



RECOMMENDATIONS FOR REAUTHORIZATION OF THE WORKFORCE INVESTMENT ACT (WIA)

by the NYC Employment and Training Coalition
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The New York City Employment and Training Coalition (www.nycetc.org) is a nonprofit membership association comprised of more than 200 workforce development organizations -- community-based organizations, community colleges and union-affiliated training programs -- that provide services to unemployed and under-employed New Yorkers across the five boroughs. Every day, thousands of workforce development professionals in these organizations change lives by giving people the tools and connections they need to achieve economic opportunity and stability. Every year, our members serve close to 700,000 welfare recipients, unemployed workers, disconnected and at-risk youth, ex-offenders, immigrants, and persons who are homeless, elderly, mentally and physically disabled, and HIV positive. In removing obstacles to employment, providing training and connecting people to jobs, NYCETC members play a vital role in the city's economic vitality.

NYCETC envisions a city where every resident has an opportunity to access the education and training they need to become employable, and every business can attract and retain highly skilled workers. As federal lawmakers begin to consider reauthorization of the Workforce Investment Act (WIA), NYCETC members want to ensure that Washington takes into account the needs and concerns of local workforce development service providers. NYCETC members have been providing employment and training services to adults and youth under federal workforce development policy for many years, and want to offer recommendations for reauthorizing WIA based on their direct experience.

What follows is a list of key recommendations for ensuring that, moving forward, federal workforce development programs and services are adequately funded; maintain current local government flexibility to contract with community-based organizations, community colleges, union-affiliated programs and other appropriate entities to provide services; are based on emerging best practices in the field; account for local economic conditions when setting performance measures, and more. By incorporating the following recommendations into a reauthorized WIA, federal lawmakers will help local economies to grow and thrive again by ensuring that employers have access to a skilled workforce.

I. Programs & Services

- **Increase and sustain financial support for federal workforce development programs.** Between 2003 and 2008, federal funding for WIA programs dropped

precipitously even though the need for services remained stable. Now, as demands on the workforce development system continue to increase during this severe economic downturn, the previous presidential administration's cuts are being felt even deeper. Under the American Recovery and Reinvestment Act (ARRA) of 2009, New York City was fortunate to receive an additional WIA funding allocation and this investment provided much needed resources to local workforce development systems. Therefore, to ensure that New York City's workforce development system can continue serving the needs of local workers and businesses in a time of significant need, funding for WIA programs and services in the FY2010 budget should be restored to FY2002 levels, plus the cost of inflation -- or, an approximate 30% increase over FY2009 levels.

- **Maintain local areas' flexibility to contract directly with community-based organizations, community colleges, union-affiliated programs, and other appropriate organizations to provide workforce development services for adults and youth.** By contracting directly with service providers, while maintaining customer choice, local areas can provide specialized training programs designed to meet the needs of low-income adults or individuals with multiple barriers to employment (e.g., older workers, those with low skill levels, and individuals with disabilities). Contracting can also enable training to be provided to groups of lower-skilled adults or youth with similar needs.
- **Require that a minimum percentage of WIA funds be spent on training.** States and local areas should be required to dedicate a minimum amount of WIA funding to training (e.g., 50 percent). In addition to vocational, customized, on-the-job and other types of training, the definition of training should be expanded to include workplace communication skills programs, as well as case management and supportive services for clients receiving training [including those receiving training from other funding sources, such as Temporary Assistance for Needy Families (TANF) or Pell Grants].
- **Eliminate the sequence of service.** WIA regulations allow local areas to determine an appropriate mix of services for an individual, and individuals are not required to spend a certain amount of time in each service category. However, WIA's sequential provisions have caused confusion, and delays in and denials of services to those who could benefit from them. Individuals should be assessed and then immediately provided with the services they need.
- **Better align Title I (job training and placement) and Title II (adult education and literacy) programs to create career pathways.** Allow and encourage programs to combine basic skills, English language, and occupational education and training to ensure that lower-skilled individuals and incumbent workers can earn credentials that help them advance to good-paying jobs along a career pathway. Promote policies and programs at the state and local levels that ease an individual's transition between programs (e.g., ESL, ABE, job training and higher education) and across institutions (e.g., community-based organizations, community colleges, and state and city government agencies). Also, provide dedicated funding for career pathway programs.
- **Promote sector strategies and training for "middle-skill" jobs.** Sector strategies identify the skilled workforce needs of a targeted industry or sector,

and develop training to ensure that employers in the industry have the skilled workers to meet those needs. Sector strategies are developed through partnerships between education and training providers, industry associations, employers, labor organizations and government agencies. “Middle-skill” jobs are those that require some education and training beyond high school, but less than a four-year degree. In most states, they make up close to half of the labor market and are found in such key sectors as health care, construction, green/clean energy, information technology and education. Encourage states and local areas to use sector strategies, and to offer training and credentialing for middle-skill jobs, by providing dedicated funding for such program models.

