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# Updating WIOA to Empower Workers and Create Shared Prosperity

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## Table of Contents

<b>Executive Summary</b>	<b>3</b>
<b>What is WIOA?</b>	<b>5</b>
<b>Labor Market Inequities</b>	<b>5</b>
<b>An Underperforming Workforce System</b>	<b>6</b>
<b>Priorities for WIOA Reauthorization</b>	<b>8</b>
1. Counter systemic racism and structural sexism in the labor market.	9
2. Empower workers and shift power from employers to employees.	10
3. Prioritize job quality and economic security for workers.	12
4. Target investment toward workers who face barriers to quality employment opportunities.	14
5. Ensure the public workforce system does not leave workers behind.	17
<b>Conclusion</b>	<b>19</b>
<b>Endnotes</b>	<b>20</b>

## Executive Summary

The Workforce Innovation and Opportunity Act (WIOA) is up for reauthorization for the first time since it was enacted in 2014. Reauthorization provides an opportunity for Congress to reform a major piece of our workforce system to advance equity and center workers. Notably, workforce development policymaking over the last four decades has prioritized the demands of business over the needs of workers, and reflected the broader shift to decentralize and deregulate government and move away from race-conscious policy making.<sup>1</sup> Consequently, WIOA currently plays a troubling role in perpetuating existing systemic barriers to quality employment for Black, Latinx, and Indigenous workers. This, in turn, has meant that the federal workforce system has been largely unsuccessful in improving long-term economic outcomes for workers, families and communities.<sup>2</sup>

Data indicate that the workforce system is reinforcing occupational segregation and steering Black and Latinx workers into jobs that offer lower earnings. Black workers have the lowest earnings among all other racial and ethnic groups after completing workforce training programs, despite having the highest employment rates, according to U.S. Department of Labor data on the outcomes of individuals exiting the workforce system.<sup>3</sup>

The good news is that WIOA reauthorization provides an opportunity to update workforce interventions to better ensure individuals facing multiple intersecting structural barriers to quality employment opportunities—Black, Latinx, and Indigenous workers, immigrants, youth, and individuals impacted by the criminal legal system—can access economic opportunity and security. As Congress considers reauthorization, CLASP recommends focusing on five priorities to help working people secure better employment opportunities:

- 1. Counter systemic racism and structural sexism in the labor market.** Racial and gender inequality and discrimination is still pervasive in the U.S. labor market. Black individuals are twice as likely to be unemployed relative to white individuals, and they earn nearly 25 percent less when they are employed. The intersection of race and gender imposes a dual penalty on Black women, who are concentrated in low-paying, hazardous jobs.<sup>4</sup> WIOA policies can explicitly deter, rather than reinforce, systematic racism and structural sexism in the hiring process and in the workplace.
- 2. Empower workers and shift power from employers to employees.** Even in a tight labor market, employers have outsized power to dictate wages and working conditions.<sup>5</sup> The workforce system can promote worker power and narrow inequality in the labor market by centering worker voice. Steps like increasing worker representation on Workforce Development Boards and providing training on industry-specific—not employer-specific—hard skills can ensure workers have a say in how work gets done and who benefits from it.

- 3. Prioritize job quality and economic security for workers.** Workforce policy and practice can help make low-quality jobs better by incentivizing and supporting employers to improve jobs by raising wages, providing work supports, creating safe workplaces, and connecting workers to the best possible jobs. The workforce system can—and should—be an enduring force for better job quality, raising the floor in the labor market.
- 4. Target investment toward workers who face barriers to quality employment opportunities.** Black and Latinx workers, immigrants, out-of-school youth, unhoused individuals, and people impacted by the criminal legal system face structural barriers to quality employment opportunities. Earn-and-learn opportunities—including subsidized and transitional employment programs and Registered Apprenticeships—can improve economic security and stability, while also connecting workers to future opportunities.
- 5. Ensure the public workforce system does not leave workers behind.** WIOA currently prohibits immigrants without documentation from accessing adult and dislocated worker employment and training activities. Workforce programs often discriminate against people impacted by the criminal legal system who face disturbingly high unemployment rates. Covering workers facing multiple obstacles to economic prosperity benefits not only those workers, but the wider economy as well.

## What is WIOA?

The Workforce Innovation and Opportunity Act (WIOA) is the primary federal legislation governing the public workforce system—the myriad policies and programs that aim to assist jobseekers in their job search through education and training opportunities, labor market information, career navigation, and other work-related support services. WIOA funds flow through states to local workforce investment areas and are administered by state and local workforce boards.

