



## Congressional Action Needed to Ensure Low-Income Adults Receive Critical Employment and Training Services under the Workforce Investment Act

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The Workforce Investment Act (WIA) authorizes the nation's federally funded workforce development system, which provides critical employment and training services to individuals and employers. Unfortunately, this system has been chronically underfunded and has been the target of ongoing disinvestment for several years. As such, it is only able to provide services to a fraction of those who need them. For example, during Program Year (PY) 2006, only 109,528 individuals who exited from the WIA Adult program received training services nationwide.<sup>i</sup> This is clearly insufficient to meet the need at a time when skill shortages undermine US companies' competitiveness and one out of four workers earns poverty level wages and needs additional credentials that will lead to family supporting jobs.<sup>ii</sup> The existing need will only grow as the labor market softens and we head into an economic downturn. ***In order to ensure that individuals have access to workforce development services and that our nation has a workforce with the skills necessary to compete in the global economy, funding for the workforce system must be dramatically increased.***

In addition to a major reinvestment in the workforce system, Congress should transform WIA to ensure that those who are most in need are not left behind. In 2005, CLASP published a report highlighting the declines in training services for low-income individuals under the Adult program since WIA was enacted, and in the transition from the program that preceded it, the Job Training Partnership Act (JTPA).<sup>iii</sup> Analysis of the most recent data for individuals exiting from the WIA Adult program shows that this trend has continued, and that the share of low-income individuals receiving intensive and training services fell to just over half during PY 2006, down from 84 percent in 2000.<sup>iv</sup>

This paper highlights the structural issues within WIA that are contributing to these declines, and offers recommendations to address them. When the 110<sup>th</sup> Congress turns once again to WIA reauthorization, top priorities should be removing existing barriers and disincentives within the law to providing services to individuals who are disadvantaged in the labor market, and expanding services to low-income and low-skilled populations and individuals with other barriers to employment.<sup>v</sup> ***Immediate Congressional action is needed to both strengthen services for disadvantaged adults through WIA reauthorization and significantly increase investments in the federally funded workforce development system.***<sup>vi</sup>

## Background on the Workforce Investment Act

In 1998, WIA replaced JTPA as the authorizing legislation for the nation’s federally funded workforce development system. One of the main goals of WIA was to bring together a fragmented group of workforce development programs into a “one-stop” career-center system in which employers and job seekers could easily access a wide array of employment and training services.

WIA has three main funding streams: Adult, Youth, and Dislocated Worker. WIA adopted a tiered service delivery model to govern how an individual can access services through the one-stop system under the Dislocated Worker and Adult funding streams. The three “tiers” of service categories are core, intensive, and training. Under WIA, all individuals are eligible for core services, but they must meet certain criteria to access intensive and training services. The chart below includes a list of the types of services available under core, intensive and training services, and the eligibility requirements (see Appendix A for a full list of core, intensive, and training services).

	Core	Intensive	Training
<b>Services</b>	Basic services such as job search assistance	Comprehensive assessment and case management	Occupational skills training On-the-job training Customized training
<b>Eligibility</b>	Universal eligibility	An individual must be <b>unemployed</b> and unable to obtain employment through core services, or <b>employed</b> but in a job that does not allow for self-sufficiency. <sup>vii</sup>	An individual must be unable to obtain or retain employment through intensive services. <sup>viii</sup>

Universal access to core services under WIA was a dramatic departure from JTPA and the federal workforce programs that preceded it, in which funds were targeted exclusively toward low-income adults, youth, and dislocated workers. Although WIA made core services universally available, the sequential provisions were designed to reserve more expensive services for those who are most in need. In addition, the law mandated that low-income individuals and public assistance recipients receive priority for intensive and training services.

Although WIA expanded eligibility for services and created a mandate for the workforce system to develop a one-stop career center system, funding was not increased to address the expanded mission of the system, and in fact has been steadily eroding. ***From 2002 to 2008 alone, funding for the WIA Adult program shrank by 10.2 percent without an adjustment for inflation.***<sup>ix</sup>

