

WIOA and Job Quality

STATE PLAN LOCAL PLAN POLICIES & GUIDANCE BUDGET CHOICES

CLASP's [Opportunities for Action](#) is a series of short memos with recommendations for state and local areas to fully realize the options in the Workforce Innovation and Opportunity Act (WIOA) to help low-income and lower-skilled youth and adults achieve economic success.

Through WIOA, states and local areas can leverage workforce training funds to improve the quality of front-line jobs. WIOA's increased emphasis on work-based learning models, incumbent worker training, and on-the-job training grants—coupled with state and local options under the law to set standards for employer participation in such programs—create new partnership opportunities with high-road employers, enabling workers to earn while they learn as well as promoting improved job quality.

State and local WIOA programs offer employment and training services that help workers—especially low-income individuals and those with barriers to employment—improve their skills and succeed in the labor market. However, many WIOA participants are placed in low-wage jobs with [no benefits, no paid leave, and unfair scheduling practices](#). Such low-quality jobs have [high turnover](#), hurting workers *and* programs. When former WIOA participants quickly leave jobs that lack benefits or workplace protections, they [lose wages, experience job dislocation](#), and churn back to the workforce system—leaving participants worse off and squandering limited WIOA resources. States and local workforce areas should use their WIOA plans and policies to give incentives for employers to adopt fair workplace practices.

These incentives should align with WIOA's promotion of work-based training strategies. Subsidized job placements provide crucial wage-paid income to low-income youth and adults, while helping them develop essential skills best learned on the job. Work-based training also connects participants to in-demand occupations, as employers and industry partners define the skills that are needed for each job. This training can be combined with [comprehensive supports from public and private systems and partners](#) to help individuals with employment barriers earn secondary and postsecondary credentials and transition into the labor market. Wage subsidies and incumbent worker training are valuable to employers and should be targeted to those providing high-quality jobs.

State and Local Plans

Recognizing that lower-skilled individuals are typically trained for front-line jobs, state WIOA plans can work toward improving the quality of these jobs by targeting work-based training grants to employers with high-road strategies that improve wages, benefits, [scheduling](#), and other factors. WIOA allows governors and local workforce development boards to establish factors to be used in selecting employers for on-the-job training (OJT) grants (WIOA section 134(c)(H)(ii)). Similarly, the law allows local workforce boards to establish criteria for employers to receive grants for incumbent worker training, or IWT (WIOA section 134(d)(4)(A)(ii)). Notably, WIOA provides an option for expanded OJT reimbursements to employers—up to 75 percent of participants' wages (compared with

50 percent under the previous law), and it allows these expanded OJT grants to be conditioned on current “wage and benefit levels” and the improved wages and benefit levels anticipated after the OJT placement, as well as “such other factors as the Governor or local board, respectively, may determine to be appropriate.” Corresponding language allows local workforce boards to select employers for IWT programs based on factors including “wage and benefit levels” and “other factors the local board determines appropriate.” This open-ended language allows states and local workforce boards to establish mandatory job quality criteria as a qualification for employers to participate in OJT and IWT initiatives.

CLASP urges states to include in their WIOA plans specific, detailed job quality criteria for determining employer eligibility for expanded OJT reimbursements. Such criteria should give priority to work-based training in job placements (either full or part time) with employers that:

- Offer decent wages and benefits (e.g., at the top 20 percent for their industry and/or for the relevant occupation).
- Invest in and support their employees’ ongoing training and advancement (e.g., [employer commitments](#) to help front-line workers get ahead by expanding access to apprenticeships and on-the-job training; increasing uptake of employer-provided training by making it cheaper, easier, and faster; and clarifying the skills workers need to move up).
- Provide paid sick days.
- Provide paid family leave.
- Provide paid medical leave or short-term disability leave.
- Offer adequate hours and predictable schedules that enable workers to meet their family caregiving and other commitments (including advance notification of job schedules; fair on-call practices, such that if workers are on-call, they are compensated if not called in; and reporting time pay, compensating workers for their shift or some portion of their shift if they are sent home early).

Similarly, local workforce boards should specify criteria for IWT grants to train employers’ newly-hired or existing workers in their local plans.

Policies and Guidance

In addition to setting job quality criteria for employers to receive work-based training placements, states and local workforce boards can establish job quality standards as part of the performance expectations for workforce program service providers. In one example, improving job quality was identified as a goal in [New York City’s](#) overhaul of its workforce development system last year. Together with its investments in industry partnerships and training to move low-skilled workers into middle-skill, career-track occupations, the city is developing standards to recognize high-road employers and plans to reimburse workforce service providers based on job placement *quality*, not quantity. This strategy will track multiple job outcomes, including achievement of full-time work and wage growth, in addition to typical workforce development outcome measures like job placement, wage earnings, and retention.

Related CLASP resources: [Comments on proposed regulations](#); [CLASP audioconference on WIOA and job quality](#); [CLASP National Repository on Job Scheduling Policy](#).

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