A range of public and private entities—including adult basic education and GED programs, apprenticeships, community colleges, community-based organizations, labor unions, youth workforce providers, and employers—deliver education and training services. WIOA is geared toward unemployed and underemployed adults, out-of-school youth, veterans, unhoused individuals, people with disabilities, and individuals receiving public support.

*“WIOA reauthorization provides an opportunity to update and reform the workforce system to better serve unemployed and underemployed workers.”*

WIOA was signed into law in 2014, and WIOA and its predecessors (including the Workforce Investment Act, or WIA) have governed the workforce system for decades. In 2021, WIOA allocated approximately \$3 billion to implement workforce activities across the country, and Congress is currently considering its reauthorization. WIOA reauthorization provides an opportunity to update and reform the workforce system to better serve unemployed and underemployed workers, especially, Black, Indigenous, Latinx workers, immigrants youth, and, individuals impacted by the criminal legal system.

Millions of unemployed and underemployed workers face multiple barriers to quality employment opportunities due to pervasive systemic racism and structural sexism in the labor market. This paper outlines how WIOA reauthorization can help move toward a more equitable workforce system that empowers workers and places more people into quality employment opportunities, creating a stronger economy with broadly shared prosperity.

## Labor Market Inequities

Rooted in structural racism and systemic sexism, the labor market concentrates Black, Indigenous, and Latinx workers, as well as women, in unstable and precarious jobs that pay low wages and provide few benefits. Despite recent economic growth, the Black unemployment rate remains persistently high, about twice as high as white unemployment,<sup>6</sup> a ratio that has been maintained for nearly 50 years.<sup>7</sup> Among the employed, Black workers were paid, on average, 26.5 percent less than white workers in 2019. The intersection of race and gender imposes a dual penalty on Black women. In 2019, Black women were paid 33.7 percent less than their white male counterparts, a

much steeper gap than faced by either white women (25.7 percent) or Black men (22.2 percent) relative to white men.<sup>8</sup>

Young workers (ages 16 to 24 years old) also experience unemployment at extraordinarily high rates. Prior to the pandemic, the youth unemployment rate was nearly double the national rate, with Latinx and Black youth unemployment at 8.7 percent and 6.2 percent, respectively. During the pandemic's height in 2020, more than 90 percent of unemployed young people were unable to access any income.<sup>9</sup>

Individuals impacted by the criminal legal system face pervasive exclusion from the labor market when seeking employment. Before the pandemic, individuals impacted by the criminal legal system were unemployed at a rate of over 27 percent—nearly five times higher than the unemployment rate of the general public at the time.<sup>10</sup> The intersection of incarceration and race imposes a dual penalty on Black jobseekers, and the “prison penalty” (which refers to the multiple barriers that people leaving the prison system face as they reenter their communities and our economy) is substantially higher (roughly double) for Black individuals than their white peers. Employers, already known to exhibit anti-Black racism, appear particularly wary of Black jobseekers with known involvement with the criminal legal system.<sup>11</sup>

## An Underperforming Workforce System

Workforce development policy over the last four decades has focused on business necessity and “bootstraps individualism”—reflecting broader neoliberal policy shifts to decentralize and deregulate government and move away from race-conscious policymaking.<sup>12</sup> As a result, our nation's current workforce system has been largely unsuccessful in improving long-term outcomes for workers, families, and communities. Evaluations of workforce training programs in 2019 concluded that programs have little long-term impact on a jobseeker's employment or earnings. Before participating in public workforce programs, adults with low incomes were paid around \$29,000 annually. After participating in workforce programs, the average salary of white workers barely moved, while salaries among Black workers **dropped** to \$24,000.<sup>13</sup>

Data indicate that the workforce system is reinforcing economic disadvantage by steering Black and Latinx workers into jobs that offer lower earnings. Among all other racial and ethnic groups that complete workforce training programs, Black workers have the highest employment rates, yet the lowest earnings, according to U.S. Department of Labor (DOL) data on the outcomes of individuals exiting the workforce system.<sup>14</sup> The Joint Center for Political and Economic Studies found in the 12 months leading up to April 2020 that two quarters after attending WIOA-funded programs, Black workers' wages were 22 percent lower than white workers' wages. This trend mirrors overall racial earnings disparities found in the broader labor market. Similarly, after

attending WIOA-funded programs, Latinx workers' wages were 10 percent lower relative to their white counterparts.<sup>15</sup>

