

CLASP

CENTER FOR LAW AND SOCIAL POLICY

WIA REAUTHORIZATION RECOMMENDATIONS

By Nisha Patel and Julie Strawn

The Workforce Investment Act of 1998 (WIA) substantially altered the federally funded system for job training and other employment-related services. Federal policy for these services is set out in Title I of WIA, which requires that each of nearly 600 local workforce areas develop and administer a one-stop delivery system with a broad array of employment and training services available to job seekers and employers. In addition, Congress folded into WIA the existing Adult Education and Family Literacy Act (AEFLA), as Title II of the law. AEFLA, or WIA Title II, is a federal program to assist undereducated or limited English proficient adults or out-of-school youth in improving their skills. Congress is scheduled to reauthorize both titles by September 30, 2003. What follows is a short summary of reauthorization recommendations for both Title I and II and a separate document that includes a discussion of the rationale for each recommendation.

SUMMARY OF WIA TITLE I AND TITLE II RECOMMENDATIONS

TITLE I

1. ELIMINATE SEQUENTIAL ELIGIBILITY.

- Eliminate sequential eligibility and allow individuals to receive intensive and training services in any sequence determined appropriate by assessment in order to meet employment and earnings goals established in conjunction with the one-stop operator or partner.

2. PROMOTE GREATER ACCESS TO TRAINING.

- Require that states and local areas spend a minimum percentage of adult and dislocated worker funds on training services.
- Require that states and local areas that fail to meet the expenditure requirement receive the same penalties for noncompliance that apply for failing to meet adjusted performance measures under current law.
- Require that in order to receive WIA incentive funds, states and local areas must spend at least the minimum percentage of funds on training.
- In their quarterly financial reports and annual reports, require that states report to the Department of Labor, and that local areas report to states, on the amount of adult and dislocated worker funds spent on each category of services (core, intensive, training).

3. IMPROVE ADJUSTMENT OF PERFORMANCE MEASURES.

- Adjust performance measures to take into account local conditions and characteristics of participants at intake, including: lack of high school diploma or GED; limited employment history; physical and

mental health problems (including documented disabilities); low basic skills; limited English proficiency; and local labor market conditions.

- To the extent that expected levels are adjusted to take into account populations with barriers to employment, states and local areas should be held accountable for serving these populations.

4. REQUIRE THAT PERFORMANCE MEASURES TAKE INTO ACCOUNT JOB QUALITY AND BETTER CAPTURE EARNINGS CHANGES.

- Add a measure requiring documentation of wages at placement, as well as availability of employer-sponsored health care and vacation/sick leave benefits.
- Revise the earnings change measure to capture earnings changes 12 months after the program (as compared to preprogram earnings).

5. ADDRESS THE NEEDS OF THOSE WITH LIMITED ENGLISH SKILLS.

- State plans currently must describe how the state will meet the service needs of special populations. Limited English proficient individuals should be added to the list of special populations.
- Include assessment of English proficiency as part of core services.
- Add ESL to the list of activities that can be provided in conjunction with other training activities for adults.
- Collect consistent data across key federal programs on adults with limited English skills. Data should include the country participants were born in (nativity), when they arrived in the U.S., years of education in the native country, and some measure of English language ability (ideally a test score, but at least the same self-reported data used by the Census Bureau).

6. ENCOURAGE PROGRAMS TO COMBINE ADULT EDUCATION, ESL, AND JOB TRAINING SERVICES.

- Allow programs that combine job training, ESL and adult education, and receive both Title I and Title II funding under WIA, to be accountable for just one set of performance measures, with the program allowed to choose to use either those of Title I or Title II as is appropriate to their program design.
- Explicitly allow national research and demonstration funds to be used to create or expand, and evaluate, employment programs for individuals with low skills and/or limited English proficiency that combine job training, ESL and/or literacy services.
- Explicitly allow state reserve funds to be used for grants to create or expand combined adult education, ESL, and/or job training services.
- In performance measures for the adult funding stream, count English proficiency and literacy gains, as well as credential attainment, when coupled with job placement.

