



New Bills Enhance Training Efforts

By Kermit Kaleba

Congress completes appropriations for this year and looks ahead to 2008.

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In February, Congress passed a resolution that will continue funding for federal training programs through the end of September.

The \$464 billion legislation was necessary because the previous Congress, which ended earlier this year, was unable to complete most of its appropriations bills after the November elections. Instead, it passed a stopgap measure that expired February 15.

Approval came just two weeks after President Bush released his \$2.9 trillion budget request for the 2008 fiscal year. The proposal calls for the consolidation of several job training programs administered under the Workforce Investment Act, including programs for adult and dislocated worker training. Although the proposal would cut overall funding for these programs, it would direct money toward Career Advancement

Accounts—individual training accounts that provide workers with up to \$3,000 per year over two years to spend on training services. The Department of Labor argues that this will triple the number of workers trained each year through the federal workforce system.

With Democrats controlling Congress for the first time in 12 years, it is possible that funding for federal job training programs could actually be increased in 2008.

In addition, the administration called for \$150 million for competitive grants to community and technical colleges, and indicated that it will continue to fund other programs that support regional job training initiatives and high-growth industry training.

While the annual release of the President's budget request garners much attention, it is Congress that ultimately decides how federal funds are allocated. With Democrats controlling both chambers for the first time in 12 years, it is unlikely that the President's career account proposal will be adopted in the final legislation, and it is possible that funding for federal job training programs could actually be increased in 2008.

As Congress gears up to address appropriations, several legislators introduced laws that could add significantly to American competitiveness. Representative Jerry Weller (R-Illinois) introduced the "Technology Retraining and Investment Now Act for the 21st Century," which would create a tax credit equal to half of the expenses paid for information and communications technology training programs. Generally, the credit would be capped at \$4,000

per individual per year. But for certain circumstances—such as programs that serve underprivileged areas or programs operated by employers with 200 or fewer employees—the maximum would be extended to \$5,000 per year. The bill also would create an advisory board that will develop a list of information technology training certifications and courses that qualify for the credit.

Senator Maria Cantwell (D-Washington) introduced the Lifelong Learning Accounts Act of 2007 that calls for the creation of portable accounts—similar to 401(k) plans—for continuing education and training expenses. (They differ from existing educational benefits

because they don't require specific age or employment status.) Each year, individuals could contribute up to \$500 tax-free to these lifelong learning accounts, known as LiLAs, and employers would receive a tax credit of up to \$500 per employee for contributing to their workers' accounts.

If approved, Cantwell's bill would start as a demonstration project in 10 states for 200,000 workers. The participating states will be determined by the treasury secretary.

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Current Incentives

The federal government offers several tax incentives to encourage education and training. While these employment-based incentives do not provide a direct tax benefit for organizations, they can be powerful incentives toward recruitment and retention and should be on the minds of all learning professionals.

Educational Assistance Programs

According to the Internal Revenue Service, employers may establish an educational assistance program for their employees. Under current law, employers may reimburse employees up to \$5,250 per year for tuition, fees, books, supplies, and equipment, and the payments are excluded from the employee's gross income for tax purposes. The program must be covered by a separate written plan document, cannot discriminate in favor of highly compensated employees, and cannot be offered with a choice between educational assistance and other compensation that would be considered as gross income to the employee. Appropriate notification must be given to eligible employees.

Working Condition Fringe Benefits

The IRS allows employers to reimburse—tax-free—employees for business-related expense deductions. Educational expenses qualify if the education maintains or improves skills necessary for current employment, is expressly required by the employer, or is legally required to retain an established employment relationship. If the employer offers reimbursement for educational expenses, the employee may not also claim the deduction.

In contrast to the education assistance programs, a written plan is not required. However, it is important to note that this option cannot be used for any education or training that is not closely related to the employee's current duties, or for training that qualifies the employee for a new position.

Source: ASTD



Telework Increases

Last year, 63 percent more employers allowed their employees to work remotely than in 2004, according to the WorldatWork, an association for HR professionals.

Based on government estimates of 149.3 million workers in the United States's labor force, the 2006 data means that roughly 8 percent of American workers are able to telecommute one day per month and roughly 20 percent of both employed and self-employed workers engage in telework.

The association believes that the rising trend is the result of a combination of factors, including the proliferation of high speed, broadband, and other wireless access and the willingness of more employers to embrace flexibility and work-life balance issues.