***“The workforce system has historically prioritized employers and job placements over workers and families, labor market demand, job quality, economic mobility, and racial equity.”***

One reason for these inequities is WIOA's misaligned focus on employers. WIOA is intended to “increase the prosperity of workers and employers in the United States, and the economic growth of communities, regions, and States.”<sup>16</sup> Despite this dual mandate and commitment to economic growth, the workforce system has historically prioritized employers and job placements over workers and families, labor market demand, job quality, economic mobility, and racial equity. The outsized power employers wield in the workforce system perpetuates existing labor market inequities. For example, WIOA-funded state and local workforce programs are governed by Workforce Development Boards, which are primarily made up of business representatives and are responsible for setting policy and providing program oversight.<sup>17</sup>

### ***Potential for change***

Despite the workforce system's shortcomings, specific programs have produced long-term economic gains for workers. These approaches range from postsecondary education and industry-recognized credentials, to flexible, innovative training strategies that integrate education, training, and support services—like transportation and child care assistance—to help workers prepare for and succeed in the workplace.<sup>18</sup>

Research finds that when training is more closely linked to a real job, training participants realize better employment outcomes.<sup>19</sup> Apprenticeship programs are proven workforce interventions that pair on-the-job training with classroom instruction. The DOL, which administers the Registered Apprenticeship system, estimates that 91 percent of apprentices remain employed after completing their apprenticeship program and are paid, on average, annual starting wages above \$50,000.<sup>20</sup> Another best practices model is the Integrated Basic Education and Skills Training Program (I-BEST) program located in Washington state, which was created to serve immigrant learners and non-native English speakers. The program pairs technical instruction with English as a second language and adult basic education to create an integrated course of literacy and vocational skills training.<sup>21</sup>

## Priorities for WIOA Reauthorization

The good news is that WIOA reauthorization provides an opportunity to update workforce interventions by better ensuring individuals facing multiple structural barriers to quality employment opportunities—Black and Latinx workers, immigrants, opportunity youth, and individuals impacted by the criminal legal system—can achieve economic opportunity and security. Legislators must also ensure adequate funding to achieve the desired policy goals. Years of anemic funding have been a significant roadblock to achieving equity within the workforce system.

Creating a truly equitable public workforce system requires a commitment to anti-racist policymaking. Doing so includes acknowledging and analyzing the racist structures, policies, and narratives that are foundational to current workforce and economic statute, as well as carefully crafting legislation that shifts power and agency toward ensuring equitable growth and shared prosperity. As Congress considers reauthorization, CLASP recommends focusing on five priorities to advance racial and gender equity and help working people secure better employment opportunities. The priorities are designed to:

- 1. Counter systemic racism and structural sexism in the labor market.**
- 2. Empower workers and shift power from employers to employees.**
- 3. Prioritize job quality and economic security for workers.**
- 4. Target investment toward workers who face barriers to quality employment opportunities.**
- 5. Ensure the public workforce system does not leave workers behind.**



## 1. Counter systemic racism and structural sexism in the labor market.

**Protect workers from occupation segregation.** Workforce development and training systems have the potential to counter, rather than reinforce, systematic racism and structural sexism in the labor market by explicitly acknowledging racial and gender discrimination in the hiring process and in the workplace, along with actively striving to create more equitable outcomes. WIOA requires the establishment of state and local Workforce Development Boards (WDBs) to govern workforce programs, and their plans must be approved and monitored by DOL. Policymakers should require that these plans include racial and gender equity goals and benchmarks, including wage parity outcomes across racial and ethnic demographics, as well as steps to proactively combat racial discrimination, such as job placement and occupational segregation by race. The DOL should receive funding to monitor for equitable outcomes and hold WDBs accountable for emerging and continuous patterns segregating Black and Latinx workers. If communities don't have workforce programs for higher quality jobs, the boards should invest in developing them through innovative grants and employer partnerships.

**Direct workforce resources to workers facing the greatest barriers to employment.** WIOA is designed to be a universal system that prioritizes workforce training funds for “people with barriers to employment.” In practice, workforce boards undertake little monitoring or assume little accountability for ensuring funds are directed to the workers and communities facing the most significant structural barriers to employment. Black, Indigenous, and Latinx communities, individuals impacted by the criminal legal system, unhoused adults and youth, former foster youth, and underemployed and unemployed persons must receive priority funding. Reauthorization should direct local WDBs to spend at least 75 percent of their Adult and Dislocated Worker formula funds on these priority populations. DOL should hold states and localities accountable toward this goal. Local and state boards must be required to report on the use of funds for priority populations. In addition, DOL should be required to conduct periodic audits to ensure funds are being directed to priority populations and make that data public.