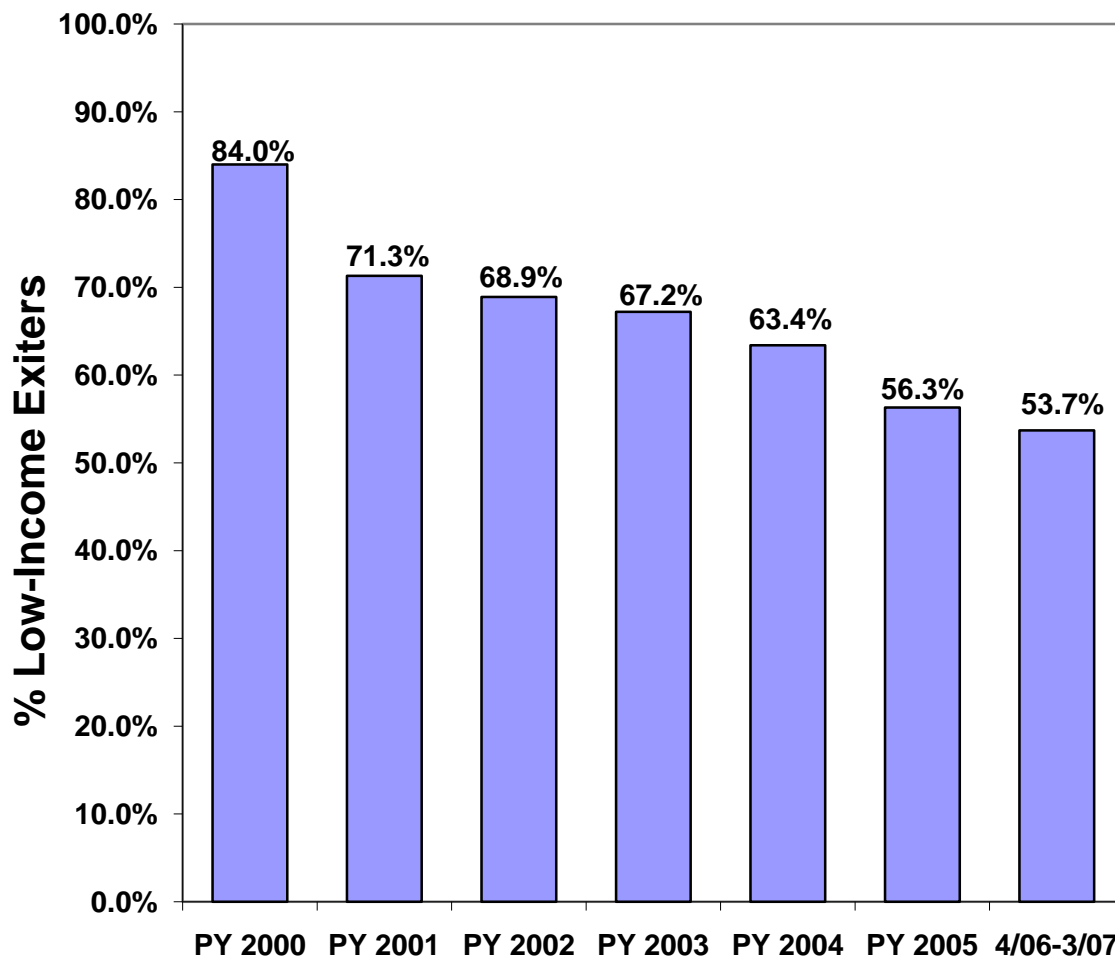
## **Characteristics of Individuals Receiving Intensive and Training Services Under the Adult Program; Trends Over Time**

CLASP analysis of the Workforce Investment Act Title I-B Standardized Record Data (WIASRD) for the Adult program suggests that in the transition from targeted services under JTPA to universal services under WIA, coupled with the mandate for a one-stop system and declining funding, the workforce development system has shifted limited resources away from serving those most in need.<sup>x</sup> Our analysis focuses exclusively on individuals who have received intensive and training services, since low-income individuals have priority of service in these categories, while core services are universally available.

Although the number of individuals receiving intensive and training services under the Adult program has fluctuated since 2000 (see Appendix B), the characteristics of those receiving these services has shifted and a smaller share are low-income or low-skilled. Specifically:

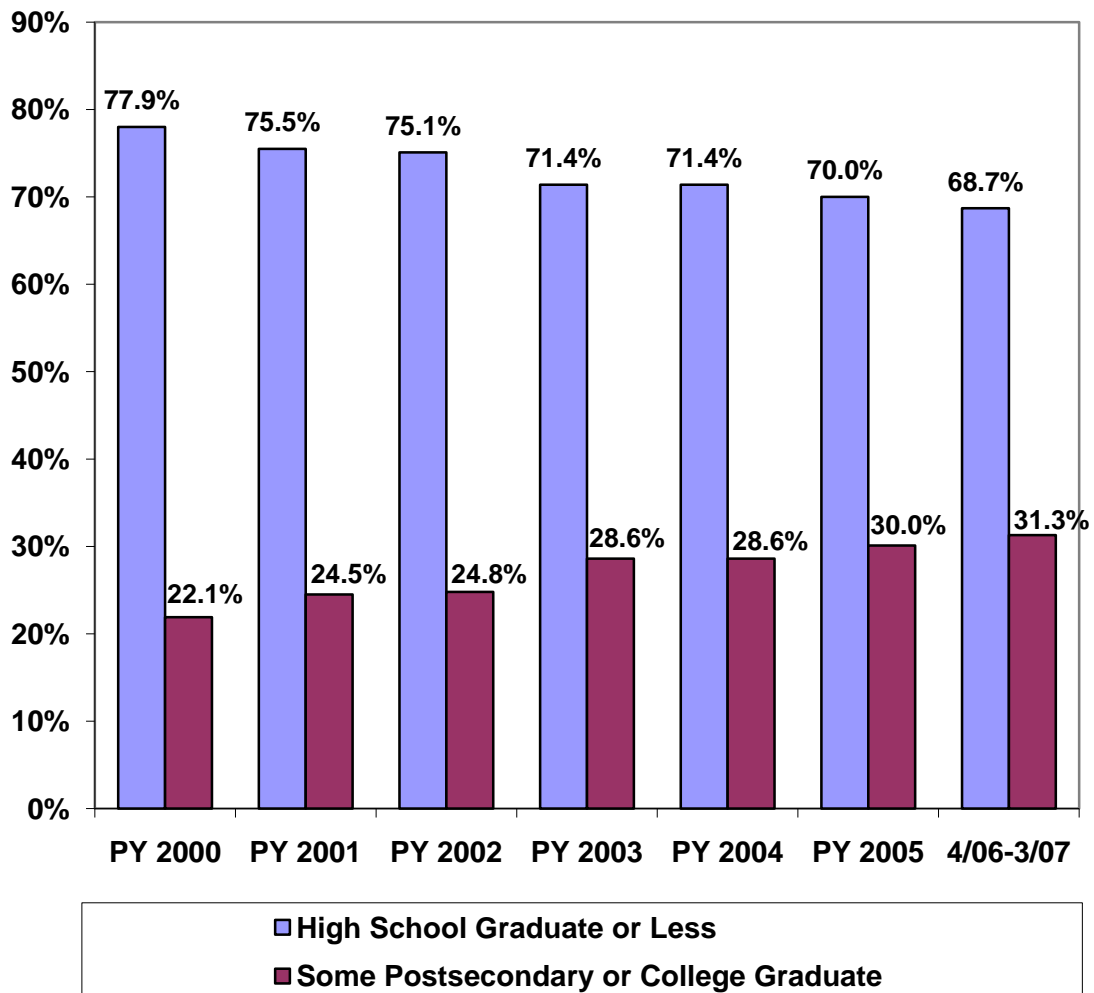
- **The share of low-income individuals who receive intensive and training services has declined significantly.** In 2000, the first year of WIA, 84 percent of exiters who received intensive and training services were low-income, dropping to 53.7 percent during PY 06 (between the period of April 2006 to March 2007, which is the most recent period for which data is available).<sup>xi</sup>