7. PROMOTE INFORMED CONSUMER CHOICE BY CREATING A PROCESS FOR FIXING PROBLEMS WITH THE PROVIDER CERTIFICATION SYSTEM.

- Suspend the provider certification requirement temporarily. Create a task force of states and federal government to meet and make a set of regulatory and legislative recommendations to Congress to ensure that certification can be carried out at little or no cost to providers and in a uniform manner. Recommendations must be presented to Congress by 2006, and only when changes have been enacted and implemented would certification become effective again.

8. CLARIFY HOW WIA SHOULD TAKE INTO ACCOUNT FEDERAL STUDENT AID RECEIVED.

- Allow one-stops to consider whether someone has received a Pell grant in approving them for WIA-funded training, but in determining whether WIA should supplement the Pell grant, consider the extent

of unmet need using the definition of the cost of attendance in the Higher Education Act (which includes tuition and fees, books, supplies, dependent care, and living expenses).

TITLE II

1. IMPROVE EFFECTIVENESS OF SERVICES BY FOCUSING FUNDS ON HIGH-QUALITY PROGRAMS.

- Shorten and focus the criteria by which states award grants to local service providers so that priority is given to programs that provide a substantial number of hours of instruction to participants, have a high percentage of full-time teachers, and have clearly defined pathways to employment, job training, and postsecondary education (such as bridge programs customized to job training opportunities and articulation agreements with college developmental education programs). Priority should also be given to programs whose teaching practices and curricula reflect scientific research on how adults learn and reflect the goals (often related to work or to family) of the students.

2. ADDRESS THE NEEDS OF THOSE WITH LIMITED ENGLISH SKILLS.

- Include increasing English proficiency among the explicit purposes of adult education funding.
- Include limited English proficient individuals in the formula for distributing adult education funding to the states.
- Require that the federal peer review process for state plans include ESL experts on the peer review panel.
- Collect consistent data across key federal programs on adults with limited English skills. Data should include the country participants were born in (nativity), years of education in the native country, when they arrived in the U.S., and some measure of English language ability (ideally a test score, but at least the same self-reported data used by the Census Bureau).

3. ENCOURAGE PROGRAMS TO COMBINE ADULT EDUCATION, ESL, AND JOB TRAINING SERVICES.

- Add vocational adult education and vocational ESL to the list of categories for required local activities.
- Allow programs that combine job training, ESL, and adult education, and receive both Title I and Title II funding under WIA, to be accountable for just one set of performance measures, with the program allowed to choose to use either those of Title I or Title II as is appropriate to their program design.
- Use national leadership funds to create or expand and evaluate programs that combine basic skills and/or ESL, and job training services for individuals with limited English proficiency.
- Require states to report the number of combined job training and adult education/ESL programs funded under Title II.

4. STRENGTHEN LINKS TO POSTSECONDARY EDUCATION AND JOB TRAINING.

- Add as a purpose of the title “increase skills needed for access to, and success in, specific postsecondary education and job training opportunities by adults with low skills and/or limited English.”
- Require state plans to include a description of how, on a regional basis, adult education will prepare people with limited English skills and/or low basic skills (with or without high school diplomas) to enter job training and other postsecondary education, including bridge programs customized to job training opportunities and articulation with college developmental education programs.

- Make explicit that entities other than the state education agency, such as those responsible for community and technical colleges or for workforce development, are eligible to administer adult education.
- Require states to conduct a legislative review periodically of which state agency—among those administering K-12 education, community or technical colleges, or workforce investment activities—is best suited given its mission and capacity to also administer adult education, with a view toward improving links and transitions to job training and other postsecondary education.

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WIA REAUTHORIZATION RECOMMENDATIONS

TITLE I

1. ELIMINATE SEQUENTIAL ELIGIBILITY.

Recommendation:

- Eliminate sequential eligibility and allow individuals to receive intensive and training services in any sequence determined appropriate by assessment in order to meet employment and earnings goals established in conjunction with the one-stop operator or partner.