- **Provide dedicated funding for transitional jobs, an effective model for helping individuals with barriers to employment succeed in the labor market.** Make transitional jobs an allowable activity under WIA and dedicate additional funding to develop and expand these programs. Transitional jobs programs help link individuals with employment barriers (e.g., TANF recipients, ex-offenders, immigrants and refugees, individuals with disabilities, and at-risk youth) to unsubsidized employment by combining time-limited subsidized employment with skill-building and supportive services.
- **Target intensive and training services to low-income and low-skill individuals.** The American Recovery and Reinvestment Act (ARRA) of 2009 specifies that public assistance recipients and other low-income individuals must receive priority of service under the WIA Adult program. Currently under WIA, these individuals have priority of service for training and intensive services *only* when funds are limited, and the law does not specify what prioritization involves. Apply the prioritization of service language in ARRA to WIA policy moving forward, and require states to report in the state plan how priority of service requirements will be implemented.
- **Re-instate a stand-alone summer jobs program for youth by providing expanded and dedicated funding to this former federally-funded program.** New York City has been operating a stand-alone Summer Youth Employment Program (SYEP) for years, and this year, the program served over 52,000 young adults. Bring back the stand-alone summer jobs program for youth under WIA and encourage that disconnected youth who participate in the program be connected to a year-round program at the end of their summer job experience, where they can continue to build their skills.
- **Ease the income eligibility and documentation verification requirements for youth programs.** WIA income eligibility requirements are much stricter than those of the federal Temporary Assistance for Needy Families (TANF) or school lunch programs, for example. Under TANF, individuals with household incomes of up to 200% of the federal poverty level (FPL) (\$44,100 per year for a family of 4) can be served and under the school lunch program, individuals with household incomes of up to 175% of FPL can be served. However, under WIA, household income eligibility is just 70% of the Lower Living Standard Income Level (LLSIL) (\$28,144 per year for a family of 4). Allow income eligibility for TANF (200% of poverty) to be sufficient for WIA youth services and expand eligibility for WIA youth programs to age 24 (up from age 21 under current law).

Additionally, WIA's documentation verification requirements are tedious and time-consuming, which results in resources being dedicated to processing documentation instead of helping youth to get needed jobs and services. These requirements should be eased, and out-of-school youth in certain target groups should be eligible for service without regard to income (e.g., young people without a high school diploma; youth in the foster care system; court-involved youth; youth with disabilities; runaways and homeless youth; youth who qualify for TANF or free/reduced lunch; or young people who live in high poverty areas). Also, self-certification should be allowed to serve as an acceptable method of documenting eligibility.

- **Require a greater share of the formula funding to be directed toward dropouts and youth in high-risk categories.** Require that 50 percent of those served with formula funding be in the high-risk category (e.g., dropouts, homeless youth, young offenders, youth in the foster care system, youth with disabilities), regardless of their school status. Also, revise the distribution formula to take into account other youth risk factors like dropout rates.
- **Expand federal investment in youth workforce development programs to include opportunities for work experience, internships, transitional jobs and community service.** This should include funding to local and regional partnerships that engage business, workforce development and education systems in creating pathways to prepare disconnected youth for quality careers.

II. Outcomes

- **Adjust *adult* performance measures to both account for local economic conditions, as well as encourage services to individuals with barriers to employment.** The federal government should adjust performance measures to take into account local unemployment rates and economic conditions, as well as characteristics of participants that might negatively affect program performance. Performance measures should be redesigned to account for major shifts in local economies, such as the impact that the current recession is having on local economies, which make it difficult for programs to achieve certain job placement and retention targets. The federal government should also place greater emphasis on rewarding the system for increasing the skills and employability of low-skilled participants.
- **Apply intermediate measures to *youth* programs to recognize progress and engage the lowest-skilled youth.** WIA should apply outcome measures that recognize that young people need educational advancement, starting with basic literacy and numeracy skills as well as soft skills, in order to succeed in the labor market. While the current Common Measures reflect outcomes that all participants should achieve, lower skilled individuals will require more time to reach them. Therefore, the federal government should adopt *intermediate* measures as indicators of progress and skills building attainment, so that states/localities will pay/reimburse providers for attainment of such intermediate outcomes as demonstrating literacy/numeracy gains, re-enrolling in high school, attaining an industry-recognized credential, and participating in an internship or job for at least three months.

- **Allow a portion of funding to support activities that enhance the capacity of local service providers to achieve WIA outcomes.** Local economies change continuously and innovative program practices are regularly emerging. Therefore, it is important that community-based organizations, community colleges, union-affiliated programs and other workforce development providers stay abreast of this new information, as well as opportunities to build partnerships, through technical assistance and capacity-building activities.

III. Program Administration & Governance

- **Maintain current flexibility that workforce development services can be provided by private non-profit and for-profit employees in addition to civil service employees.** Under current law, workforce development services (e.g., literacy and ESL classes, job training, supportive services) may be provided by private non-profit and for-profit organizations (e.g., community- and faith-based organizations, community colleges, union-affiliated training programs, and for-profit providers) in addition to government civil service employees. For a city like New York, whose workforce development system is comprised of nearly 200 primarily non-profit (and some for-profit) providers, maintaining this flexibility is essential to sustaining our service delivery system's capacity.
- **Optimize the coordinating role of Workforce Investment Boards and Youth Councils by diversifying their membership, and enhancing their inter-agency partnership-building function.** Keep mandatory Workforce Investment Boards (WIBs) and Youth Councils in place, but diversify their membership to include stronger business involvement, as well as more representation from the provider community and program participants. Enhance the strategic planning, oversight and coordination roles of WIBs and Youth Councils by encouraging them to build more City and State inter-agency programming partnerships.