**Low-Income Adult Exiters who Received Intensive or Training Services, PY 2000-PY 2006 (April 2006 - March 2007)**



- The share of individuals with low levels of educational attainment who receive intensive and training services has declined, while the share of those with higher levels of educational attainment has increased.** In PY 2000, 77.9 percent of adults who received intensive or training services had a high school diploma or less, falling to 68.7 percent in PY 2006.<sup>xii</sup> In PY 2000, 21.9 percent of adults who had received intensive or training services had some postsecondary education; and in 2006, 31.3 percent had some postsecondary education. While in 2006, 8.6 percent of four-year college graduates received intensive or training services, only 2.9 percent of those who had only completed 8<sup>th</sup> grade or less received these services.<sup>xiii</sup>

**Adult Exiters who Received Intensive or Training Services by Highest Education Level, PY 2000-PY 2006 (April 2006 - March 2007)**



- **The share of individuals who are limited English proficient receiving training services has declined.** In 2000, 10 percent of exiters who received intensive or training services were limited English proficient, falling to 4.9 percent in PY 2006.<sup>xiv</sup> Although adult education and literacy activities are both allowable training activities under WIA when provided in conjunction with other types of training, between April 2006 and March 2007, only 4.2 percent of exiters received Adult Basic Education (ABE) or English as a Second Language (ESL) in conjunction with other types of training services.<sup>xv</sup>

In addition to the trends outlined above, individuals who receive training services under WIA have progressively become more likely to be employed and have higher pre-program earnings. For example, in 2001, 26.3 percent of adult exiters who received training were employed at registration, and 73.7 percent were unemployed or received a layoff notice.<sup>xvi</sup> Average pre-program quarterly earnings were \$3,794. Between April 2006 and March 2007, 37.1 percent of adult exiters who received training were employed, and average pre-program quarterly earnings were \$4,750.<sup>xvii</sup>

## What Elements of Current Law Contribute to these Trends?

Several interrelated provisions of WIA contribute to the trends outlined above. These provisions include WIA mandates to provide universal services through a one-stop system coupled with declining resources; program performance measures; sequential service requirements; the lack of any strong, explicitly defined targeting requirements; and the lack of dedicated funding or programming for individuals with low-skills or other barriers to employment. All of these elements are exacerbated by the ongoing federal disinvestment in the workforce system.

### Mandate for universal access to the one-stop system without adequate funding.

The WIA mandate for a one-stop career center system in which core labor market services (such as basic job-search assistance) are universally available should have been accompanied by increased funding. However, since the enactment of WIA, the federal investment in job training programs has declined steadily, and the cost of implementing the one-stop service delivery system has decreased overall funding for services that are more intensive.<sup>xviii</sup>

**Weak priority of service provisions.** Under WIA, public assistance recipients and low-income individuals have priority of service for training and intensive services when funds are limited.<sup>xix</sup> The law requires that “the appropriate local board and the Governor shall direct the one-stop operators in the local area with regard to making determinations related to such priority.”<sup>xx</sup> However, the law does not provide specific guidance on what prioritization involves; nor does it specify mechanisms for enforcing such a priority. The declining share of low-income individuals receiving intensive and training

services suggests that the priority of service is not being implemented in all areas and that there is a need for both more guidance and monitoring for compliance.