*“At a minimum, workforce boards must disaggregate this data by race, ethnicity, and gender”*

**Create data systems that track program-level outcomes for jobseekers by race.** WIOA reauthorization must require all state and local WDBs utilizing federal funds to report and disclose workforce data at the program level by race, ethnicity, gender, disability status, immigration status, and involvement with the criminal legal system when known. Workforce boards should use this data to accurately monitor program outcomes, advance equity, and identify

opportunities for improvement. WIOA only requires reporting of aggregate outcomes at the national and state levels, not at the program level. At a minimum, workforce boards must disaggregate this data by race, ethnicity, and gender across all program outcomes so jobseekers can evaluate programs prior to enrolling. The boards should then root their policy decisions and program design in data to improve economic outcomes for Black and Latinx workers, as well as workers with low incomes. Policymakers should allocate additional funding for technical assistance and administrative support to help providers comply with new data reporting requirements.

To ease the administrative reporting challenges on program staff and facilitate better wage-level data collection, Congress can authorize the creation of an integrated unemployment insurance/wage reporting database accessible by workforce program administrators, federal and state agencies, and researchers, in every state. This could help track real labor market outcomes at the program level, across race, ethnicity, and gender. WIOA providers report challenges in tracking wage gains and credentialing outcomes, and this reporting could be streamlined with an integrated data system. Reauthorization should include a permanent, formula-funded data funding stream to build and maintain this database.<sup>22</sup>

Workforce boards must be required to collect and report program-level outcomes to the DOL and must be held accountable for emerging and continuing patterns of discrimination and occupational segregation. Boards should also use data to continually evaluate programs, address labor market disparities such as occupation segregation and workplace discrimination, and direct more funds toward proven workforce activities over time. Finally, DOL should be funded to support local and state entities in leveraging their data to make equitable decisions and provide robust technical assistance and funding to support alignment.

## 2. Empower workers and shift power from employers to employees.

**Prioritize the needs of jobseekers and workers over the wants of employers.** Under WIOA, state and local WDBs set policies, make key spending decisions, and oversee workforce training programs. WIOA rules state that the majority of WDB seats must be representatives of business, while only 20 percent of the board must be made up of worker representatives.<sup>23</sup> This skews policy and spending decisions toward business, with boards historically prioritizing employers' needs over workers and families, labor market demand, job quality, economic mobility, and racial and gender equity.

WIOA reauthorization must shift this power imbalance. Policymakers can correct for the perverse labor market imbalance by requiring that at least 50 percent of the workforce development board is composed of jobseekers and organizations that represent workers and their communities—labor unions, worker centers, community-based organizations, such as those representing opportunity youth, immigrants, and people impacted by the criminal legal system. The remaining

seats can be split between employers, government representatives, educational institutions, and other relevant sectors. In order to prioritize racial equity, each category must reflect the diversity of the communities the WDBs are intended to serve. In addition to racial, gender, and ethnic diversity, diverse representation should also reflect people with different immigration and naturalization statuses such as immigrants and refugees to the extent possible and when appropriate.

*“At least 50 percent of the workforce development board [must be] composed of jobseekers and organizations that represent workers”*

**Support robust wraparound services to make workforce training programs more accessible for all jobseekers.** Training programs often operate during traditional working hours, requiring jobseekers to give up income to receive training. To make workforce programs more accessible, participants should be compensated for attending training and education programs. One approach is “earn-as-you-learn” models such as apprenticeships and work-based learning, but the former is often out of reach for most Black and Latinx workers due to anti-Black racism embedded in apprenticeship policy.<sup>24</sup> Wraparound supports should also cover training expenses—such as uniforms and books—and provide support during training for transportation, housing, child care, legal aid, and even access to health care and mental health services. While support service resources are allowable uses under current WIOA law, these funds are often limited. Creating a new dedicated funding stream for support services will help make workforce training and programs more accessible for jobseekers, especially those facing multiple structural barriers to employment.

