career Ladders

The focus of job training, starting with the Manpower Development Training Act of the 1960s and continuing through the Comprehensive Employment and Training Act, the Job Training Partnership Act, and the current Workforce Investment Act, has been on assisting unemployed workers to find employment. However, in recent years, training practitioners have given increasing attention to skills upgrading for the incumbent low-wage workforces. The attention reflects both concern about polarization of incomes and a belief that the incomes of low-wage workers can be increased through skills upgrading. Further, the attention reflects a desire to increase firm and sector productivity through increasing worker skills.

Job training practitioners throughout the nation have been experimenting with "Career Ladder" projects, by which low-wage workers are trained in new skills. The Career Ladder projects have varied widely in form and content. They have been aimed alternately at mobility within a major company, within an industry sector and within the general labor market. They have been structured with one major employer or with several employers. They have been in health care, hospitality, banking and manufacturing, to name a few of the leading sectors.

The Los Angeles WIB launched a Health Care Career Ladder Training Initiative, dedicating \$1 million annually in WIA funds. That Initiative is aimed at a range of health care jobs, including helping home health aides advance to certified nurse assistants, helping certified nurse assistants advance to medical technicians and licensed vocational nurses, and helping licensed vocational nurses advance to registered nurses.

Two additional sectors in Los Angeles have seen active Career Ladder projects: (i) the hospitality labor unions launched Career Ladder efforts in recent years to assist lower-wage hotel workers advance within their properties and within the sector; and (ii) the long-term health care industry association and industry labor unions have launched Career Ladder projects to create new paraprofessional positions of higher pay for the certified nurse assistants in nursing homes.



The experience of these Career Ladder projects and other projects throughout the nation suggest several Los Angeles Career Ladder strategies, involving both Single-Employer Career Ladders and (more commonly) Multi-employer Career Ladders. The two forms of Career Ladders need to be addressed separately as they call forth different forms of employer and worker participation, and different roles for the workforce system.

Single-Employer Career Ladders: Skills Advancement and Mobility for Low-Wage Workers in Los Angeles' Large Firms

The single large employer, with a need for trained workers at multiple skill levels, has been one venue for Career Ladders. Workers have obtained new skills, and both job and wage advances have been achieved in recent Career Ladders projects with single large employers – albeit on a modest scale. Recent California participants in single employer Career Ladders projects were Kaiser Permanente Hospitals and The Fairmont Hotels.

Kaiser Permanente operated several Career Ladder projects in recent years, primarily in concert with Service Employees International Union (SEIU) Local 250 in Northern California. These projects focused on entry-level workers in janitorial/housekeeping (called “environmental services” at Kaiser), food preparation, laundry and reception. The workers were trained for health care jobs as medical assistants, unit assistants and acute care nurse assistants. In one Northern California training program, 144 Kaiser Hospital employees were chosen to participate. Those individuals attended training for 10-13 weeks, 40 hours per week, and received their existing wage levels during training. Participants who completed the program were guaranteed job advancement. Kaiser reported that more than 85 percent of the participants completed training and moved into new jobs.

Kaiser paid 70 percent of the employees' wages during training; the remaining 30 percent were paid for with government training grants from the federal Department of Labor, the Governor's WIA discretionary funds and the state Employment Training Panel funds. The training funds also paid the direct costs of instructors and training materials. The guaranteed job upgrades at the end of the training, combined with the financial commitment of Kaiser, made this project competitive for government funding.

Another participant in the single-employer Career Ladders program was the Fairmont Hotel in San Jose, a high-end unionized hotel. The Fairmont Career Ladders program focused on entry-level workers in several divisions: front desk agents, restaurant servers, laundry workers and room attendants. Like the Kaiser Career Ladders, the Fairmont training program was designed in conjunction with a union, in this case the Hotel Employees Restaurant Employees (HERE) union.

The Fairmont tailor-trained 200 entry-level workers, for approximately 200 hours each. Workers could take classes in three main skill areas: general business skills, interpersonal skills and team building, and commercial skills. For example, a worker who wanted to move from front desk to banquet server, or who wanted to get additional hours as a banquet server, might take a class in commercial skills on setting up and breaking down conference and banquet spaces. A laundry worker who wanted to get into food service might take classes in food handling, food allergy awareness, guest safety and protection.

The Fairmont received \$430,000 from the state Employment Training Panel for the project. In return, the Fairmont agreed to pay employee wages during the hours of training, which the hotel estimated at more than \$400,000. Though it did not



guarantee specific job promotions, it did guarantee a 5 percent pay increase for employees who completed training and stayed for 90 days. With the guaranteed pay increase, upwards of 75 percent of the participants completed training and stayed for the requisite time.

