

Maine to test savings program Workplace plan to aid education

By Ruth-ellen **cohen**

OF THE NEWS STAFF

Source:

Bangor Daily News

Thursday, 07/22/2004

Edition: all, Section: b, Page 1

Maine has been chosen to develop the first statewide pilot program in the country in which employees can use a workplace education savings account for career training and advancement.

Under the program proposed by the Chicago-based Council for Adult and Experiential Learning, participating employees would put money into Lifelong Learning Accounts which would be matched up to a point by employers.

CAEL is a national, nonprofit organization that seeks to expand learning opportunities for adults.

State leaders see the savings plan as a way to develop a skilled work force to attract and retain businesses, promote retention and recruitment of quality workers, help businesses increase productivity, and encourage people to create career goals to reach economic self-sufficiency and gain work satisfaction.

"We're intrigued because we're finding students have a harder and harder time financing their education," said Elsa Nunez, vice chancellor for the University of Maine System.

She added, "If we can get more people to save more, they'll be able to finance their education with fewer loans."

Lifelong Learning Accounts, or LiLAs, are different from traditional job training programs because they can be used by both part-time and full-time students regardless of income and because they cover a wide range of learning expenses including tuition and fees, supplies, books and lab costs for universities, community colleges, and even adult education classes. GED courses and English as a second language classes also would be covered. A person would keep the savings even if he changes jobs.

Representatives from state government, higher education systems and businesses in Maine have been working with **CAEL** to determine how the LiLA concept would work here.

"We're looking to see how to make this work in Maine using Maine's resources," Amy Sherman, public policy director for **CAEL**, said this week.

Before using the money, each participant would develop a learning plan with help from an education or career adviser, possibly from the University of Maine System, the Maine Community College System or the state Department of Labor.

The savings plan jibes with the state's goals of increasing the number of students who go to college and making post-secondary education more affordable.

LiLAs could help the state more easily weather future economic dislocations and help employers "maintain a competitive edge," said Sally Davis of Women, Work and Community, a statewide organization whose mission is to help workers in transition reach economic security.

"As we learn certain industries are likely to decline, those workers with a LiLA could begin to use the money to upgrade their skills and to train for different jobs," she said.

With 68 percent of Maine employers unable to find skilled workers, the state has a "skills gap" that the plan could help fill, officials said.

Maine was selected as a potential demonstration site "because it's a state with lots of innovation and because ... it recognizes the need to address the issues of college attainment and skill gaps," Sherman said.

The other sites, in San Francisco, Chicago and northeast Indiana, have been funded through a variety of public and private sources and have a combined enrollment of around 350 people.

Some participants in those demonstration projects have used their accounts to move up in the company and even to change careers, said Sherman.

Employers see the plan as "an affordable benefit and retention tool, a way to improve the skills and knowledge of the work force," she said.