Additionally, workforce programs can also partner with other government agencies and leverage existing human service programs, including the Child Care and Development Block Grant, Temporary Assistance for Needy Families (TANF), Medicaid, Supplemental Nutrition Assistance Program (SNAP), and housing supports like Rapid Rehousing or vouchers. Workforce programs can also provide workers with valuable information about their rights on the job, including national, state, and local laws governing minimum wage, overtime pay, paid sick days, paid family leave, workers’ compensation, and unemployment insurance—in addition to nondiscrimination laws that prohibit discrimination in hiring, promoting, and firing, based on race, gender, sexual orientation, disability, national origin, and age. They can also connect workers to organizations that protect workers’ rights on the job, including community organizations, worker centers, labor unions, legal aid institutions, and state and federal government agencies that address workplace discrimination and labor law violations like the Equal Employment Opportunity Commission (EEOC) and state labor departments.

**Prioritize industry-specific hard skills.** Workforce training and development programs often overemphasize soft skills, which are typically defined by employers as interpersonal skills or personality characteristics, such as “works well within teams,” and are highly subjective and prone to racial bias.<sup>25</sup> The focus on soft skills perpetuates systemic barriers to employment for Black and Latinx workers. Alternatively, funding for training programs should incentivize industry-specific technical skills or hard skills that are transferable across multiple employers in an industry.

Policymakers must ensure that the technical skills offered in workforce training programs are informed by industry needs but not defined by a single employer. When a single employer sets the technical skills, that employer gains outsized power over employees, whose new skills are only relevant to that employer. This increases the employer’s ability to set wages because they don’t have to compete with other businesses for trained workers. And it leaves workers without transferable skills, limiting their options for gainful employment.

WIOA reauthorization should explicitly direct workforce boards to partner with local unions and community organizations as well as employers to create program curricula and to condition funding on this collaboration. By providing technical skills that are widely transferable within a sector, training programs are more likely to help workers increase their bargaining power, leading to better employment opportunities and long-term wage gains.

### 3. Prioritize job quality and economic security for workers.

**Incentivize partnerships with high-road employers.** WIOA currently lacks a job-quality framework, which policymakers must include during reauthorization and any subsequent DOL guidance to ensure basic measures of job quality. Public workforce dollars should only be geared toward partnerships with high-road employers who pay wages above the industry standard; engage in fair scheduling practices; provide health care, paid leave, retirement savings plans, and other benefits; meet industry Occupational Safety and Health Administration (OSHA) standards for safe workplaces; and/or are unionized. The wage threshold should be \$15/hour or higher.

Workforce boards should be required to collect and submit to the DOL job quality data on all employer partnerships. States and localities that fail to partner with quality employers must be held accountable and their funding reduced until they engage in quality partnerships. The boards should also make the data publicly available, so jobseekers are aware of the quality of a job prior to participating in a workforce development program. Job quality standards must apply to all WIOA-authorized programs, including on-the-job training programs and Job Corps. Employers that fall short of these standards should lose access to workforce subsidies and be barred from engaging in training partnerships with workforce boards until they meet the minimum requirements.

All participants of workforce programs should be guaranteed quality employment after training. Otherwise, the federal government risks subsidizing employers that perpetuate systems of

economic precarity and workplace discrimination. To help protect participants from discrimination by programs that may select participants on the basis of who they believe will be able to access quality employment after training, WIOA reauthorization can require One-Stop Centers to connect individuals to adult education services before declaring them ineligible for training services and subsequently report this data to the DOL. WDBs, One-Stop Centers, and programs that continue to steer workers—especially Black and Latinx workers—into low-quality jobs, must be held accountable and face penalties.

Incentivizing partnerships with employers that meet specific wage and employment standards can protect workers against low wages and unsafe working conditions and help shift the labor market away from the current low-road labor equilibrium toward a high-road paradigm. Models for tying wage and labor practices to workforce training funding include the Davis-Bacon prevailing wage law and President Biden’s Executive Order 14026, which requires federal contractors to pay workers a \$15/hour minimum wage. Participating employers should also be required to sign union neutrality agreements and be barred from requiring workers to sign non-compete and forced arbitration clauses as conditions of employment.

**Prioritize earnings as a performance indicator.** WIOA requires states and localities to report on six performance indicators. Only one is based on earnings, while two are based on job placement. WIOA performance indicators should be restructured to give more weight to earnings increases over job placement. Additionally, WIOA only requires states to report on aggregate earnings increases, which mask occupational segregation and in-population variation in wage rates over time. A better metric for success is examining increases in workers’ hourly earnings by program. Higher earnings reflect increased economic opportunity and security and can be achieved through increased productivity or increased bargaining power as a result of workforce development and training. States and localities should track earnings at the program level by race, ethnicity, gender, and disability to combat wage and occupational discrimination. Workforce boards should be required to collect and report this data to the DOL.

