




EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
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MEMORANDUM TO THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

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SUBJECT: Ensuring That Employment and Training Programs Are Job-Driven

Providing workers with the skills they need to succeed in the workforce is essential for growing our economy and building a strong middle class. The Federal Government currently directly invests more than \$17 billion annually in programs to equip workers with the necessary skills and help them enter good-paying jobs and careers. To make the best use of those resources, executive departments and agencies (agencies) should ensure that these employment and training programs are focused on meeting the needs of employers and improving outcomes for the individuals they serve.

On January 30, 2014, the President issued a memorandum regarding the Vice President's review of Federal employment and training programs to ensure that the services they provide are effectively designed and delivered and relevant to the jobs employers are looking to fill. As part of this review, the Vice President, Cabinet Secretaries, and representatives from other agencies have worked to identify concrete steps to make these programs more job-driven—that is, designed to meet labor market needs and help program participants secure and maintain good jobs that lead to meaningful careers.

This memorandum lays out a series of elements identified through the review that Federal employment and training programs should include in order to make them job-driven. These seven elements, which are laid out in a checklist in Appendix A of this memorandum, should drive the operations of every Federal employment and training program, from program administration to service delivery. They include:

- work up-front with employers to determine local or regional hiring needs and design training programs that are responsive to those needs;
- offer work-based learning opportunities with employers—including on-the-job training, internships, and pre-apprenticeships and Registered Apprenticeships—as training paths to employment;

- make better use of data to drive accountability, inform what programs are offered and what is taught, and offer user-friendly information for job seekers to choose what programs and pathways work for them and are likely to result in a job;
- measure and evaluate employment and earnings outcomes;
- promote a seamless progression from one educational stepping stone to another, and across work-based training and education, so individuals' efforts result in progress;
- break down barriers to accessing job-driven training and hiring for any American who is willing to work, including access to supportive services and relevant guidance; and
- create regional collaborations among American Job Centers, education institutions, labor, and nonprofits.

These elements should be incorporated into each Federal employment and training program to the extent practicable and feasible within the law and the program's mission, regardless of the funding vehicle and whether they are carried out at the State, Tribal, or local level. This includes programs that provide job training as well as those that provide employment services but no actual training. Outlined below are some strategies for incorporating these elements into competitive programs, formula grant programs, and programs operated by Federal contractors or staff.

### **Competitive Programs**

Beginning October 1, 2014, agencies should fully embed job-driven elements into every competitive employment and training grant they issue, to the extent feasible within the law, the program's mission, and the requirements of the grant. In general, programs should embed these elements within required activities of the grant and/or within the point allocation in the grant solicitation, so these approaches are more widely adopted. The following are suggested strategies for including the job-driven elements in competitive grants and grant solicitations.

*Including Elements as Required Strategies or as a Condition of Grant Award.* Any of the checklist elements could become required strategies or activities for any applicants that are awarded grants. For example, a grant solicitation could require that all grantees use local labor market information (LMI) in designing their training services, to ensure that the services provided are relevant to jobs that are available in the local area. Each applicant would be required to demonstrate its ability to use LMI and would be accountable for doing so when delivering services under the grant. Agencies could also include elements as conditions of an awarded grant. This involves identifying specific activities aligned with the job-driven elements that all grantees must undertake, rather than asking each applicant to scope out and describe those activities. As a condition of receiving a grant, grantees would be required to perform the concrete activities specified in the grant solicitation. This method can be effective for ensuring that grantees follow specific methods of applying the job-driven elements. For example, grantees could be required to develop performance reporting tools, available to participants, on the outcomes of training programs.

*Embedding Elements in Point Allocations.* Checklist elements could be embedded within the grant’s standard point allocations. Using this method, applicants would be awarded points for committing to engage in activities that align with the elements and could be awarded additional points for demonstrating a particularly advanced capability for implementing such activities. For example, applicants engaging employers fully in curriculum design could be awarded additional points relative to applicants getting less comprehensive input.

*Including Elements as a Preference, as a Factor for Bonus Points, or as a Priority.* Grantees could be given either a general preference or specific “bonus” points, separate from the standard point allocations, for addressing checklist elements in their applications. Under this approach, applicants are scored under the existing point structure, but are given additional preference if they demonstrate their commitment to performing activities aligned with the job-driven elements. For example, grantees committing to use a work-based training strategy like apprenticeship could receive additional preference or bonus points for doing so. In addition, an agency could establish a priority for applications for projects that advance the job-driven elements, giving applicants that submit such proposals an improved chance of receiving a grant award.