In its effort to find and design promising single-employer Career Ladders projects, the Los Angeles WIB should recognize four lessons of recent projects in California, as set out below.

The Los Angeles WIB and Designing Effective Single-Employer Career Ladders: Lessons from Recent Projects in California

- Government training funds should only be used in Single-Employer Career Ladders to expand mobility opportunities beyond those existing in the company, not to fund skills upgrading that would otherwise be conducted. As the job structures at Kaiser or Fairmont indicate, major employers have multiple paths of mobility, government training funds should only be used in Single-Employer Career Ladders to spur training and advancement that the company would not undertake on its own.
- Training is best targeted at specific job openings, but alternately can be tied to openings in the future with some immediate wage gain and reasonable expectation of future gain. The Kaiser model of training tied to specific job openings is the preferred approach, as it ensures advancement and wage gain. However, this is frequently not possible, even with a major employer. An alternative is the Fairmont model of training, tied to an immediate wage gain and skills for future advancement.
- The training design should identify longer-term advancement opportunities beyond the immediate training period. The Single-Employer Career Ladders are often short-term – less than four months – so that wage and job gains are limited. The individual training plans should identify longer-term advancement opportunities, including skills that the employees need in order to advance and an understanding of advancement paths.
- Both the government and the employer should contribute financially with a distribution of costs based on wage gains and job placement committed. In the Career Ladders noted above, the employer has assumed costs of employee wages during training. The distribution of costs will differ among projects, depending on the advancement and wage gains that the employer commits prior to training.

Multi-Employer Career Ladders: Skills Advancement and Mobility for Low-Wage Workers in Mid-Sized and Smaller Employers

Major employers, such as Kaiser and the Fairmont are only a small part of the employer pool. If skills upgrading is to reach a greater number of workers – especially the low-wage workers who are worst-off – it must look to multi-employer Career Ladders. These projects principally involve industry associations, labor unions, private and nonprofit training firms. However, multi-employer Career Ladders projects provide a greater challenge to practitioners for several reasons: they include mid-sized and smaller employers who have fewer resources of their own to spend on training, few mobility paths within their own organizations and the lower-paid workers.



In *Workforce Education for Low-Wage Workers*, economists Lauri Bassi, Amanda Ahlstarand and Daniel McMurrer point out that the formation of a multi-employer organization can distribute the costs of developing and operating training among firms.⁸ Among California Career Ladders projects: (i) Rand Systems, a for-profit training firm, pooled training among operators of small machine shops in Southern California; (ii) an industry association, California Bankers Association, pooled training of back-office workers among small and mid-sized banks, and a second industry association, the California Association of Health Facilities (CAHF), pooled training among nursing homes; (iii) the HERE union pooled training among multiple hotels.

Among the recent California multi-employer Career Ladders, the CAHF training for nursing home employees and the HERE union training for low-wage hotel employees are illustrative.

The CAHF training indicates how a multi-employer organization, with knowledge of employer needs, can coordinate training among employers, and establish skills upgrading tied to job advancements. On the surface, nursing homes would not seem to be a promising venue for Career Ladders, given the high turnover of employees and the absence of many established job ladders. However, the nursing homes became a main health care Career Ladders venue due to the enthusiasm of the industry association, CAHF, which represents over 1500 long-term care facilities in California, including 800 skilled-nursing facilities.

CAHF's Career Ladders reflected CAHF education director Ken Merchant's view that CNA turnover could be reduced by advancement opportunities. In a 2001 report, "The Long-Term Care Workforce Crisis: CNA Career Ladders and Nurse Training," Merchant outlined the industry's need for CNAs and potential remedies. These included a statewide media campaign to recruit, better working conditions, and an industry-wide program of Career Ladders. Merchant wrote, "If CNAs have a sense that they can advance, then they have a reason to stay." In employer meetings that Merchant arranged throughout the state in 2000 and 2001, employers echoed this view. The personnel director at Beverly Enterprises, then California's largest nursing home owner, explained at the time, "the industry is incurring high costs with the registries and we need ways not only to attract workers to the field, but to keep them."

One of the CAHF advancement strategies involved increasing the mobility in the existing job ladder of CNA to Licensed Vocational Nurse (LVN), a job of significantly higher pay in the \$50,000-\$70,000 range. The advancement is not easy, as LVN requires completing 1300 hours of instruction. Though LVN classes are offered at little or no cost at community colleges, few CNAs have the time, resources or even the literacy/language levels to take advantage of the classes. Only an estimated 5-12 percent of CNAs become LVNs.