**Prioritize initiatives that build and support career pathways.** A career pathway is a series of structured and connected education and training programs, credentials, and support services in an industry that enable workers—often while they are working—to advance into higher paying jobs as they achieve higher levels of education and training. Prioritizing career pathways improves the quality of jobs by developing and supporting initiatives that promote career advancement, paving the way toward increased wages and family-sustaining careers.<sup>26</sup>

*“Prioritizing career pathways improves the quality of jobs”*

Stackable and portable credentials should be components of a successful career pathway. Stackable credentials are part of a sequence of credentials that workers can accumulate over time

and move them along a career pathway or up a career ladder. Each credential has marked labor market value and can be built upon to access more advanced jobs and higher wages. Stackable credentials also offer small, yet recognizable goals, increasing the confidence and motivation of the learner. Stackable credentials that are portable (i.e., transferable across multiple employers and educational institutions) offer even greater value to working people. These credentials can enable an individual to advance to higher levels of employment within industries and can lead to increasingly higher levels of relevant skills and credentials when they are part of a career pathways system—with clear education, training, and support services to facilitate the acquisition of core skills and competencies.<sup>27</sup>

## 4. Target investment toward workers who face barriers to quality employment opportunities.

### *Create and expand existing on-the-job training opportunities.*

**Prioritize investments in high-quality apprenticeship, pre-apprenticeship, and youth apprenticeship programs.** Registered Apprenticeships Programs (RAPs) are apprenticeships that have been validated by the DOL or a state apprenticeship agency. They provide workers with on-the-job training and pathways to quality jobs that offer significant economic gains. However, inequities, discrimination, and barriers to entry often prevent Black and Latinx workers, women, youth, and people impacted by the criminal justice system from accessing and succeeding in RAPs.<sup>28</sup> Only 10 percent of apprenticeship enrollees are Black workers. The scarcity of Black apprentices is linked to racist and exclusionary practices embedded in apprenticeship policy dating back to the Reconstruction era,<sup>29</sup> and reversing this perilous trend will require explicit interventions.

*“The scarcity of Black apprentices is linked to racist and exclusionary practices”*

WIOA reauthorization should prioritize funding for RAPs and high-quality pre-apprenticeship programs, which help prepare individuals to qualify for and succeed in RAPs. Activities range from contextualized literacy and numeracy instruction to job-readiness and placement. Pre-apprenticeships programs can especially help Black and Latinx workers, women, and youth gain access to and succeed in RAPs. Additionally, investing in youth apprenticeship programs, which combine academic and technical classroom instruction and paid work experience, provides in-school youth with structured work-based learning opportunities and career exposure. After completing a youth apprenticeship, individuals can choose from multiple pathways after high

school. These pathways include enrollment in college, admission into an RAP, full-time employment, or a combination.

Congress should also create a new program under WIOA-Title I to establish jointly run Labor-Management Training Partnerships (LMTPs). These partnerships administer apprenticeship programs in unionized industries, and building new LMTPs can expand access to high-quality apprenticeships. These programs establish ongoing collaboration between industry and labor and devote resources to training. Both employers and representatives of workers negotiate as relative equals in managing the training funds and jointly designing the training curriculum, compensation levels, and job structure, as well as building career pathways together. This ensures workers' concerns are as central to and represented in training as those of employers. This structure would help shift the power imbalance between workers and employers and increase equitable employment outcomes across race. Labor-management training programs not only help workers access good jobs, but also improve the quality of jobs by developing and supporting initiatives that promote career advancement.

Reauthorization should also prioritize sector partnerships that leverage community college partnerships and create degree apprenticeship programs. In these programs, a community college provides the classroom component of an apprenticeship, and the on-the-job training or technical instruction counts toward academic credit leading to a degree. Many occupations in high-growth, relatively high-wage industries like cybersecurity and health care, require a college degree. Degree apprenticeships offer youth and adults a degree pathway alongside a paid employment experience.<sup>30</sup>