"The current data suggests that technology is no longer a barrier to telework," says Rose Stanley, work-life practice leader at WorldatWork. "We estimate that 100 million U.S. workers will telework by 2010. That's partially because more and more companies are realizing the cost benefits and are viewing it as a tool to attract and retain employees."

While the latter may be true, recent survey data from CoreNet Global suggests that cost control is a bigger reason for embracing telework.

The association for corporate real estate executives talked to senior

executives who manage the workplace function and setting for Fortune 500 firms and their global equivalents or service providers. Of those interviewed, 54 percent cited higher utilization of space as one of their top three workplace objectives, 58 percent said the need to improve efficiency and productivity, and 45 percent said they wanted to reduce costs.

Although flexibility was identified as one of the top three reasons by only 20 percent of respondents, CoreNet maintains that most companies appear to understand the implicit tradeoffs for workers and employees.

"Today's forward-thinking, results-driven companies are sending workers home, purging underutilized real estate, saving money, and reinventing the whole concept of 'going to work,'" says Eric Bowles, director of global research at CoreNet. More than half of respondents to the firm's survey indicated that 10 percent or more of their knowledge workers work remotely, and 65 percent have stopped providing an assigned workspace to at least 10 percent of their workforce.

Interestingly, the survey also indicated that many companies don't measure performance levels outside of company walls.

"Currently, a majority of companies track easy-to-measure items such as cost, but other aspects, such as employee satisfaction and productivity, are more challenging," says Bowles.

Respondents indicated that they measure total occupancy costs, and most also measure cost per workstation and cost per person. In addition, most measure meeting room use, workplace effectiveness and quality of environment, personal comfort, and well-being. But, 61 percent do not measure the effectiveness of remote worker support.

—Josephine Rossi

MORE/www.workingfromanywhere.org/
and www.corenetglobal.org.



CHECK YOUR CREDITS

AS THE DEADLINE TO FILE TAXES APPROACHES, make sure you've taken advantage of the Lifetime Learning and Hope Scholarship tax credits. Both allow individuals to claim qualified educational expenses incurred on their own behalf or on behalf of their dependents.

LIFETIME LEARNING TAX CREDIT

The Lifetime Learning Tax Credit provides a nonrefundable tax credit equal to 20 percent of the first \$10,000 of tuition and required fees for college juniors and seniors, graduate students, and working adults. Students for whom the credit is claimed do not need to be enrolled in a degree or credential program, and they may claim the credit for a single course.

Photo by Getty Images

HOPE SCHOLARSHIP TAX CREDIT

The Hope Scholarship credit provides a nonrefundable tax credit for taxpayers and their dependents for the first two years of post-secondary education. The credit equals a maximum of \$1,500 per student enrolled at an eligible institution. Students must be enrolled at least half-time in a program leading to a recognized degree, certificate, or other credential.

Source: ASTD

Temporary Employment to Triple

Demand for temporary labor will outpace the growth of total employment by more than 30 percent, according to the *2007 Temporary Jobs Guidebook*.

During the next decade, total employment is projected to grow 1.2 percent annually, while contingent labor (temporary and contract employees and individual consultants) should increase 3.8 percent annually.

In the past 16 years, total employment rose 1.3 percent each year, while contingent labor grew 5.2 percent.

Source: Staffing Industry Analysts

No More Classes, No More Books...

Forget enrolling in classes and paying tuition. Today's savvy students are learning for free from their MP3 players.

Some of the top-rated podcasts on Yahoo! and iTunes are not the news and entertainment feeds you'd expect. Instead, they are lessons in languages such as English, Spanish, Italian, German, and even Mandarin Chinese.

Here's a sampling of the many websites offering language-oriented podcasts:

www.chinesepod.com. Perhaps the most popular language-learning podcast, Chinese Pod teaches Mandarin from its base in Shanghai. Daily lessons are free, but extra information, such as vocabulary lists, requires a paid subscription.

www.coffeebreakspanish.com. One of three language lessons by Radio Lingua International, this program has two hosts. One is an experienced teacher; the other learns along with listeners.

www.eslpod.com. Learn English as a second language from two former professors of applied linguistics and education. More than 100 episodes are available on iTunes.

www.frenchpodclass.com. Hosted by a native speaker, this learning experience offers not only language lessons, but information on French culture, book reviews, and song excerpts as well.

www.japanesepod101.com. Similar in offerings and pay structure to Chinese Pod, this program offers something for participants of all levels.