Background: The sequential eligibility requirements under current law unduly restrict the flexibility of local boards and one-stop centers to provide the most appropriate services to customers on a timely basis. To the extent resources for intensive and training services are insufficient to serve every eligible individual, local boards can and should be relied upon to make priority decisions consistent with other provisions of WIA, and their local needs. Sequential eligibility rules have caused confusion in the field, and delays and denials of services to those who could benefit from them. Further, sequential eligibility rules send the message that intensive and training services should be reserved for individuals who truly cannot find employment on their own. This interpretation would preclude in most cases the use of WIA training to help low-wage workers, whether between jobs or currently employed, advance to better jobs. This was surely not the Congressional intent in creating WIA. As the Bush Administration has proposed, sequential eligibility should be eliminated.

2. PROMOTE GREATER ACCESS TO TRAINING.

Recommendations:

- Require that states and local areas spend a minimum percentage of adult and dislocated worker funds on training services.
- Require that states and local areas that fail to meet the expenditure requirement receive the same penalties for noncompliance that apply for failing to meet adjusted performance measures under current law.
- Require that in order to receive WIA incentive funds, states and local areas must spend at least the minimum percentage of funds on training.
- In their quarterly financial reports and annual reports, require that states report to the Department of Labor, and that local areas report to states, on the amount of adult and dislocated worker funds spent on each category of services (core, intensive, training).

Background: The number of adults and dislocated workers who received training in the initial year of WIA fell by 73 percent as compared to the number who received training during the final year of

JTPA.¹ Many local areas report a lack of adequate funding for Individual Training Accounts (ITAs) as a key factor in this decline. Under current law, there is no dedicated funding for WIA adult and dislocated worker training. Creating a “floor” for the share of WIA funds to be spent on training would help ensure that WIA remains primarily a skill development program, as Congress intended, and does not simply duplicate the labor exchange functions of other programs, such as Wagner-Peyser. The experience of Florida with such a policy shows it can be workable: Florida requires that 50 percent of adult and dislocated worker funds be spent on ITAs, and state agency staff have indicated they believe the policy has led to a greater number of individuals receiving access to training.

In addition, states are not required to report to the Department of Labor on the amount of WIA funds spent on training versus core and intensive services. As a result, stakeholders and taxpayers do not have access to national data on the amount of WIA funds spent on training; only three states included information on the share of funds spent on training in their 2001 WIA annual reports.

3. IMPROVE ADJUSTMENT OF PERFORMANCE MEASURES.

Recommendation:

- Adjust performance measures to take into account local conditions and characteristics of participants at intake, including:
 - Lack of high school diploma or GED;
 - Limited employment history;
 - Physical and mental health problems, including documented disabilities;
 - Low basic skills;
 - Limited English proficiency; and,
 - Local labor market conditions.
- To the extent that expected levels are adjusted to take into account populations with barriers to employment, states and local areas should be held accountable for serving these populations.

Background: Many stakeholders have raised concerns that the current system of negotiating performance levels, which was intended to allow the adjustment of expected levels, has not worked well. According to the GAO, performance measures are driving local staff to be reluctant to provide WIA-funded services to job seekers who may be less likely to find employment or experience earnings increases when placed in a job.² As both the Bush Administration and H.R. 1261 propose, stronger language is needed on the economic conditions and participant characteristics that should be taken into account when setting expected levels of performance. An objective methodology should be developed to adjust expected performance levels in a manner that is fair and consistent among all states and localities.

4. REQUIRE THAT PERFORMANCE MEASURES TAKE INTO ACCOUNT JOB QUALITY AND BETTER CAPTURE EARNINGS CHANGES.

Recommendations:

- Add a measure requiring documentation of wages at placement, as well as availability of employer-sponsored health care and vacation/sick leave benefits.

- Revise the earnings change measure to capture earnings changes 12 months after the program (as compared to preprogram earnings).