**Invest in multiple modes of federally subsidized employment.** Subsidized employment uses public funds to create high-quality jobs for chronically unemployed or underemployed workers, either through public sector jobs or wage subsidies paid directly to employers. In times of recession, subsidized employment can avert widespread job loss, economic instability, and a spike in poverty. In times of expansion, subsidized employment programs target jobseekers who experience multiple structural barriers to quality employment—particularly Black and Latinx workers, immigrants, opportunity youth, individuals impacted by the criminal legal system, people experiencing homelessness, and workers who live in areas of substantial unemployment.<sup>31</sup>

*“Creating subsidized jobs...can help fill critical labor market gaps”*

Subsidized jobs programs provide participants with economic security and stability and create connections to future unsubsidized employment opportunities, improving participants' long-term job prospects. Moreover, by creating high-quality, stable employment programs, the federal government can become a model employer, demonstrating how public, private, and non-profit

employers across the labor market can approach employment. Currently WIOA allows for only a fraction of allocated funding to be used toward these programs.<sup>32</sup>

Congress should create a new title in WIOA that establishes a dedicated funding stream to states to create a permanent, federally subsidized employment program. Creating subsidized jobs programs in sectors with high demand and substantial public benefit, like health care and infrastructure, can help fill critical labor market gaps and address systemic needs. Targeting this practice to innovate on green jobs can address the looming global climate change crisis while prioritizing high-wage, high-quality jobs. Green economy employment opportunities should employ career pathway models, such as pre-apprenticeships and apprenticeships, that help workers prepare for quality careers in the green sector. WIOA should only pay subsidies to employers that agree not to lay off other workers, displace union members, or weaken union shops.

Transitional jobs are time-limited subsidized work experiences. WIOA allows states and localities to allocate up to 10 percent of Title I - Adult and Dislocated Worker funds to transitional jobs. Increasing the current cap from 10 percent to 40 percent of program dollars will allow states and localities more flexibility to create and sustain public jobs programs, especially during economic downturns.

Congress can also invest new resources to create a permanent subsidized employment program for youth. Subsidized employment has been shown to be particularly effective for young people, who have minimal formal work experience.<sup>33</sup> These programs can help young people learn about opportunities in the workforce and enter pathways to family-sustaining careers. The demand for Summer Youth Employment Programs (SYEPs) often far exceeds the supply of summer jobs in most cities, and permanent federal funding for a year-round youth subsidized job program would help local communities meet the youth demand for jobs.<sup>34</sup>

### ***Target resources to better serve people impacted by the criminal legal system.***

**Create and expand workforce and education opportunities that target communities impacted by the criminal legal system.** For over a decade, WIOA's Reentry Employment Opportunities Program (REO) has been authorized to test the effectiveness of service delivery models found in community- and faith-based organizations and government systems in assisting the reentry population gain traction in entering the workforce. Many of the components of REO programs have been rigorously evaluated and demonstrate effective practices for reducing recidivism and supporting people who have been incarcerated in entering the workforce<sup>35</sup> and should be codified into law.

Lawmakers can also create a new WIOA title specifically for youth and adults impacted by the legal system. The new title would increase access to subsidized employment and transitional jobs models, integrated education and training, access to supportive services, case management, and community-informed reporting and accountability requirements. Additionally, WIOA currently



allocates a small amount of funds for education and training inside of prisons. Increasing this funding could improve the quality of training programs, enabling them to reach more individuals.

**Improve the quality and pay of incarcerated apprenticeship programs to bring them in line with the average wage for Registered Apprenticeships.** Prison apprenticeship programs provide in-house training and education opportunities with the intent of providing people with skills they can use on the job, both during their incarceration and after their release.<sup>36</sup> Unfortunately, many of these programs are inadequately structured to benefit people in prison. They often have long waiting lists, and the quality and long-term outcomes of these apprenticeships rarely match those of Registered Apprenticeships. A recent study found that the average starting wage for apprenticeship programs inside prison is less than \$1 an hour.<sup>37</sup> WIOA reauthorization can also include language to ensure that occupational licensing bans do not preclude individuals impacted by the criminal legal system from obtaining employment that they have been trained for by an apprenticeship.

WIOA reauthorization can encourage prisons to improve their apprenticeships by requiring programs to:

1. Raise wages and labor standards for incarcerated apprentices and bring wages in line with the minimum wage or the average wage for Registered Apprenticeships;
2. Ensure prison apprenticeships are relevant to the labor market;
3. Reduce disruptive transfers for individuals enrolled in an apprenticeship program so they can complete their program; and
4. Engage employers to help individuals secure employment after release from prison.

