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OPPORTUNITIES AND OBSTACLES: A CLOSE LOOK AT THE STRONGER WORKFORCE FOR AMERICA ACT

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INTRODUCTION

The nation's primary investment in workforce development, the Workforce Innovation and Opportunity Act (WIOA), perpetuates occupational segregation and systemic racism in the labor market and struggles to place workers in high-quality jobs. Reauthorizing WIOA necessitates a comprehensive overhaul to confront issues of occupational segregation, workers' rights, job quality, and the systemic inequity that disproportionately impacts women and workers of color, who often find themselves in low-paying jobs with minimal benefits and protections. Unfortunately, the introduction of the bipartisan bill to reauthorize WIOA, A Stronger Workforce for America (ASWA) Act, maintains the status quo by placing the onus on workers to adapt to employer demands without adequately addressing the need for quality jobs and worker power.¹

CLASP recommends shifting to a pro-worker workforce development system that prioritizes high-quality job opportunities for all workers.² This approach actively engages workers in decision-making processes and gives them a voice in shaping the workforce development system. It empowers both workers and the organizations representing them to challenge discriminatory practices that directly impact their lives. By dismantling occupational segregation and promoting inclusivity, a pro-worker workforce development system becomes a catalyst for positive change, ensuring economic opportunity and security for individuals facing intersecting structural barriers. The following details where ASWA falls short and provides innovative ideas to enhance WIOA and pave the way for a workforce development system that serves the needs and rights of workers across diverse backgrounds and occupations.

WHAT IS WIOA?

WIOA serves as the cornerstone federal legislation governing the public workforce system, which encompasses various policies and programs designed to aid jobseekers in their quest for employment through education, training, labor market information, career guidance, and related support services. WIOA funds are channeled through states to local workforce investment areas and overseen by state and local workforce boards. A diverse array of entities, including adult basic education and GED programs, apprenticeships, community colleges, community-based organizations, labor unions, youth workforce providers, and employers, collaborate to deliver education and training services under WIOA. Targeting unemployed and underemployed adults, youth, veterans, unhoused individuals, people with disabilities, and individuals receiving public benefits, WIOA endeavors to bolster workforce participation and economic mobility.

WIOA and its predecessor, the Workforce Investment Act, has guided the workforce system for decades. WIOA reauthorization provides an opportunity to update workforce interventions to better ensure individuals facing multiple intersecting structural barriers to quality employment opportunities—including Black, Latinx, and Indigenous workers, immigrants, youth, and individuals impacted by the criminal legal system—can access economic opportunity and security.

ADDRESSING WEAKNESSES WITHIN ASWA TO SUPPORT WORKERS

PRIORITIZE JOB QUALITY STANDARDS AND BUILD WORKER POWER

ASWA fails to address that the workforce development system does not currently provide any job quality metrics or protections. Unfortunately, the present workforce system often rewards low-wage employers and subsidizes low-quality jobs.³ Public workforce dollars should only be geared toward partnerships with high-quality employers who pay wages above the industry standard; engage in fair scheduling practices; offer robust benefits like health care, paid leave, retirement savings plans, and other benefits; meet industry Occupational Safety and Health Administration standards for safe workplaces; and allow workers the free and fair choice to join unions. A WIOA reauthorization bill should include a process for developing and implementing these job quality metrics and accountability standards.

Our current workforce system must be more aligned and integrated with federal, state, and local efforts to improve job quality, strengthen workers' rights, and enforce our current labor laws. In addition to ensuring that training leads to workplaces where workers have a free and fair choice to join a union, workforce training programs and American Job Centers should provide workers with information about their rights, including laws that cover minimum wage, the right to organize a union, overtime pay, paid sick days, paid family leave, workers' compensation and unemployment insurance, and legally prohibited discrimination in the hiring and promotion process.

Our workforce system should actively partner and connect workers with organizations and agencies that can bolster workers' rights and job quality, such as community organizations, worker centers, labor unions, legal aid institutions, state labor departments and the Equal Employment Opportunity Commission.

DIRECT TRAINING DOLLARS TOWARD PROGRAMS THAT HAVE A PROVEN TRACK RECORD OF HELPING THE MOST VULNERABLE WORKERS

ASWA is focused on providing adult and dislocated workers expanded access to training through vouchers like Individual Training Accounts (ITAs). While this is important, evidence shows that much of the training paid for by the public workforce system does not lead to high-quality jobs or economic mobility for workers and directs public dollars to training providers with only minimal accountability for outcomes.⁴ The workforce development system should prioritize funding earn-and-learn opportunities, including subsidized employment, sector partnerships, transitional employment programs, high-quality apprenticeships, pre-apprenticeships, and youth apprenticeship programs, which have proven to bolster economic security and stability for many workers.⁵ Expanding federal investments for on-the-job training opportunities can help ensure that public dollars are going to workers who face barriers to quality employment opportunities such as Black and Latinx workers, women, youth, and people impacted by the criminal justice system.