Background: If WIA is to achieve its stated purpose to “improve the quality of the workforce, reduce welfare dependency, and enhance the productivity and competitiveness of the Nation,” it is vital that the system be held accountable for the quality of jobs obtained by those who benefit from WIA-funded services. Research suggests that helping low-income adults obtain higher quality jobs than they would find on their own can lead to better job retention and larger long-term wage growth. While current performance measures for adults and dislocated workers capture employment placements, they fail to capture the quality of jobs in which participants are placed. Adding wages at placement and availability of employer-provided benefits would remedy this. In addition, research has shown that long-term follow-up is needed to see earnings gains for those in skill development programs.³ The current six months is too short a period for such earnings gains to become apparent.

5. ADDRESS THE NEEDS OF THOSE WITH LIMITED ENGLISH SKILLS.

Recommendations:

- State plans currently must describe how the state will meet the service needs of special populations. Limited English proficient individuals should be added to the list of special populations.
- Include assessment of English proficiency as part of core services.
- Add ESL to the list of activities that can be provided in conjunction with other training activities for adults.
- Collect consistent data across key federal programs on adults with limited English skills. Data should include the country participants were born in (nativity), years of education in the native country, when they arrived in the U.S., and some measure of English language ability (ideally a test score, but at least the same self-reported data used by the Census Bureau).

Background: The Census Bureau estimates that over 13 million legal immigrants arrived between 1990 and 2000, with about 58 percent arriving between 1995 and 2000.⁴ In addition, the number of immigrants in our workforce has grown dramatically over the past decade—accounting for nearly half of all workforce growth—and will continue to grow, with immigrants expected to account for all of the growth in the prime-aged workforce (age 25-54) between now and 2020.⁵ Yet there is little recognition of the importance of ESL services in the WIA legislation. Changes are needed to bring the law up to date with current needs.

6. ENCOURAGE PROGRAMS TO COMBINE ADULT EDUCATION, ESL, AND JOB TRAINING SERVICES.

Recommendations:

- Allow programs that combine job training, ESL, and adult education, and receive both Title I and Title II funding under WIA, to be accountable for just one set of performance measures, with the program allowed to choose to use either those of Title I or Title II, as is appropriate to their program design.

- Explicitly allow national research and demonstration funds to be used to create or expand, and evaluate, employment programs for individuals with low skills and/or limited English proficiency that combine job training, ESL and/or literacy services.
- Explicitly allow state reserve funds to be used for grants to create or expand combined adult education, ESL, and/or job training services.
- In performance measures for the adult funding stream, count English proficiency and literacy gains, as well as credential attainment, when coupled with job placement.

Background: Scientific research on adult education programs, conducted primarily in the context of welfare reform evaluations, suggests that economic impacts (employment and earnings gains) are larger when adult education is integrated with or closely connected to job training and other postsecondary education.⁶ Yet few adult education programs currently combine adult education, ESL, and job training. Federal leadership could help create more of these programs so that adult education can become more effective for those whose primary goals are to find a job or move up to a better job.

7. PROMOTE INFORMED CONSUMER CHOICE BY CREATING A PROCESS FOR FIXING PROBLEMS WITH THE PROVIDER CERTIFICATION SYSTEM.

Recommendation:

- Suspend the provider certification requirement temporarily. Create a task force of states and federal government to meet and make regulatory and legislative recommendations to Congress to ensure that certification can be carried out at little or no cost to providers and in a uniform manner. Recommendations must be presented to Congress by 2006, and only when changes have been enacted and implemented would certification become effective again.

Background: Current law requires that eligible training providers provide program-specific outcome information for all program participants, if any of them are WIA customers. This includes program completion rates, the percentage that obtains employment, and the wages at employment placement. Monitoring the employment and earnings outcomes of participants for each eligible program is critical to the successful use of ITAs under WIA, because it can allow customers to make informed choices about the training options available to them. Without that information on the performance of training programs, WIA customers could fall victim to ineffective or even fraudulent providers, as did many students in the federal student aid programs in the 1980s.