—Josephine Rossi

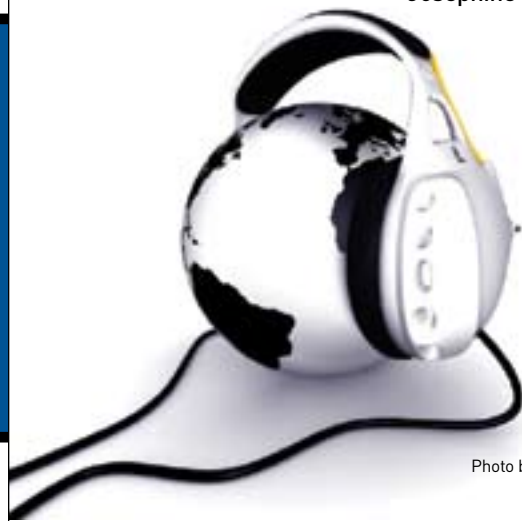


Photo by iStock



TECH LEADERS Want Innovation, Not Risk

Managers of science and technical professionals say that promoting innovation is a major organizational challenge. But according to a new study by global consulting firm BlessingWhite, these same leaders are slow to cultivate risk-taking and innovation within their teams.

The organization surveyed 898 executives who lead expert employees in such industries as financial services, pharmaceuticals, technology, and manufacturing, and found that half of the respondents believe that “encouraging innovation that meets customer and market needs” is extremely or highly challenging.

“Fostering creativity is certainly on the minds of managers, especially those in research and development-based organizations,” says BlessingWhite CEO Christopher Rice. “But we hardly expected to see respondents rank risk-taking and innovation last on a list of actions essential to their own effectiveness because new ideas are at the very core of their company’s mission.”

He adds that these leaders certainly know the pivotal role played by innovation, yet they seem to shy away from the

actions needed to cultivate it. They may consider the responsibility for coming up with the ‘next big idea’ someone else’s job. They also may hesitate to release the creativity of their teams because they fear some of the inevitable failures that accompany increased risk-taking.

According to Rice, the research findings go to the root of the dilemma facing science- or technology-driven organizations. “These organizations need transformational leadership,” he asserts. “Senior management knows it has to overcome its directive leadership style and deal with institutional inertia and even opposition to disruptive innovation,” he adds.

At the same time, Rice also believes that in spite of its commitment to innovation, senior management invariably tries to curtail “out of control” research and development spending and pressures each function or department for better margins and profits.

“This is the duality challenging organizations today,” he says.

MORE/ www.blessingwhite.com

Blackboard Makes **PLEDGE**

Educational software and service provider Blackboard has announced a “Patent Pledge” in support of learning institutions worldwide that use or develop open source and home-grown course management software. Specifically, the pledge commits Blackboard not to assert United States Patent No. 6,988,138 and many other pending patent applications against the development, use, or distribution of open source software or home-grown course management systems anywhere in the world, to the extent that such systems are not bundled with proprietary software.

As part of the pledge, Blackboard promises never to pursue patent actions against anyone using such systems, including professors contributing to open source projects, open source initiatives, commercially developed open source add-on applications to proprietary products, and vendors hosting and supporting open source applications. Blackboard also is extending its pledge to many specifically identified open source initiatives within the course management system space whether or not they may include proprietary elements within their applications, such as Sakai, Moodle, ATutor, Elgg, and Bodington.

According to Michael Chasen, president and chief executive officer of Blackboard, “This pledge is part of that commitment and our continued efforts to work collaboratively with the e-learning community to foster greater openness and interoperability.”

Source: *Learning Circuits*

Number of Training Staff by Industry (Per 1,000 Learners)



Financial/Insurance 8.8



Healthcare 7.9



Manufacturing 11.3



Pharmaceuticals 6.0



Retail 5.3



Technology 5.0



Telecommunications 6.5

Source: Bersin & Associates, February 2007

Bridge the **GEEK-SUIT** Gap

Are executives and information technology specialists not seeing eye-to-eye in your organization? Help both camps help themselves by teaching them to communicate more efficiently.

Bill Pflieger and Minda Zetlin, authors of *The Geek Gap*, offer tips for a happier working relationship.

IT PROFESSIONALS

- Don't assume executives know about the technology you are discussing.
- Don't explain how the technology works; instead focus on what it can be used for.
- Listen to what is not being said and ask questions if something doesn't make sense.

EXECUTIVES

- Be specific and don't talk hype.
- If you don't understand a technological term, say so.
- Avoid business jargon and be clear about what you are saying.