*“Often...the most job-ready clients get the most intensive service...In order to meet... performance standards and the expectations of employers, the [one-stop career] centers can only realistically register their most job-ready clientele for these intensive services.”*

– From *Widening the Net*, a report on the New York City WIA funded Workforce Centers

**Performance measures.** There is strong evidence that the WIA performance system encourages “creaming” (the provision of services to individuals who are perceived as more likely to be successful in the labor market). Under JTPA, performance expectations were statistically adjusted to take into account the characteristics of populations served and the economic conditions that typically impact program performance. WIA

adopted a flexible performance negotiation process that uses a range of criteria for setting baseline performance levels, including the percentage of low-income individuals in the area. In 2002, a GAO study found that states felt that the negotiation process did not sufficiently account for variations in economic conditions or population served, and researchers who studied WIA implementation in eight states found similar concerns among program administrators.<sup>xxi</sup> Researchers who studied WIA implementation on the ground actually found instances of individuals who were not readily employable being refused services.<sup>xxii</sup> The new common measures policies implemented by Department of Labor in 2006 may exacerbate the existing issues in the performance measurement system because the new method for calculating the earnings measure favors individuals who are more likely to have strong post-program earnings.<sup>xxiii</sup>

**Reliance on market mechanisms.** WIA sought to address concerns about the weak performance of many training programs through the use of market mechanisms to ensure customer choice. Under WIA, training providers are required to meet performance-based criteria in order to be included on a list of eligible training providers. Local boards are required to provide training (with certain exceptions) through individual training accounts (ITAs) for use with eligible providers.<sup>xxiv</sup> The current focus on training primarily through ITAs unnecessarily discourages the use of contract training, which can be an effective way to design programs that are tailored to the needs of low-skilled individuals, such as bridge programs, which prepare adults with low basic skills to enter postsecondary education and training programs.<sup>xxv</sup>

**Sequence of service provisions.** The WIA regulations introduce the concept of a tiered service delivery approach for core, intensive, and training services by establishing that receiving a service at each level is a prerequisite to moving to the next level.<sup>xxvi</sup> There is no requirement that individuals

spend a particular period of time in each service category, and the preamble to the regulations leaves it up to local areas to determine the appropriate service mix; however, these sequential provisions have caused confusion in the field and delays and denials of services to those who could benefit from them.

**Lack of any requirements for training expenditures.** Under JTPA, at least 50 percent of funds had to be spent on training (the definition of training under JTPA was broader than the definition under WIA and included activities which are counted as intensive services under WIA). WIA has no such requirements, and there are no federal reporting requirements on the percentage of adult and dislocated worker funds that are spent on training. A GAO study found that local workforce boards nationwide used an estimated 40 percent of available WIA adult and dislocated worker funds to provide training for WIA participants during PY 2003.<sup>xxvii</sup> However, anecdotal information suggests that local investment in training varies widely, with some localities spending less than 10 percent of WIA funds on training. It is fair to assume that if areas have fewer resources allocated to training, individuals with low educational attainment or other barriers to employment may be even less likely to receive it, since they typically require more intensive interventions which may be more costly.

## How Can Congress Turn the Tide?

In order to reverse the troubling trends outlined above, CLASP recommends that Congress take the following actions:

**Re-invest in workforce development.** There has been a long term disinvestment in the nation's publicly funded workforce system, which severely limits the ability of states and local areas to provide services to those who are most in need. Since 1979—the peak year of the Comprehensive Employment and Training Act which was the program that preceded JTPA—investments in employment and training programs have **declined in real terms by nearly 70 percent.**<sup>xxviii</sup> From 1986 to 2006, the decline in U.S. Department of Labor expenditures on training and employment assistance translates into a drop in expenditures per worker from \$63 to \$35, without an adjustment for inflation.<sup>xxix</sup> Funding for the system should be dramatically increased to ensure that low-income populations and individuals with barriers to employment have access to the services that they need, and that the system also has the flexibility to serve a broader range of workers, especially as we head into uncertain economic times.

**Target intensive and training services toward low-income and low-skill individuals.** Low-income individuals, low-skilled individuals, and individuals with barriers to employment should have absolute priority for intensive and training services under WIA. The existing



priority of service language in WIA should be strengthened and states should be required to report in the state plan how priority of service requirements will be implemented. The federal government should be required to monitor the states for compliance with these requirements.

**Eliminate the sequence of service.** Eliminating WIA's sequential provisions would allow local boards and one-stop centers the flexibility to provide appropriate services to customers in a timely manner. Although these provisions were designed to ensure that limited funds for intensive and training services were reserved for those who are less likely to find employment without them (and thus act as another type of priority of service mechanism) it appears that they have actually limited access to such services for those who are most in need. Individuals should be assessed and then immediately provided with the services they need.

**Allow for flexible delivery of training services.** Congress should give local areas the flexibility to provide training either through Individual Training Accounts (ITAs) or through contract training as appropriate. Allowing training to be provided through contracts facilitates the provision of specialized training programs that are designed to meet the needs of lower-skilled adults, or individuals with other barriers to employment. The use of contracts can also facilitate the provision of training to groups or cohorts of lower skilled adults with similar needs, which can provide important peer support to participants.

**Create stronger connections between the Workforce Investment Act (WIA Title I) and the Adult Education and Family Literacy Act (WIA Title II). Provide additional flexibility within WIA Title I to provide basic skills and English language training.** In PY 2006, only 3 percent of exiters from the WIA Title I Adult program were co-enrolled in Adult Education.<sup>xxx</sup> In order to better meet the needs of limited English proficient individuals and/or low-skilled adults, Congress should encourage stronger connections between the workforce development and adult education systems, and provide additional flexibility within the workforce system to provide the basic skills and English language training services that are necessary for success in the labor market.

**Ensure performance measures encourage services to individuals with barriers to employment.** Congress should mandate that the federal government adjust performance standards to take into account characteristics of participants that might negatively affect performance. Performance measures should be redesigned to ensure that they encourage, not discourage, the provision of services to low-skilled individuals and populations with barriers to employment.