Yet despite its importance, the provider certification system is currently broken. The majority of providers appear to lack access to a cost-effective and timely means of tracking participant outcomes. Many training providers, particularly the community colleges, assert that the reporting requirements are costly and difficult to implement, especially relative to the small amount of training funds many providers receive. Anecdotal evidence suggests that, far from promoting consumer choice in training, the certification system is currently having the opposite effect by driving providers out of the system. Federal leadership is needed to help states and localities work through the legal and logistical issues involved in creating the means for local training providers to track and report outcome data easily and inexpensively, and in a consistent and timely manner, so that these important reporting requirements do not deter training providers from serving WIA clients.

8. CLARIFY HOW WIA SHOULD TAKE INTO ACCOUNT FEDERAL STUDENT AID RECEIVED.

Recommendation:

- Allow one-stops to consider whether someone has received a Pell grant in approving them for WIA-funded training, but in determining whether WIA should supplement the Pell grant, consider the extent of unmet need, using the definition of the cost of attendance in the Higher Education Act (tuition and fees, books, supplies, dependent care, and living expenses).

Background: In part due to conflicting messages from the Department of Labor and the Department of Education, confusion has arisen about whether Pell grants or WIA-funded ITAs should be the first source of funding considered in paying for education and training for individuals who are eligible to receive funding from both sources. This confusion should be resolved through the addition of clarifying language to the WIA statute to make it explicit that while one-stops can consider whether someone has received a Pell grant in considering whether to award an ITA, adults have other, substantial costs associated with participating in training beyond tuition and fees.

TITLE II

1. IMPROVE EFFECTIVENESS OF SERVICES BY FOCUSING FUNDS ON HIGH-QUALITY PROGRAMS.

Recommendation:

- Shorten and focus the criteria by which states award grants to local service providers so that priority is given to programs that provide a substantial number of hours of instruction to participants, have a high percentage of full-time teachers, and have clearly defined pathways to employment, job training, and postsecondary education (such as bridge programs customized to job training opportunities and articulation agreements with college developmental education programs). Priority should also be given to programs whose teaching practices and curricula reflect scientific research on how adults learn and reflect the goals (often related to work or to family) of the students.

Background: Current law directs states to consider a dozen different factors in awarding grants to local adult education providers; H.R. 1261 would expand the list still further. Congress could send a much clearer and stronger message to states and local providers about what it considers most critical for success in adult education by shortening this list to a small number of key program characteristics and directing states to give priority in funding accordingly. Hours of instruction are clearly central to success, as scientific research shows that many adult education students fail to obtain enough hours of instruction to make educational progress. Similarly, having full-time teachers is a necessary prerequisite for providing more hours of instruction and also for staff and curriculum development. Finally, as more scientific research on how adults learn becomes available, programs should be encouraged to base their teaching practices and curricula on it, taking into account the goals that adult learners bring to their studies.

2. ADDRESS THE NEEDS OF THOSE WITH LIMITED ENGLISH SKILLS.

Recommendations:

- Include increasing English proficiency among the explicit purposes of adult education funding.
- Include limited English proficient individuals in the formula for distributing adult education funding to the states.
- Require that the federal peer review process for state plans include ESL experts on the peer review panel.
- Collect consistent data across key federal programs on adults with limited English skills. Data should include the country participants were born in (nativity), years of education in the native country, when they arrived in the U.S., and some measure of English language ability (ideally a test score, but at least the same self-reported data used by the Census Bureau).

Background: The Census Bureau estimates that over 13 million legal immigrants arrived between 1990 and 2000, with about 58 percent arriving between 1995 and 2000.⁷ In addition, the number of immigrants in our workforce has grown dramatically over the past decade—accounting for nearly half of all workforce growth—and will continue to grow, with immigrants expected to account for all of the growth in the prime-aged workforce (age 25-54) between now and 2020.⁸ Not surprisingly, English language learners are the fastest growing segment of those served in adult education, and current resources for language and job training services are dwarfed by the need. Yet there is little recognition of the importance of ESL services in the adult education legislation. Changes are needed to bring the law up to date with current needs.