## 5. Ensure the public workforce system does not leave workers behind.

**Extend full access to all workforce development programs to undocumented immigrants.**

The current workforce system is largely out of reach for many immigrants.<sup>38</sup> WIOA - Title I provides funding to support employment and training services for adults, dislocated workers, and youth. However, only immigrants with work authorization are eligible for Title I services. Using data on Limited English Proficient (LEP) individuals, which is a proxy for immigrants in workforce system data, indicates that only a small percentage (less than 2 percent) of Title I participants are immigrants.<sup>39</sup>

WIOA - Title II covers Adult Education and Literacy programs, including English proficiency services. While it is intended to be one of the main public avenues through which LEPs can access education and language services, only a fraction of LEP individuals are enrolled in Title II English as a second language services.<sup>40</sup> While Title II isn't subject to immigration status restrictions, states that choose to braid Title I employment and training services with Title II Adult Education and

Literacy programs to provide integrated training and education services may inadvertently place Title II funds out of reach for undocumented immigrants.<sup>41</sup>

Accessing Title II funded programs can also help undocumented young adults qualify for programs like Deferred Action for Childhood Arrivals (DACA), which can then help them access work authorization and later qualify for Title I programs. These steps can help young immigrants advance professionally and possibly get them on path to citizenship. WIOA reauthorization must extend access to all workforce development programs and services to undocumented immigrants and reaffirm access for Deferred Action for Childhood Arrivals (DACA) recipients, Temporary Protected Status (TPS) recipients, and all new Americans.<sup>42</sup>

Additionally, in order to report on performance metrics, some states match enrollment data with wage data from state unemployment insurance systems, which use Social Security numbers as the identifier. This makes workforce programs inaccessible to undocumented workers.<sup>43</sup> WIOA Reauthorization must support alternate ways to report on performance metrics or exclude individuals without a Social Security number from the reporting. Congress should also incentivize partnerships between workforce organizations and immigrant-serving organizations (immigration legal service providers, community-based organizations, and worker centers) to conduct outreach in accessible languages and help create culturally competent curricula for immigrant and LEP learners.

**Prohibit the use of past criminal records to disqualify individuals from workforce training and education opportunities.** WIOA reauthorization must ensure workforce programs do not discriminate against individuals impacted by the criminal legal system. This includes policies that bar individuals on parole or probation from accessing workforce training and development programs. Local workforce providers have been known to create "suitability" criteria for training programs that will prohibit people with a criminal record from engaging in training as part of the criteria. WIOA should prohibit the use of suitability criteria to deny access to training for people with criminal records.

*“Reauthorization must ensure workforce programs do not discriminate against individuals impacted by the criminal legal system”*

The law should also include accountability mechanisms to prohibit employers from discriminating against people with criminal records during the hiring process and during employment—and ensure they are paid fair wages while employed. Workforce boards should be required to collect and submit program-level data to the DOL relating to individuals impacted by the criminal legal system in order to identify patterns of discrimination and advance equity.

States and localities that partner with providers and employers that discriminate against individuals impacted by the criminal legal system would see their funding reduced until they engage in more equitable partnerships. Boards should also make this data publicly available to jobseekers, researchers, and evaluators.

Public workforce programs can help Black individuals impacted by the criminal legal system find and succeed in quality employment opportunities, with benefits reverberating throughout the economy. If formerly incarcerated Black individuals were employed at the same rate as formerly incarcerated white individuals, the country could potentially add 210,000 new workers to the economy.<sup>44</sup> This would increase economic security for workers and their families and help spur economic growth.

**Prohibit programs from requiring participants to undergo drug testing.** Drug testing should not be a condition for participation in any publicly funded workforce program. Mandatory drug testing is rooted in oppression of Black communities and reinforces racist misconceptions about Black and Latinx participants.<sup>45</sup> Moreover, it is not an accurate measure of how an individual will perform in the workplace, which is better judged by workplace performance. Nor does drug testing increase public safety or curb drug use.<sup>46</sup>

## Conclusion

Millions of unemployed and underemployed workers face barriers to quality employment opportunities due to systemic racism and structural sexism in the labor market. A robust public workforce system has the potential to improve employment outcomes for working people and spur economic growth as families see their economic position improve. But as it currently exists, the public workforce system is inadequately equipped to address the underlying structural inequities within our labor market. CLASP's proposed policy recommendations can help Congress create a more equitable workforce system that steers more people into quality employment opportunities, creating a stronger economy with shared prosperity.

## Endnotes

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