**Require a minimum percentage of funds be spent on training services.** Congress should set a floor for how much WIA funding must be devoted to training. A few states have already adopted this type of approach. For example, in Illinois, 40 percent of funds must be spent on training services, and in Florida, 50 percent of funds must be spent on ITAs.<sup>xxxii</sup> In order to ensure that this type of policy encourages training services to low-skilled individuals and individuals with barriers to employment, the definition of training expenditures could include the costs of case management and supportive services for clients receiving training, including those receiving training from other fund sources (for example, Temporary Aid for Needy Families or Pell Grants). In addition, the definition of training should include programs that incorporate basic skills and English language training.

**Provide dedicated funding and support for successful program models, such as Transitional Jobs, aimed at helping individuals with barriers to employment succeed in the labor market.** Transitional Jobs programs provide a bridge to unsubsidized employment by combining time-limited subsidized employment with a comprehensive set of services to help participants overcome barriers and build work-related skills. States and localities across the country have implemented transitional jobs programs for populations with barriers to employment, including TANF recipients, homeless individuals, at-risk youth, ex-offenders, refugees and immigrants, and disabled individuals.<sup>xxxiii</sup> Congress should make explicit that Transitional Jobs are an allowable activity under WIA and dedicate additional funding to develop and expand these programs.

**Develop a national clearinghouse of best practices to support individuals with barriers to employment to enter and succeed in the labor market.** The Department of Labor should be charged with developing and implementing a robust research agenda around helping low-income and low-skilled individuals and individuals with other barriers to employment enter and succeed in the labor market, and building system capacity by disseminating effective practices.

In conclusion, Congress should take action to reverse the well established trends of declining services to low-income and lower skilled adults under WIA by removing existing barriers and disincentives within the law to serving these groups; strengthening coordination between the workforce development and adult education systems; developing a robust research and demonstration agenda to identify what works; and providing dedicated funding and support for programs aimed at helping individuals with barriers to employment succeed in the labor market. These actions will help to transform the workforce development system in order to better serve groups that are disadvantaged in the labor market. More

work also needs to be done to make stronger connections between employment and human service systems, and to strengthen partnerships between the workforce system and Community Based Organizations that are on the front lines of working with populations with barriers to employment.

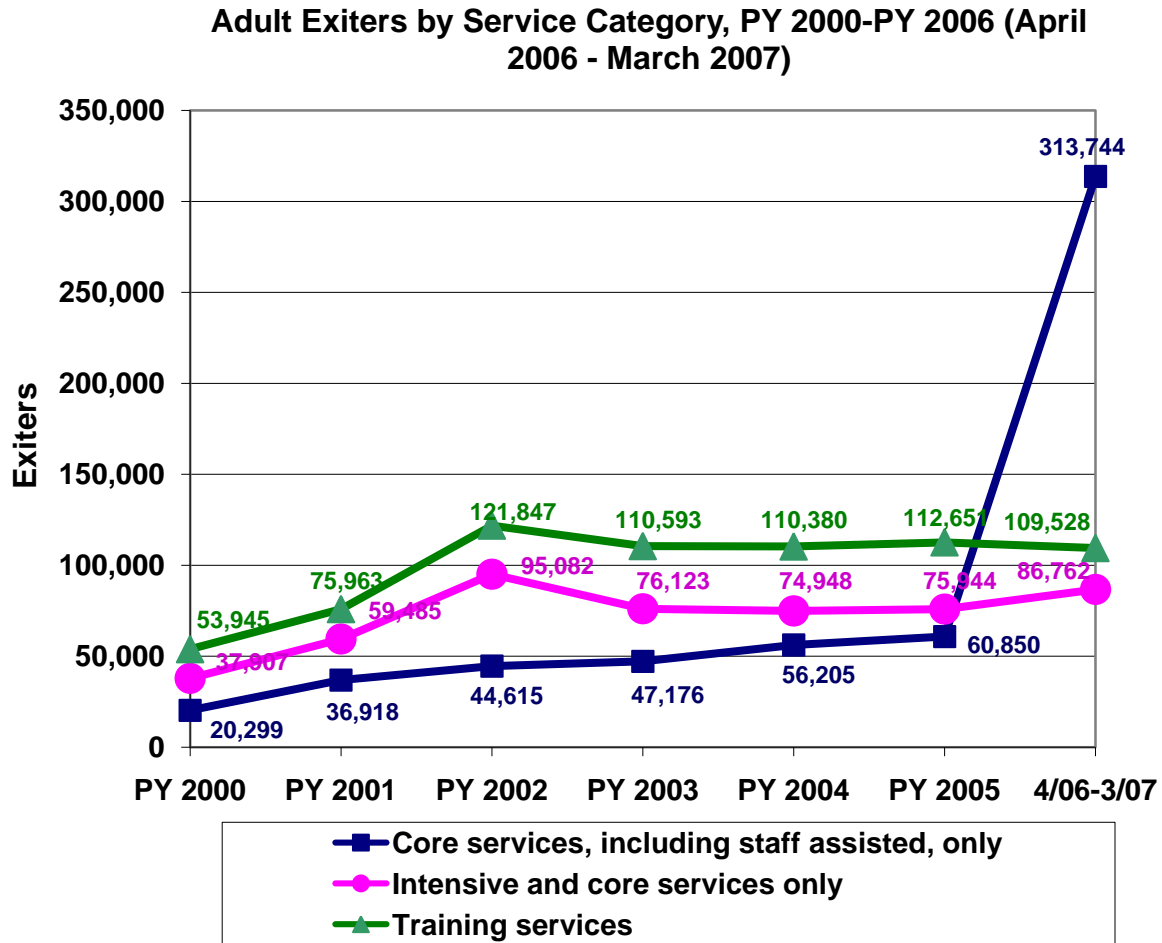
In addition to transforming WIA through reauthorization, Congress should reject proposed cuts to WIA that will exacerbate all of the trends outlined above.<sup>xxxiii</sup> Congress should instead reinvest in the publicly funded workforce system so that low-income individuals have access to critical services to help them enter and succeed in the labor market; low-wage workers can advance into better jobs; and employers have access to a skilled workforce. A strong workforce system that works for all will help individuals, communities, and the nation at large to thrive in today's globally competitive economy.