ASWA requires that 50 percent of local workforce funding be allocated to ITAs. This means a reduction in the funds available to provide supportive services to individuals seeking training, such as ones that cover the costs of transportation, child care, and tools. These wraparound services are critical to ensure that training programs are accessible; they have also been proven to increase completion rate of training participants.⁶

ASWA also requires that all revenue generated through H-1B visa fees be redirected to ITA vouchers. The H-1B visa program allows employers to attract international applicants with highly specialized training. The related fees have been used to fund H-1B skills training grants, with the purpose of retraining workers for those same cutting-edge, high-growth industries. Previous administrations have used these grants to expand proven workforce strategies like Registered Apprenticeship Programs or to fund community colleges, but under ASWA, H-1B fees will be funneled directly to short-term training providers that too often place participants into low-quality jobs.⁷

CHANGE WORKFORCE BOARD GOVERNANCE TO BE WORKER-CENTERED AND WORKER-LED

ASWA maintains the uneven power structure of workforce development boards, which play a key role in setting workforce policies, overseeing workforce training programs, and making key spending decisions. WIOA currently holds that the majority of workforce board seats must be filled by business representatives, while no more than 20 percent of seats can be filled by worker representatives. To ensure that workers and the organizations that represent them have an equal voice in decision-making, policymakers should shift the balance of power to require at least 50 percent of the workforce development board be composed of workers, jobseekers, and organizations that represent workers and their communities.

ADDRESS OCCUPATIONAL SEGREGATION AND WORKPLACE DISCRIMINATION

Our current workforce system replicates and reinforces occupational segregation, steering Black and Latinx workers into lower-earning jobs with less opportunity for career advancement.⁸ A Joint Center analysis of data published by the U.S. Department of Labor showed that Black workers had the lowest earnings of all demographic groups after leaving federal workforce training programs, despite having the highest employment rate.⁹ ASWA does nothing to counter the occupational segregation in the workforce system and correct for current troubling practices. Workforce boards should use disaggregated program-level outcomes data required in ASWA to counteract patterns of discrimination and occupational segregation. The overall system, workforce boards, and training providers should be required to set goals to close race and gender earnings gaps and be held accountable for those outcomes.

INCREASE INVESTMENTS IN WORKFORCE PROGRAMS

While ASWA increases proposed funding levels for workforce programs by just over 1 percent for adult and dislocated workers, as well as youth, compared to 2020 levels, it remains insufficient to adequately address the needs of workers. Programs funded through WIOA have been significantly underfunded for decades. They also fail to address - and at times play a role in replicating - occupational segregation and systemic racism in the labor market.¹⁰ Insufficient funding impacts the ability of people with low incomes to access education and training programs that lead to high-quality jobs. A workforce system that centers workers and promotes high-quality jobs requires robust funding. Any WIOA reauthorization should increase appropriations of workforce programs adjusted for inflation and population growth to ensure that the programs can deliver equivalent services.



POSITIVE ASWA PROVISIONS TO BUILD ON

CODIFIES REENTRY EMPLOYMENT OPPORTUNITIES PROGRAM

ASWA codifies the Reentry Employment Opportunities (REO) program, providing grants to nonprofit organizations and community colleges to support youth and adults impacted by the criminal legal system in entering the workforce. The aim is to enhance employment, earnings, and skill attainment while reducing recidivism. Unfortunately, ASWA establishes a matching requirement of 25 percent of the total funds awarded to eligible entities, creating an unnecessary burden on program providers and limiting the types of organizations that can accept REO funding. Moreover, carceral entities like jails, prisons, parole/probation, and prosecutors should not be eligible to receive REO funding.¹¹ This is a significant issue that would expand the carceral footprint in low-income communities and communities of color. To strengthen the REO provisions, ASWA should remove the matching requirements, make carceral entities ineligible for funding, incorporate a job quality framework to ensure that programs collaborate with employers that offer and maintain high-quality job standards, and center directly impacted individuals in the design and implementation of grants.¹²

ENHANCED TRAINING PROVIDER ACCOUNTABILITY AND PERFORMANCE REPORTS

ASWA takes some initial steps toward recognizing the importance of training provider accountability within the workforce development system. Training providers are required to track and report participant outcomes, such as completion, employment, earnings gains, and attainment of industry-recognized credentials disaggregated by race, ethnicity, sex, and age. This enables assessment of program effectiveness in preparing individuals for the workforce and advancing their careers, while also revealing

any disparities at the program or provider level. ASWA also mandates that governors establish a publicly available credential navigation feature that will allow participants and the public the ability to search postsecondary credentials, and the programs and providers awarding credentials, by employment and earnings outcomes. Having access to this information can help individuals ensure that their time and efforts are more likely to lead to a high-quality job. However, it is important to note the omission of strong enforcement mechanisms within ASWA, which hampers the effectiveness of ensuring compliance with accountability measures.

IMPROVEMENTS TO YOUTH ELIGIBILITY AND SELF-ATTESTATION

The ASWA bill replaces the “out-of-school youth” term with “opportunity youth.”¹³ This allows the federal government to formalize and adopt language that the youth-serving field is already using, it continues to keep the distinction between youth that are in school and those that are out. ASWA could be improved by adopting a priority populations framework for eligibility.¹⁴ This framework would replace the in- or out-of-school distinction and allow the system to focus on barriers of employment rather than school status.

ASWA also adopts a simpler eligibility determination process for youth who are involved in foster care or experiencing homelessness. The bill lets service providers use self-attestation for these youth populations, which minimizes the burden of documentation on youth.

CONCLUSION

The workforce development system needs to be overhauled to address existing systemic disparities. WIOA has historically fallen short of meeting workers’ needs, and ASWA perpetuates the status quo. As WIOA faces reauthorization, CLASP advocates for a pro-worker approach. This involves prioritizing job quality standards, directing training dollars toward proven programs, reforming workforce board governance to be worker-centered, and increasing investments in workforce programs. By implementing these recommendations, we can create an inclusive, equitable workforce development system that dismantles barriers, amplifies workers’ voices, and ensures economic opportunity and security for all.

ENDNOTES

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