To increase this mobility path, CAHF assumed the role of training intermediary: leveraging government training funds with adult education funds and financial participation by employers. In Riverside County, a nursing home employer, the Plott Family Care Centers, joined with Riverside Community College on a CNA-LVN upgrade for 27 CNAs. The employees attended class at the worksite for 20 hours per week and worked 20 hours per week, but received wages for the 40 hours; one-half of the wages during training were paid by the employer and the other half by state training funds. The instructional cost was paid by the Riverside Community College and by state training funds. In San Jacinto, the Valley Health System, a nursing home owner, joined with the local community college to train 30 CNAs to become LVNs. In those cases and others, the employer operated multiple facilities and was able to absorb the new LVNs.



An alternate skills upgrading strategy by CAHF involved working with its employers to create new paraprofessional job categories between the CNA and LVN: Senior Nursing Assistant (SNA), Restorative Nursing Assistant (RNA) and Certified Memory Impairment Specialist (CMIS). Each of these positions represented a gain in pay, roughly \$1.00-\$1.50 an hour and responsibility for CNAs. The SNA, requiring 80 hours of training, is an experienced CNA whose job is to mentor and build teamwork among CNAs. The RNA, requiring 60 hours of training, provided specialty in physical therapy, and the CMIS provided skills in treatment of patients with Alzheimer's and other memory disorders.

The HERE unions, like CAHF, are involved in designing and operating multi-employer Career Ladders associations throughout the nation. HERE unions also are the main participants in the AFL-CIO's "Working for America" initiative, emphasizing skills upgrading as part of a "high road" strategy of higher-paying jobs through higher-skilled American workers.

Being sector-based, unions understand the structure of jobs in a sector and the needs of employers. Union officials possess detailed knowledge of how workers can advance in a firm or sector, the formal and informal networks, the pay levels and responsibility levels. Further, they understand the craftsmanship that benefits the workers, the employers and the industry.

The HERE unions in four California cities—Los Angeles, San Diego, San Jose and San Francisco—designed a pilot Career Ladders program in 2001, focused on the dishwashers, housekeepers and other lower-wage workers in hotels. A study commissioned by these HERE unions concluded that these line employees most often failed to advance not due to lack of technical skills, but due to their lack of English-language or literacy skills, their limited job interview skills and limited knowledge of advancement processes. The Career Ladders design focused on English as a second language, basic computer skills, customer service and knowledge of job opportunities in the hotel. Funded with a \$500,000 grant from the Community Colleges Chancellor's Office, the training program started small with designs that ranged from eight to 41 hours, varying among the cities. A total of 123 workers in the four cities participated.

The hotel employers paid a portion of employee wages during the training. However, given the brevity of the training, the employers did not commit to any job advancement or wage gains.

Following the events of September 11, 2001, the bottom fell out of the hotel industry in California. San Francisco's HERE Local 2 reported in early 2002 that one-third of its members, 3,000 workers, faced layoff or significantly-reduced hours. For the first nine months after September 11, Career Ladders went on the unions' back burner, emerging later with a declared focus on cross-training and horizontal mobility to address the drop in hours. Workers whose hours were significantly reduced since September 11 were targeted for Career Ladders training.

The HERE Career Ladders project that emerged in early 2003, funded by nearly \$1 million in Governor's discretionary WIA funds, modeled the curricula of the pilot projects. The project took a slightly varied form in each of the four cities, but generally included VESL training, career counseling and work-based mentorships. Again, the training was short-term—between 40-90 hours—so the related wage gains were minor, but the project evaluation noted the willingness of workers to attend training on their own time, and the employers' confidence in the value of both the VESL and counseling in advancement opportunities.



Multi-employer career ladders in other states, as in California, are primarily in their initial stages and small scale.⁹ Still, from the recent projects, we can identify five lessons to guide the Los Angeles WIB in designing effective multi-employer Career Ladders programs.

The Los Angeles WIB and Designing Effective Multi-Employer Career Ladders: Lessons from Recent Projects in California