## **Formula Programs**

Agencies should make every effort to embed the job-driven training elements in Appendix A into their formula grant program operations in the field and at the service-delivery level. Federal program offices should communicate with the field to inform State or local program administrators about the job-driven elements and strongly encourage them to embed the elements within their program operations. The program should also use available resources and leverage to encourage specific and concrete changes in program operations and service delivery at the State and/or local level. Program staff should ensure that Federal program operations, communications, and technical assistance are aligned with the elements to ensure maximum implementation of job-driven practices.

As soon as practicable, programs should release guidance or another appropriate form of communication to the States or localities informing them of the job-driven elements and encouraging them to take concrete steps to embed them within their program operations, including specific examples of job-driven practices in the context of their program. The guidance should also encourage States and localities to use the checklist provided in Appendix A to drive continuous improvement within their program operations. The program should also lift up best practices from States and/or localities to provide positive examples that other States and/or localities can emulate. Finally, programs should explore ways to use reporting and monitoring to determine the extent to which programs are embedding the job-driven training elements in their work, developing an understanding of potential barriers, and sharing strategies to overcome such barriers.

## **Programs Operated by Federal Staff or Contractors**

Agencies that implement employment and training programs that are run by Federal staff or contractors should embed the job-driven training elements into their program operations as soon as practicable. The approach may differ depending on the structure of the program, but the program should work to ensure that all facets of program operations, including those performed by centralized staff, field staff, or contractors, are aligned with the elements in Appendix A. The programs should also strive to continuously improve the extent to which their operations reflect the job-driven elements—for example, by making incremental improvements to business engagement practices or by continuing to improve the use of local LMI in their design and implementation of program services.

## APPENDIX A

### CHECKLIST FOR JOB-DRIVEN TRAINING

- Work up-front with employers to determine local or regional hiring needs and design training programs that are responsive to those needs**

Engaging employers, employer associations, and labor organizations in the design and delivery of education and training can help ensure that such programs meet current and future hiring needs and will likely result in employment for participating job seekers.

#### **Concrete examples include:**

- Providing industry with a leadership role, for example through an employer-led workforce investment board or other coordinating board, such as an industry association, to set strategic direction and to help coordinate and connect programs and program activities.
- Engaging business and industry to identify skills, define skills and competencies, design programs, and develop curriculum.
  - May take the form of consulting directly with businesses or with associations or other intermediaries (possibly organized by sector) that have the active involvement of businesses and expertise in training.
- Securing employer commitments that will add value to the program, such as:
  - Providing work-based learning opportunities—for example, through on-the-job training or Registered Apprenticeships.
  - Providing up-to-date, accessible equipment and technology as well as the instructors to help participants with various learning styles master the required new skills.
  - Making commitments to hire graduates from training programs.
- Collaborating with employers and credentialing agencies in developing industry-recognized credentials and validating their labor market value.

- Offer work-based learning opportunities with employers—including on-the-job training, internships, and pre-apprenticeships and Registered Apprenticeship as training paths to employment**

Work-based learning enables participants to gain or enhance their skills while employed or while engaged in an experience that is similar to employment. Work-based learning can result in workers getting hired and earning a salary more quickly while receiving support for ongoing educational and career advancement.

#### **Concrete examples include:**

- Internships (paid) or other summer or year-round employment opportunities, and paid work experience.

- On-the-job training, which is training conducted by an employer and occurs while an individual is engaged in productive work.
- Registered Apprenticeships (possibly combined with pre-apprenticeships), which are “earn while you learn” training models that combine job-related technical instruction with structured on-the-job learning experiences.
- Job shadowing experiences, which may occur even prior to training to ensure that the nature of the work and the work environment are a good fit for the prospective trainee.
- Incumbent worker programs, particularly those that provide training for current low-skilled or low-wage employees that give them access to more advanced positions.
- Transitional jobs, which provide short-term work experience along with appropriate supportive services for hard-to-employ individuals.
- Career academies, a school-within-a-high school model with strong employer partnerships that integrate academics with an occupational curriculum.



**Make better use of data to drive accountability, inform what programs are offered and what is taught, and offer user-friendly information for job seekers to choose what programs and pathways work for them and are likely to result in a job**

Timely, reliable, and readily accessible labor market information, in conjunction with program outcomes, should be used to inform the focus of programs and to guide jobseekers in choosing the types of employment or fields of study, training, and credentials to pursue. Labor market information includes current and projected local, regional, State, and national labor markets, such as the number and types of available jobs, future demand, job characteristics, and training and skills requirements, and the composition, characteristics, and skills of the labor supply.