## APPENDIX A- Core, Intensive, and Training Services under WIA

Core	Intensive	Training
<ul style="list-style-type: none"> <li>• Eligibility determinations</li> <li>• Outreach, intake</li> <li>• Initial assessment</li> <li>• Job search and placement assistance, career counseling</li> <li>• Employment statistics information</li> <li>• Job vacancy listings</li> <li>• Information on skills necessary to obtain jobs</li> <li>• Information on local occupations on earnings</li> <li>• Performance information and program cost information on eligible providers of training services</li> <li>• Information and referral to locally available supportive services, including child care and transportation</li> <li>• Information regarding filing claims for unemployment compensation</li> <li>• Assistance in establishing eligibility for financial aid programs for education and training</li> <li>• Follow-up services</li> </ul>	<ul style="list-style-type: none"> <li>• Diagnostic testing and use of other assessment tools</li> <li>• In-depth interviewing and evaluation to identify employment barriers and appropriate employment goals</li> <li>• Development of an individual employment plan, to identify the employment goals, appropriate achievement objectives, and appropriate combination of services for the participant to achieve the employment goals</li> <li>• Group counseling</li> <li>• Individual counseling and career planning</li> <li>• Case management for participants seeking training services</li> <li>• Short-term prevocational services, including development of learning skills, communication skills, interviewing skills, punctuality, personal maintenance skills, and professional conduct to prepare individuals for unsubsidized employment or training</li> </ul>	<ul style="list-style-type: none"> <li>• Occupational skills training, including training for nontraditional employment</li> <li>• On-the-job training</li> <li>• Programs that combine workplace training with related instruction, which may include cooperative education programs</li> <li>• Training programs operated by the private sector</li> <li>• Skill upgrading and retraining</li> <li>• Entrepreneurial training</li> <li>• Job readiness training</li> <li>• Adult education and literacy activities provided in combination with training services listed above</li> <li>• Customized training by an employer or group of employers to employ an individual upon successful completion of the training</li> </ul>

## APPENDIX B- Types of Services Received by Adult Exiters

The following table illustrates the number of individuals exiting each service category from Program Year 2000 to 2006 (data from 2006 reflects the period between April 2006 to March 2007, which is the most recent period for which data is available).<sup>1</sup>



<sup>1</sup> The large increase in core services between PY 2005 and PY 2006 is probably the result of the implementation of new DOL reporting requirements. The increases are largely concentrated in four states (Louisiana, Mississippi, New York, and Oklahoma) and are most likely a result of a change in state policy resulting from the new federal reporting requirements.

The WIASRD reporting system took effect in PY 2000, and as a result, the completeness of the data varied in the first years of reporting.

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<sup>i</sup> Social Policy Research Associates, *2006 WIASRD Data Book*, March 17, 2008. (Table II-1 Characteristics of Adult Exiters, Trends Over Time p. 12-13). Available at:

[http://www.doleta.gov/performance/results/PY2006\\_WIASRD\\_Data\\_Book\\_Revised\\_31708.pdf](http://www.doleta.gov/performance/results/PY2006_WIASRD_Data_Book_Revised_31708.pdf). Data for Program Year 2006 are from the period between April 2006 and March 2007.

<sup>ii</sup> Lawrence Mishel, Jared Bernstein, and Sylvia Allegretto, *The State of Working America 2006-2007*, Economic Policy Institute, 2007.

<sup>iii</sup> Abbey Frank and Elisa Minoff, *Declining Share of Adults Receiving Training under WIA are Low-Income or Disadvantaged*, Center for Law and Social Policy, 2005. Available at:

[http://www.clasp.org/publications/decline\\_in\\_wia\\_training.pdf](http://www.clasp.org/publications/decline_in_wia_training.pdf).

<sup>iv</sup> PY 2001-2006 data from Social Policy Research Associates, *2006 WIASRD Data Book*, March 17, 2008. (Table 11-1 Characteristics of Adult Exiters, Trends Over Time p.24-25). PY 2000 data from Social Policy Research Associates, *2004 WIASRD Data Book, February 2, 2006*. (Table II-1 Characteristics of Adult Exiters, Trends Over Time p. 12-13). Available at: [http://www.doleta.gov/performance/results/PY\\_2004\\_WIASRD\\_Databook.pdf](http://www.doleta.gov/performance/results/PY_2004_WIASRD_Databook.pdf).

<sup>v</sup> Authorization for WIA expired in 2003. Although the House and the Senate each passed WIA reauthorization bills during both the 108<sup>th</sup> and the 109<sup>th</sup> Congresses, the bills never went to conference, and WIA is yet to be reauthorized.

