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State department lobbies for \$10 million to fund training programs

Earlier funding had been moved to private entities over lack of accountability

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Ford workers are among those who have received training assistance thanks to Illinois taxpayers. (Brent Lewis, Tribune Photo)
The Department of Commerce and Economic Opportunity is lobbying state lawmakers for \$10 million to fund training programs after legislators reprimanded the department for lack of accountability and moved control of \$6.75 million to five private entities.

Without new [funding](#), the department said it will be unable to honor \$5.6 million in training funds promised to 54 companies through its program to retain and attract manufacturers to the "Job training [funds](#)" are a key tool to help Illinois companies remain competitive globally," [Sandra Jones](#), a spokeswoman with the Commerce Department, wrote in an email. "Businesses rely on the funds to help close the skills gap. Unemployed workers rely on the funds to gain new skills so they can find jobs. Educational institutions and non-profits rely on the funds to help underserved populations, including minorities and veterans, find work in the building trades." The decision by legislators to transfer the funds left a number of training organizations and small and midsize manufacturers scrambling to find grants.

Most of the money requested would fund the state's Employer Training [Investment Program](#), or ETIP, which pays for up to 50 percent of training costs.

The Commerce Department, however, has been criticized for lack of monitoring the program. For example, the employment status and pay of workers who have been trained is not tracked. So the department hasn't been able to say whether the workers are still employed or whether their pay increased.

Guy Loudon, president of Jane Addams [Resource](#) Corp., a nonprofit involved in training, said manufacturers' growth will be crippled by the lack of funding for training. "This is a very bad message to be sending manufacturing firms on the cusp of a fragile recovery."

Still, Loudon said he understood legislators' concerns. "We have to be able to measure the public investment in workforce training."

Other critics of the program said some organizations were favored over others. "If you have power you can get this money, and if you don't, you don't," said Pam McDonough, president of Alliance for Illinois Manufacturing. At the same time, McDonough said, "You can't give (the Department of Commerce) no tools and then tell them to go out and build a house. One tool they have is training dollars. They are a way to offer a company incentives to locate in Illinois."


Rep. Fred Crespo, D-Hoffman Estates, chairman of the Appropriations-General Services Committee, said before granting additional resources he wants to review how the money has been managed, including by the five entities that received funding for fiscal 2013.

"It's a big issue. I have so many manufacturing companies in my district and companies that use ETIP money," Crespo said. "I'm sensitive to that, but on the same token we have to be disciplined and there is only so much (money) available."

Sen. Heather Steans, D-Chicago, said conversations with the Commerce Department and the governor's office revealed that some nonprofits such as Jane Addams Resource have been doing a "fabulous job" training workers but were locked out of funding this fiscal year. Still, she wants to know whether companies apply for the training grants simply because they are available, she said.

Of ETIP, Steans said, "We are trying to make sure it actually gets results."

Steans said the request for additional training funds probably won't be taken up until January, when legislators start on the fiscal 2014 budget.

In July, lawmakers parceled out \$6.75 million in training funds that had been under the control of the Commerce Department to five entities: \$1.5 million to the Illinois Manufacturers' Association; \$1.5 million to the Chicago Federation of Labor; \$1 million to the Illinois Manufacturing Extension Center; \$2 million to Chicagoland Regional College; and \$750,000 to New Start Inc., which said it would use the grant to cover administrative expenses and to train **nurses'**  assistants in Latino communities in Chicago.

The department retained control of \$615,800.

In fiscal 2012, about \$11 million was allocated to ETIP through the Commerce Department. From 2009 to 2012, ETIP has trained 180,178 workers across 5,734 companies, according to the Commerce Department. Past recipients have included Chrysler Group (\$875,000), Navistar International Corp. (\$750,000) and Ford Motor Co. (\$2.95 million).

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