**Concrete examples include:**

- Using job openings and employment projections data to strategically identify employer partners.
- Using job openings, projections, and wage data to tailor job training offerings.
- Using labor market projections and characteristics of regional labor market or program participants to conduct skill gap analyses.
- Providing information about current and projected job openings and wages to participants to inform their decisions about which programs to enter.
- Informing small or medium-sized businesses about industry and occupational trends and wages.



**Measure and evaluate employment and earnings outcomes**

Programs should measure employment and earnings outcomes and make sure they are easily understood by prospective participants, employers, and other current or potential stakeholders.

**Concrete examples include:**

- Providing outcome data for Federal programs to the public. For example, Department of Labor programs use a set of common employment-related measures, which include employment rates, earnings, and retention, and make the aggregate results available on the Department’s website.
- Making Federal performance data on education and training programs by provider publicly available to individuals and employers.
- Presenting data on outcomes by training provider to individuals as they review training options with career counselors.
- Using real-time data to continuously improve program outcomes.
- Evaluating a program to determine whether it is effective.



**Promote a seamless progression from one educational stepping stone to another, and across work-based training and education, so individuals’ efforts result in progress**

Training programs should be part of a continuum of education and training leading to credential attainment, good jobs, increased earnings, and career advancement.

**Concrete examples include:**

- Implementing programs that fit on “career pathways” with a clear sequence of education and training that result in skills and credentials aligned with the needs of the industry sector, with multiple entry and exit points leading to good jobs and meaningful careers.
- Aligning the program with and leveraging other public (Federal, State, or local) or private education and training program resources.
- Integrating foundational skills education and training with occupational skills training, with an emphasis on contextualized learning.
- Creating articulation agreements among high schools, community and technical colleges, and four year colleges, so that students can continue a program of study seamlessly.
- Providing sector-specific training to high school students, either on-site or through an employer, coupled where possible with college credits from the local community college.
- Enabling Registered Apprenticeship graduates to receive college credit for prior learning during the apprenticeship program.



**Break down barriers to accessing job-driven training and hiring for any American who is willing to work, including access to supportive services and relevant guidance**

Programs should include career assistance and supportive services, consistent with the program’s governing statute and appropriations authority, as needed to enable an individual to participate in and complete education and training activities and secure employment.

**Concrete examples include:**

- Career counseling and job coaching.
- Transportation to/from training or work-based learning.
- Assistance with finding and affording quality child care or family care.
- Housing assistance.
- Providing people with disabilities with information on assistance services that are available to help them contribute in the workplace (e.g., readers for individuals who have low vision or are blind; interpreters for individuals who are deaf or hard of hearing; note-takers for individuals with mobility disabilities, etc.).
- Workplace flexibility strategies (time, place, tasks) for individuals with multiple barriers to employment, including individuals with disabilities.
- Supported employment programs for individuals with significant disabilities.
- Other supportive services, including food assistance, services that help participants have criminal records expunged, and substance abuse and mental health treatment.



**Create regional collaborations among American Job Centers, education institutions, labor, and nonprofits**

Effective programs often leverage a variety of resources, both financial and in-kind, from other partners to deliver the best services possible and to expand the reach of those services to address needs of both individuals and employers. This can be particularly valuable for programs that serve individuals with multiple barriers to employment. To avoid duplication of effort and identify potential sources of such leverage, training programs should consider partnerships with or within the public workforce system (including the American Job Centers—formerly known as One-Stop Career Centers—and State and local Workforce Investment Boards), vocational rehabilitation agencies, human services agencies, higher education institutions, veterans service organizations, labor organizations, philanthropic organizations, business-related and other non-profit organizations, and community- and faith-based organizations. Any partnership and leveraging of funds must be consistent with the program’s governing statute and appropriations authority.

**Concrete examples include:**

- Seeking input from an advisory or governing board made up of representatives from these entities that informs and makes decisions about training and training-related programs.
- Identifying public and private funds or resources that can, where permissible, support the delivery of the program, including staff to coordinate with partnership organizations.
- Coordinating wrap-around and supportive services for participants with other resources from public and privately-funded training, training-related, or social and community services programs.
- Aligning the program with other public and private education and training program resources.