3. ENCOURAGE PROGRAMS TO COMBINE ADULT EDUCATION, ESL, AND JOB TRAINING SERVICES.

Recommendations:

- Add vocational adult education and ESL to the list of categories for required local activities.
- Allow programs that combine job training, ESL and adult education, and receive both Title I and Title II funding under WIA, to be accountable for just one set of performance measures, with the program allowed to choose to use either those of Title I or Title II as is appropriate to their program design.
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- Require states to report the number of combined job training and adult education/ESL programs funded under Title II.

Background: Scientific research on adult education programs, conducted primarily in the context of welfare reform evaluations, suggests that economic impacts (employment and earnings gains) are larger when adult education is integrated with or closely connected to job training and other postsecondary education.⁹ Yet few adult education programs currently combine adult education, ESL, and job training. Federal leadership could help create more of these programs so that adult education can become more effective for those whose primary goals are to find a job or move up to a better job.

4. STRENGTHEN LINKS TO POSTSECONDARY EDUCATION AND JOB TRAINING.

Recommendations:

- Add as a purpose of the title “increase skills needed for access to, and success in, specific postsecondary education and job training opportunities by adults with low skills and/or limited English.”
- Require state plans to include a description of how, on a regional basis, adult education will prepare people with limited English skills and/or low basic skills (with or without high school diplomas) to enter job training and other postsecondary education, including bridge programs customized to job training opportunities and articulation with college developmental education programs.
- Make explicit that entities other than the state education agency, such as those responsible for community and technical colleges or for workforce development, are eligible to administer adult education.
- Require states to conduct a legislative review periodically of which state agency—among those administering K-12 education, community or technical colleges, or workforce investment activities—is best suited given its mission and capacity to also administer adult education, with a view toward improving links and transitions to job training and other postsecondary education.

Background: Scientific research from welfare-to-work evaluations shows that the biggest economic impacts for adult education participants (employment and earnings gains) are for those who go on to job training or other postsecondary education. Yet many adult education programs lack clear pathways that articulate the content and credentials of their programs to job training and postsecondary education opportunities in the community. Encouraging regional planning to create such pathways would help more adults make these transitions, encourage more collaboration between adult education, job training, and postsecondary education, and make the links between adult education and college developmental education programs more coherent.

¹ See Frank, A., et al. (2003). *The Workforce Investment Act: A First Look at Participation, Demographics, and Services*. Washington, DC: Center for Law and Social Policy.

² U.S. General Accounting Office. (June 18, 2003). GAO-03-884T. *Workforce Investment Act: Exemplary One-Stops Devised Strategies to Strengthen Services, but Challenges Remain for Reauthorization*. Washington, DC: Author.

³ Saulcy, S. et al. (2003). *Connecting Business and the Wyoming Community College System: A Study of Employment Outcomes of 2001 Graduates from Wyoming Community Colleges*. Casper, WY: Wyoming Department of Employment, Research, and Planning; Martinson, K., & Strawn, J. (2003). *Built to Last: Why Skills Matter for Long-Run Success in Welfare Reform*. Washington, DC: Center for Law and Social Policy.

⁴ CLASP calculations from U.S. Census Bureau. (2002). Retrieved from tables produced at <http://factfinder.census.gov>. Figures include the District of Columbia, but not Puerto Rico or other territories.

⁵ Ellwood, D. (2002). “How We Got Here” in *Grow Faster Together. Or Grow Slowly Apart*. Washington, DC: The Aspen Institute.

⁶ For a recent summary of this research, see Martinson, K., & Strawn, J. (2003) in Note 3 above.

⁷ See Note 4 above.

⁸ See Note 5 above.

⁹ See Martinson, K., & Strawn, J. (2003) in Note 3 above.