- The effective multi-employer organization to lead a Multi-employer Career Ladders Program is based in the industry sector and possesses credibility with employers. As with the effective job training for the unemployed, effective skills upgrading is rooted in knowledge of the structure of jobs in the sector and needs of employers. The industry associations and labor unions usually possess this sector expertise, as do select training agencies. The training agencies that succeed are those that are not perceived as anti-poverty entities, looking only to worker gains and unconcerned with the industry. The labor unions succeed as multi-employer organizations in Career Ladders as they are able to design skills upgrading benefiting employers as well as workers.
- Multi-employer Career Ladders, like Single-Employer Career Ladders are best tied to specific job openings; alternatively they should be tied to some wage gain and reasonable expectation of future wage gain. The CAHF-licensed vocational nurse training is an example of training tied to immediate promotions and wage gains. However, this is the less common situation, where an employer knows when openings will occur (or has sufficient openings at all times) and can time the training to the openings. Alternately, multi-employer Career Ladders should be expected to meet two tests if they are to receive government or foundation training funds: a tie to some immediate wage gain, and tracking of employees to measure future wage gains. Without significant employer buy-in, the training may not focus sufficiently on skills needed for advancement or improved performance.
- Training costs should be allocated among the participants: the employers, the workers, the multi-employer association and workforce training funds. Training costs should be distributed among the participants, with workforce training funds used to leverage financial participation by employers. Unions can be expected to participate financially, where a joint labor/management trust fund exists, with workers expected to undertake at least some of the training on their own time.
- Multi-employer Career Ladders should be about impacting the structure of jobs, as well as the skills of workers. The multi-employer associations, as they are industry-wide, have an opportunity to impact the structure of jobs in addition to the skills of workers. Career Ladders should be not only about mobility for individual workers, but also about creating additional mobility positions.
- Multi-employer Career Ladders should have the professionalization of the low-wage workforce at its core. The quality multi-employer associations, especially the quality industry associations and labor unions, are built on the idea of craftsmanship. To be sustainable, Career Ladder projects must be about improving craft in an industry sector, as well as about higher wages.



Scale and Sustainability in Career Ladders for Low-Wage Workforces

Two challenges identified by the Los Angeles WIB in Career Ladders are scale and sustainability. Even in targeted sectors, Career Ladders efforts nationwide reach only a small percentage of the low-wage workforce. Further, the history of Career Ladder efforts over the past two decades is that they are established with discretionary government workforce funds and cease operations when these discretionary funds end. Among the Career Ladder projects mentioned above, the Kaiser and Fairmont projects ceased operations with the end of the workforce funds – though both of these large employers continues its internal training programs. The CAHF nursing home worker training and the HERE hotel worker trainings have cut back with the end of the discretionary state workforce funds.

A sustainable skills upgrading system in Los Angeles will draw together the Los Angeles WIB with two other entities that provide a good deal of skills upgrading at present: the community college system and the Joint Labor-Management Trust Funds. Further, a sustainable WIB-based Career Ladders system in Los Angeles will emulate entrepreneurial characteristics of the private independent training schools, especially the participation of student aid programs.

In Los Angeles, as throughout California, the community colleges represent the main source of skills upgrading for workers today. The colleges offer classes in a range of literacy/ESL and vocational skills, enabling workers to take courses at night or weekends – at little or no cost. An in-home health worker, for example, can attend a literacy course or an ESL course to improve skills for as short or as long a period as she desires or needs, or take next a course in a technical skill that can prepare her for a better-paying job.

Though the community colleges are not dependent upon workforce funds and have an independent revenue flow from the state government (the community colleges statewide receive around \$5 billion in state funds), this state revenue is not unlimited. The community colleges must fit Career Ladders with their other missions, including preparing high school graduates for four year colleges and preparing students for the two-year associate's degree issued by the community colleges.

In 2000, the state Community Colleges Chancellor's office launched a Career Ladders initiative to increase the colleges' role in skills upgrading for low-wage workforces. A 2001 report titled "Ladders of Opportunity: A Board of Governors' Initiative for Developing California's New Workforce," argued that California community colleges needed to restructure their educational services around the concept of career ladders, defined as "long term career progression pathways to help individuals to advance." The report proposed a \$50 million "Career Ladders Innovation Fund," financed by the state government, to promote Career Ladders projects among individual colleges. Though the Fund idea died when state budget fortunes turned sharply downward in 2001, the report's vision of ongoing career education for a wide range of workers continues to be taken up by individual colleges.

While the community colleges have been the main public sector institution for Career Ladders, the main private sector vehicle nationwide has been the Joint Labor-Management Trust Fund for training. The Trust Fund was established under the Taft-Hartley Act, by one or more employers and unions through a collective bargaining agreement. The employer contributes a percentage of gross payroll or hourly wages for training. The employers and unions jointly decide on the use of the training funds.



The Southern California building trades have sponsored the trust funds for training as part of their extensive apprenticeship programs for decades. Other major trust funds for training exist in unionized manufacturing firms, notably in the automobile and aerospace sectors, as well as in the major unionized communications firms. Currently, health care unions in California are establishing trust funds with major health care employers.

Sustainable Career Ladders programs through the Los Angeles WIB will bring together the community colleges, Joint Labor-Management Trust Funds and workforce funds. This approach brings together multiple revenue streams and, importantly, is a sector-based approach to Career Ladders that concentrates decision making in the employers and multi-employer associations, tying skills upgrading more closely to wage increases and advancement. Sustainable Career Ladders will take its cue from the private independent training schools in attracting workers who participate in the federal student loan and grant programs available to low-income workers. These workers demonstrate a willingness to commit a portion of their future earnings to enroll in skills upgrading, and thus are most likely to be committed to training.

