

Comments on Reauthorization of the Workforce Investment Act

Submitted to the Senate Committee on Health, Education, Labor and Pensions

Wider Opportunities for Women

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Wider Opportunities for Women (WOW) is pleased that the Senate HELP Committee is preparing to reauthorize the nation's workforce development policy and appreciates the opportunity to submit comments. It is vital that our workforce system be updated in order to take advantage of the lessons learned in the past ten years and to respond to the needs of a labor market entering a deep recession. We encourage re-thinking the workforce system with a focus on local decision-making, the use of solid labor market and wage data, the full participation of women, establishment of career paths to self-sufficiency, the widespread need for literacy services, and the unrealized potential of nonprofit training providers.

WOW is a national organization that has helped women and their families achieve economic independence and equality of opportunity for over 40 years. Through our national Family Economic Self-Sufficiency Project and Elder Economic Security Initiative, we work with over 2,500 allies and partners in 40 states. Our recommendations are informed by a survey WOW conducted of Workforce Investment Boards that analyzed promising practice in "Reality Check: Promoting Self-Sufficiency in the Public Workforce System," a series of case study reports published in 2006, [A Promising Practices Guide for Workforce Boards](#), and 2007, [Working With Women, Youth and Ex-Offenders](#).¹

A key component of our nation's workforce policy should be to provide jobs and train workers to compete for those jobs that will offer them and their families a path to *economic self-sufficiency*. The goal of helping prepare workers for self-sufficiency was embodied in S. 1021 that passed the Senate in 2006. Within that bill the concept of self-sufficiency was integrated into a number of key provisions¹ that should be expanded upon in the final reauthorization of the Workforce Investment Act. S.1021 draws on a concept of self-sufficiency that is embodied in Self-Sufficiency Standards in almost 40

¹ Both can be found under Resources on our Web site www.wowonline.org.

states and is used by many state and local workforce boards to guide policy and program development.²

The Self-Sufficiency Standard uses local marketplace costs to calculate the income needed for a barebones budget including housing, child care, food, transportation, out-of-pocket health care, taxes and a minimal level of household/personal items depending on the size of families and age of family members.

As the HELP Committee begins to draft legislation, Wider Opportunities for Women would make the following recommendations:

1. Define economic self-sufficiency as a program goal and permit the calculation of self-sufficiency standards as an allowable use of funds. A 2004 survey by Working for America found that two-thirds of metropolitan Workforce Investment Boards used the Self-Sufficiency Standard for a variety of purposes from policy and program planning to career counseling. S. 1021 The committee could use the definition of self-sufficiency contained in conference report of the Carl T. Perkins Career and Technical Education Act of 2006: “a standard of economic independence that considers a variety of demographic and geographic factors, as adopted, calculated, or commissioned by a local area or state.”
2. Emphasize career pathways, or career ladders, that include education, training and a progression from entry level to more advanced jobs leading to self-sufficiency level wages. Sector partnerships have proven effective way to focus on high-wage, high-demand industries where workforce agencies, employers, community colleges, labor unions and training providers collaborate to enable participants to develop the knowledge and skills they need to move from entry level to higher level jobs.

In Lancaster, Penn., the WIB used average wages as a reference to decide on seven target industries, including construction, food processing, metal fabricating and industrial maintenance. The county’s Ready to Work program also stresses pre-vocational basic literacy and work skill training including basic literacy, study skills, English as a Second

² The Self-Sufficiency Standard was originally developed by Dr. Diana Pearce, while serving as Director of the Women and Poverty Project at Wider Opportunities for Women (WOW).

Language, and computer skills offered on the basis of individual assessments. The partnership sector approach is particularly effective with low-income and special populations, including youth and ex-offenders, because customers stay engaged when they are able to see concrete, immediate connections between training and career goals. In Lancaster County, 78 of 110 customers in the ex-offenders program graduated, 40 into jobs, 12 into apprenticeships and 20 into trade schools.

3. Encourage workforce boards to negotiate training contracts for education, OJT and customized training built around self-sufficiency as the end-goal. The Fresno, Calif. WIB has developed an employer rating system that awards OJT contracts only to “platinum employers” that provide higher wages, benefits, and opportunities for skill and career advancement within six months of hire. The WIB works with a Small Business Development Center to help employers improve their scores. Since starting the rating system early this decade, the WIB’s focus has shifted away from trucking and cosmetology to training for jobs in healthcare, construction trades, agile manufacturing, logistics, automotive tech and information technology. Over a five-year period, the average entry level salary rose from \$12,000 to \$23,000.
4. Ensure that user-friendly One-stop services and a personal assessment are offered to every customer. Automated labor market information systems should continue as an option, but many hard-to-serve populations and others are unable to take advantage of them. At a minimum, an in-person, group orientation to the information and services available through one-stops should be offered to everyone who walks through the door. When the workforce system over-emphasizes automated labor market job searching unconnected to information on what it really takes to make ends meet, job seekers may never be exposed to career or training options that can help them reach self-sufficiency. The orientation should introduce the concept of self-sufficiency and the sorts of local career pathways that can lead to self-sufficiency. Furthermore, One-stops should be encouraged to counsel customers on family financial matters, including self-sufficiency.