<sup>vi</sup> This paper builds on previous recommendations for WIA reauthorization developed in conjunction with CLASP staff, Abbey Frank, Evelyn Ganzglass, and Linda Harris, available at:

[http://www.clasp.org/publications/wia\\_title\\_i\\_recs.pdf](http://www.clasp.org/publications/wia_title_i_recs.pdf).

<sup>vii</sup> PL 105-220 Section 134(d)(3)(A).

<sup>viii</sup> PL 105-220 Section 134(d)(4)(A).

<sup>ix</sup> Authors calculations based on FY 2002 and FY 2008 funding levels for the Adult, Youth (includes Youth Opportunity Grants) and Dislocated Worker (includes National Reserves) funding streams. FY 2002 funding levels available at: <http://www.doleta.gov/budget/tepbah.pdf> and FY 2008 funding levels available at: <http://www.dol.gov/sec/budget2009/BIB.pdf>. The 2008 funding level does not reflect \$250M rescission for unexpended balances to WIA.

<sup>x</sup> Local areas report on WIA program exiters to states, and states then report this information to the federal government through the Workforce Investment Act Title I-B Standardized Record Data (WIASRD) tool. The data reported through the WIASRD provides demographic information and information about the types of services individuals who have exited from the WIA Youth, Dislocated Worker and Adult program received. The Department of Labor (DOL) makes this information available through the WIASRD data books, prepared by Social Policy Research Associates. The Government Accountability Office (GAO) and the DOL Office of Inspector General have both raised concerns about the completeness and accuracy of the WIASRD data. Despite our concerns about the WIASRD data, it is the only available national data source for demographic information about WIA exiters.

<sup>xi</sup> PY 2001-2006 data from Social Policy Research Associates, *2006 WIASRD Data Book*, March 17, 2008. (Table 11-1 Characteristics of Adult Exiters, Trends Over Time p.24-25). PY 2000 data from Social Policy Research Associates, *2004 WIASRD Data Book, February 2, 2006*. (Table II-1 Characteristics of Adult Exiters, Trends Over Time p. 12-13). Chart data drawn from Social Policy Research Associates data books. Data from 2006 data books differs from data in 2004 data books in certain years. Where there are differences, data from most recent data books is used.

<sup>xii</sup> PY 2001-2006 data from Social Policy Research Associates, *2006 WIASRD Data Book*, March 17, 2008. (Table II-1 Characteristics of Adult Exiters, Trends Over Time p. 25). PY 2000 data from Social Policy Research Associates, *2004 WIASRD Data Book, February 2, 2006*. (Table II-1 Characteristics of Adult Exiters, Trends Over Time p. 13).

<sup>xiii</sup> Social Policy Research Associates, *2006 WIASRD Data Book*, March 17, 2008. (Table II-14, Services Received by Adult Exiters, Trends Over Time p. 50). Chart data drawn from Social Policy Research Associates Data Books PY 2004 and PY 2006. Data from 2006 data books differs from data in 2004 data books in certain years. Where there are differences, data from most recent data books is used.

<sup>xiv</sup> PY 2006 data from Social Policy Research Associates, *2006 WIASRD Data Book*, March 17, 2008. (Table II-11 Characteristics of Adult Exiters from April 2006 to March 2007, by Major Service Categories. P.45). PY 2000 data

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from Social Policy Research Associates, *2004 WIASRD Data Book, February 2, 2006*. (Table II-1 Characteristics of Adult Exiters, Trends Over Time p. 13).

<sup>xv</sup> Social Policy Research Associates, *2006 WIASRD Data Book*, March 17, 2008. (Table II-14 Services Received by Adult Exiters, Trends Over Time. p.50).

<sup>xvi</sup> Social Policy Research Associates, *2001 WIASRD Data Book, November 14, 2003*. (Table II-9, Characteristics of Adult PY 2001 Exiters, by Major Service Categories p. 28-29) Available at: [http://www.doleta.gov/performance/results/PY\\_2001\\_WIASRD\\_Databook.pdf](http://www.doleta.gov/performance/results/PY_2001_WIASRD_Databook.pdf)

<sup>xvii</sup> PY 2000 data from Social Policy Research Associates, *2001 WIASRD Data Book, November 14, 2003*. (Table II-1, Characteristics of Adult PY 2001 Exiters, by Major Service Categories, p. 29.) PY 2006 data from Social Policy Research Associates, *2006 WIASRD Data Book*, March 17, 2008. (Table II-11 Characteristics of Adult Exiters from April 2006 to March 2007, by Major Service Categories. p.45).

<sup>xviii</sup> Kathleen M. Shaw, Sara Goldrick-Rab, Christopher Mazzeo, and Jerry Jacobs, *Putting Poor People to Work: How the Work-First Idea Eroded College Access for the Poor*. Russell Sage Foundation, New York, 2006.

<sup>xix</sup> PL 105-220 Section 134 (d)(4)(E).

<sup>xx</sup> PL 105-220 Section 134 (d)(4)(E).

<sup>xxi</sup> Burt S. Barnow and Christopher T. King, *The Workforce Investment in Eight States*. The Nelson A. Rockefeller Institute of Government, 2005. Available at:

[http://www.doleta.gov/reports/searcheta/occ/papers/Rockefeller\\_Institute\\_Final\\_Report2-10-05.pdf](http://www.doleta.gov/reports/searcheta/occ/papers/Rockefeller_Institute_Final_Report2-10-05.pdf)

<sup>xxii</sup> Kathleen M. Shaw, Sara Goldrick-Rab, Christopher Mazzeo, and Jerry Jacobs, *Putting Poor People to Work: How the Work-First Idea Eroded College Access for the Poor*. Russell Sage Foundation, New York, 2006.