The Seattle-King County Workforce Development Council requires employment case managers to use the council’s on-line Self-sufficiency Calculator to engage customers in vocational planning, financial planning and identifying work supports for which they are eligible. The calculators can tell a person what career paths will lead to a self-sufficient wage, whether they should consider moving to another part of the county, how

much more they will need to earn if they have another child, and whether they qualify for food stamps to assist until they get a job.

5. Eliminate the concept of “sequence of services” that has prevented many customers from receiving the skill training necessary to obtain employment at self-sufficiency level wages. An appropriate referral should follow an individual assessment that takes account of the customer’s skills and interests that relating to occupations that can support the individual and his or her family. The referral should be based upon the individual’s need and possession of prerequisite skills for a particular class or service regardless of whether under the current system it is considered “intensive” or “skill training.”
6. Ensure that women have the opportunity to gain skills necessary to enter nontraditional occupations which usually pay 20 to 30 percent higher wages than most jobs held by women. Like Perkins IV, the new workforce legislation should *require* local agencies to use funds to prepare women, single parents, displaced homemakers, TANF recipients and other special populations, for high-wage, high-demand nontraditional occupations. Women continue to be underrepresented in the highest paying occupations and overrepresented in the lowest paying ones.

Research by Susan Crandall and Surabhi Jain³ found that most high-pay, high-growth sectors are nontraditional for women (e.g. customer service representative, computer support specialist, automotive and truck technician and building trades). Electricians, one of occupations expected to grow in the new green economy, have average annual earnings of \$48,100, but only 2.7 percent of the workforce is female. Unless the workforce system is specifically instructed to recruit and train women in nontraditional fields, this trend will continue even as economic recovery and clean energy policies increase the number of jobs in construction and technology.

The potential for success of these kinds of efforts is exemplified in our case study of the Sacramento Employment and Training Agency (SETA),

³ Susan R. Crandall and PhD, Surabhi Jain, “New Directions in Workforce Development: Do They Lead to Gains for Women?” New England Journal of Public Policy, spring 2007, p. 86, Crittenton Women’s Union, www.liveworkthrive.org

which achieved a stunning 24 percent female participation rate in construction apprenticeship. The SETA program assigned two full-time case managers to coordinate services and training in the construction industry. They focus on outreach, recruitment, job placement and follow-up with women entering the skilled trades. A pre-apprenticeship training program teaches women about the tools and requirements of what can become a very lucrative though demanding career in the construction trades.

7. Ensure that a wide range of work supports are provided to those who need them in order to pursue education and training. Many adults, and particularly women, the majority of WIA consumers, must have access to a wide range of work supports in order to fully benefit from education and skill training programs. Computers and Internet connections should be considered fundable work supports to deliver distance learning. Current law does not include food stamps, health care and tax credits in its definition of supportive services, although they can play a crucial part in giving helping customers participate in job training.

The *Reality Check* survey found that integrating service delivery systems and adopting unified applications helped get supports to customers who need them. The Racine, Wis., Workforce Development Center eliminated the need for individuals to make separate applications for work supports, including TANF and the Food Stamp Employment and Training Program. The county also uses WIA funds to pay for supports other than child care. The state of Utah enacted legislation combining workforce development and welfare functions. Workforce staff are trained on the full range of work supports and use computer based tools to give customers information about their eligibility for supports available to them.

8. Create incentives to promote the re-skilling of older workers, both to meet business' needs for a skilled workforce and elders' needs to continue working and earning to meet increased costs of living and diminishing retirement income. WIA must address the needs of older workers, many of whom are unable to physically handle tasks they have performed through their careers and many of whom cannot or don't want to work full-time during retirement. Senator Kohl has introduced legislation that would set aside five percent of WIA dollars for older workers and require their representation on workforce boards. In states

like Oklahoma, efforts are underway to have retired welders train a new workforce for the aerospace industry. At a time when the shortage of nursing teachers is notorious, retired nurses could be taught to train new nurses.

9. Facilitate the use of contracts with nonprofit community-based training providers. Currently, training providers, including many with effective track records serving special populations, are discouraged from participating in the system because of the cash flow risks associated with dependence upon the enrollment of a sufficient number of individual training account holders. Some community-based organizations cannot afford to run a program if the ITA amounts do not cover their actual costs.
10. Require the collection, analysis and reporting of data – including progress toward self-sufficiency – disaggregated by gender, race, ethnicity and age. In order to evaluate whether the goal of self-sufficiency is met through services to special populations the system must benchmark wage gain for individuals as a percentage of their Self-sufficiency Standard, and this data must be tracked for special populations, including those receiving training for nontraditional occupations. In the absence of reporting requirements, these populations will not be served.

The Seattle-King County WDC mentioned above began tracking self-sufficiency gains in order to shift the system's focus away from short-term job placement toward vocational counseling, wage progression and long-term economic self-sufficiency. The WDC uses the same Self-Sufficiency calculators used in counseling to track wages after placement. The WDC's initial analysis found 70 percent of customers had achieved 100 percent of their family's self-sufficiency level income, and another 16 percent between 61 and 99 percent. In 2006, the Self-sufficiency Standard in King County was \$34,616 for a family consisting of one adult and one infant.

11. Ensure representation on workforce boards of community-based organizations and others with experience and expertise in the delivery of workforce development activities including CEOs of community colleges and community based organizations." The National Network of Sector Partners includes among its four elements of success the linking a strategic partner with deep knowledge of the targeted industry with community-based nonprofits, employer organizations, organized labor and community colleges. Such partnerships could serve as a model for workforce boards themselves.

The Workforce Investment Act represents just one dimension of building a comprehensive workforce development system in this country. Wider Opportunities for Women looks forward to a continuing dialogue as you continue to draft workforce development legislation for the 21st century. Thank you again for the opportunity to comment.

ⁱ Use of “Self-Sufficiency” in the 2006 Senate Bill S. 1021

1. Establishing self-sufficiency as a goal:

- Self-sufficiency is included as a goal of the Act.

Sec. 111 (1) (A) “Primarily, to provide workforce investment activities, through statewide and local workforce investment systems, that increase the employment, retention, self-sufficiency, and earnings of participants, and increase occupational skill attainment by participants.

Sec. 111 (1)(B) “As a result of the provision of activities, to improve the quality of the workforce, reduce welfare dependency, increase self-sufficiency, and enhance the productivity and competitiveness of the Nation”

- Includes definition of self-sufficiency by reference to a later provision on allowable uses of funds.

Sec. 101 (47) “The term “self-sufficiency” means self-sufficiency within the meaning of subsections (a) (3) (A) (x) and (e) (1) (A) (xii) of section 134.”

(This refers to the language of Section 134 below allowing the calculation, commission, or adoption of a self-sufficiency standard.)

- Allows WIA funds to be spent by state and local WIBs to calculate, commission, or adopt a self-sufficiency standard.

Sec. 134 (a)(3)(A)(x) “adopting, calculating, or commissioning a minimum self-sufficiency standard that specifies the income needs of families, by family size, the number and ages of children in the family, and sub-State geographical considerations.”

Sec. 134 (e)(1)(A)(xii) “activities to adjust the self-sufficiency standards for local factors, or activities to adopt, calculate, or commission a self-sufficiency standard that specifies the income needs of families, by family size, the number and ages of children in the family, and sub-State geographical considerations.”

2. Easing access to training for those who need it:

- While the sequence of services has not been completely eliminated progress has been made toward that end. Most notably, the act amends eligibility for intensive and training services to allow One-Stops to serve individuals who are *Sec. 121 (c)(2)(C)(I)* “unlikely or unable to obtain employment that leads to self-sufficiency.”

3. Encouraging placement into high-wage, high-demand jobs through sector analysis:

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- States are allowed to use incentive funds for Sec. 161 (a) (3) (C) “activities that support statewide economic development plans that support high-wage, high-skill, or high-demand occupations leading to self-sufficiency.”
 - States are also allowed to conduct demonstration and pilot projects that *Sec. 146 (a)(1)(B)* “focus on opportunities for employment in industries that are experiencing, or likely to experience, high rates of growth and jobs with wages leading to self-sufficiency.”

4. Performance measures and reporting:

- Includes as a goal of WIA increasing the self-sufficiency of clients and creates a mechanism to report on how states are moving clients toward self-sufficiency.
- *Sec. 122 (d)* “The State shall periodically prepare and submit to the State board, and local boards in the State, reports containing the results of evaluation studies conducted under this subsection, to promote the efficiency and effectiveness of the statewide workforce investment system in improving employability for jobseekers and competitiveness for employers, including information on promoting self-sufficiency and comparable pay between men and women.”