<sup>xxiii</sup> In 2006, DOL issued guidance which required states to adopt the new “common measures” performance policy which significantly changed existing performance requirements. The common measures policy requires states to calculate the Adult earnings gain performance measure in a new way. Instead of using pre-program earnings in the calculation, states now use the average earnings achieved over a 6-month period following program participation. While the full impact that this will have on programs is yet to be seen, it is fair to assume that it may further push programs away from serving individuals who are not working and have little work history or earning potential, since the pre-post calculation of earnings provided programs with an incentive to serve this population. The common measures were implemented through the Training and Employment Guidance Letter 17-05.

“Common Measures Policy for the Employment and Training Administration’s Performance Accountability System and Related Performance Issues”. U.S. Department of Labor, February 16, 2006. Available at:

<http://wdr.doleta.gov/directives/attach/TEGL17-05.pdf>

<sup>xxiv</sup> WIA mandates that training be provided through ITAs and allows for contract training through the following exceptions: on-the-job training (OJT) or customized training, when a local area has an insufficient number of eligible training providers, or for a training program run by a private or community-based organization that has been demonstrated as effective at serving special populations with barriers to employment. (PL 105-220 Section 134 (d)(4)(G)).

<sup>xxv</sup> Women Employed with Chicago Jobs Council and UIC Great Cities Institute. *Bridges to Careers for Low-Skilled Adults*. Women Employed Institute, 2005. Available at:

<http://www.womenemployed.org/docs/BridgeGuideFinal.pdf>

<sup>xxvi</sup> 20 C.F.R. §663.

<sup>xxvii</sup> The GAO study defines available funds as the combined amount of program year 2003 funds and funds carried over from program year 2002. Government Accountability Office, *Substantial Funds Are Used for Training, but Little is Known Nationally about Training Outcomes*, 2005.

<sup>xxviii</sup> Harry Holzer. “Economic Costs of Inadequate Investments in Workforce Development”. Testimony to Subcommittee on Labor, Health and Human Services, Education and Related Agencies Committee on Appropriations U.S. House of Representatives, February 26, 2008. Available at:

[http://www.urban.org/UploadedPDF/901149\\_Holzer\\_workforce.pdf](http://www.urban.org/UploadedPDF/901149_Holzer_workforce.pdf)

<sup>xxix</sup> Joan Fitzgerald and Andrew Sum, “What Can Worker Training Do?” in *Ending Poverty in America: A Special Report for the Council on Foundations Annual Conference*, Demos and The American Prospect, 2007.

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<sup>xxx</sup> Social Policy Research Associates, *2004 WIASRD Data Book, February*, 2006. (Table II-21. Services Received by Adult Exiters from April 2004 to March 2005 who received Intensive or Training Services, by Selected Characteristics. p. 45). Available at: [http://www.doleta.gov/performance/results/PY\\_2004\\_WIASRD\\_Databook.pdf](http://www.doleta.gov/performance/results/PY_2004_WIASRD_Databook.pdf)

<sup>xxxi</sup> Illinois State WIB requirement that 40 percent of WIA funds are spent on training: Illinois Department of Commerce and Economic Opportunity. *WIA POLICY LETTER NO. 07-PL-40*. November 2007. Available at: <http://www.illinoisbiz.biz/NR/rdonlyres/7F4375E9-9527-4ABE-838A-12455F174C18/0/07PL40TrainingExpenditureRequirements.pdf>

Legislative language from Florida requiring that 50 percent of funds are reserved for ITAs: *The 2000 Florida Statutes Chapter 445 Workforce Innovation 445.003 (3)(a)(1)*. Available at: [http://www.leg.state.fl.us/Statutes/index.cfm?App\\_mode=Display\\_Statute&Search\\_String=&URL=Ch0445/SEC003\\_HTM&Title=->2006->Ch0445->Section%20003#0445.003](http://www.leg.state.fl.us/Statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=Ch0445/SEC003_HTM&Title=->2006->Ch0445->Section%20003#0445.003).

<sup>xxxii</sup> Allegra Baider and Abbey Frank, *Transitional Jobs: Helping TANF Recipients With Barriers to Work Succeed in the Labor Market*. Center for Law and Social Policy, 2006. Available at: [http://www.clasp.org/publications/transitional\\_jobs\\_06.pdf](http://www.clasp.org/publications/transitional_jobs_06.pdf). More information about Transitional Jobs programs is available through the National Transitional Jobs Network ([www.transitionaljobs.net](http://www.transitionaljobs.net)), a coalition of transitional jobs programs, policy organizations, and other sponsoring organizations that helps to develop and expand transitional jobs programs nationwide.

<sup>xxxiii</sup> Allegra Baider and Neil Ridley, *As Economy Weakens, Bush Budget Request Leaves Low-Income Individuals, Laid-Off Workers, and Disconnected Youth Behind*. Center for Law and Social Policy, 2008. Available at: [http://www.clasp.org/publications/analysis\\_fy09\\_budget\\_request\\_for\\_workforce\\_ed.pdf](http://www.clasp.org/publications/analysis_fy09_budget_request_for_workforce_ed.pdf).