

Wow, WIOA!

New opportunities to advance economic mobility

By Hannah Halbert

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A new federal statute, the Workforce Innovation and Opportunity Act has solid plans to help the workers who struggle most in Ohio's job market. By emphasizing education and training, focusing on career pathways and apprenticeships, and incorporating a better understanding of the labor market, this Act, known as WIOA for short, could transform the workforce system for those who face significant barriers to employment.

Most low-income families are working families. Of all Ohio families earning less than 200 percent of poverty, nearly 70 percent work.¹ Despite the fact they are working, many still need public assistance in the form of Medicaid, public childcare assistance, home energy assistance (HEAP), and food assistance (SNAP). A report that Governor Kasich requested from the Ohio Workgroup to Reduce Reliance on Public Assistance acknowledges the mismatch between compensation and what it takes to be self-sufficient in Ohio, noting that a family of one adult and two children would need an annual income of \$27,644 (\$13.30 per hour) to no longer need cash assistance, food aid and Medicaid.² The report states that the “most basic requirement for successful economic independence is the availability of jobs paying wages sufficient enough to allow people to leave public assistance.”³ Too many of Ohio's jobs do not pay enough to lift a family out of poverty. All but three of Ohio's largest occupational categories pay a median wage below the report's self-sufficiency threshold.⁴ Getting a job will not necessarily raise a family to self-sufficiency.

Key Recommendations

Improving links between public assistance programs and the workforce development system alone is no guarantee that families will attain self-sufficiency. Here are three ways Ohio can connect the dots and increase economic mobility:

- Ohio should commit to WIOA Combined Planning, including TANF and SNAP Employment and Training.
- Ohio should reduce policy barriers so TANF recipients can spend more time in education and training, gaining skills and industry credentials to compete for jobs that lead to self-sufficiency.
- Focusing on skills only solves part of the problem; too many Ohio jobs pay too little, with no benefits, or offer only part-time work. Workforce policy should address job quality and encourage employer partners to improve job quality so that working families thrive.

¹ Working Poor Families Project, Population Reference Bureau analysis of 2013 American Community Survey micro-data.

² Workgroup to Reduce Reliance on Public Assistance, Report to Governor John R. Kasich and the Ohio General Assembly, pg. 24, April 15, 2015, available at <http://humanservices.ohio.gov/WorkArea/DownloadAsset.aspx?id=2147636202>, accessed May 5, 2015.

³ *Id.*

⁴ Ohio, Occupational Employment Statistics data, available at <http://ohiolmi.com/asp/oeswage/SOCWage.asp?Source=Wage>, updated through June 2014. The three occupations that pay a median wage over \$13.30 are registered nurses (\$29.64), office clerks (\$13.61), and customer service (\$15.26).

The public sector can do more to build pathways out of this paradox for low-income, low-skilled Ohioans. The Temporary Assistance for Needy Families (TANF) and food assistance programs in Ohio and in many other states are largely isolated from the workforce development system. The workforce system as established under the Workforce Investment Act (WIA) was fundamentally a universal service system that emphasized local control. In Ohio, the local governance and policy boards (workforce investment boards or WIBs) were given broad authority to set local workforce policy.⁵ This included how programs prioritized service populations, rules around training and education, and rules for needs-related payments. Outcome measurements prescribed by WIA focused on job placement, retention and wages. Failing to meet outcome targets would result in decreased funding. These measures provided no additional incentive for successfully serving clients with multiple barriers to employment or very low skills. The sum of these policy structures was often a “work-first” system that connected the “readily employable” or “nearly employable” to jobs, but did little to address challenges faced by people with very low skills or to ensure that the jobs at the end of the line actually delivered on the promise of self-sufficiency.

By contrast, WIOA seeks to refocus the workforce system to better serve people with employment barriers. WIOA includes a formal definition of individuals with barriers to employment. Among others, the definition includes low-income individuals, people within two years of exhausting lifetime eligibility under TANF, people and youth with disabilities, and the long-term unemployed.⁶ The Act also mandates that funds for adult employment and training activity go to priority populations, regardless of the level of funding available. The “priority of service” must be provided first to persons who are recipients of public assistance, low-income, or basic skill deficient.⁷ Unlike WIA, the new Act prioritizes people who are not “readily or nearly employable” and emphasizes education and training, particularly integrated training models, sector strategies, career pathways, and apprenticeships. WIOA includes skill gains as an outcome measure to support this deliberate shift away from the “work-first” model. This is a smart change in policy that better reflects today’s labor market.

The first state plan under WIOA is due in March of 2016 but many of WIOA’s provisions took effect on July 1, 2015. In anticipation, the Ohio Department of Job and Family Services (ODJFS), the state agency largely responsible for workforce and public assistance programing, issued a series of policy letters on key aspects of WIOA implementation, including eligibility, education and training. Policy Matters Ohio and the [Ohio Poverty Law Center](#) submitted comments on the proposed rules, identifying six technical changes that could help Ohio’s workforce development system capitalize on the opportunities set out in WIOA to better serve low-skilled, low-income adults. ODJFS has been receptive to these changes, which include:

⁵ Community Research Partners, “Local WIA Policy in Ohio,” September 2011, pg. 5, available at http://www.workingpoorfamilies.org/pdfs/OH_WIA_2011.pdf.

⁶ See, WIOA, Sec. 3(24) Definitions.

⁷ Department of Labor, TEGL No. 3-15, issued July 1, 2015, available at http://wdr.doleta.gov/directives/attach/TEGL/TEGL_03-15.pdf, accessed July 7, 2015. Detailing priority of service for recipients of public assistance, low-income individuals, and people with basic skills deficits. Veterans and eligible spouses, who fall into priority service categories have primacy and are first to be served, followed by non-veterans in the service categories, then veterans not in the priority categories, and finally by others.

1. **ODJFS should clarify the “priority of service” definitions so that Able-Bodied Adults Without Dependents receive priority access to education and training assistance, after military veterans, across the workforce development system.**
2. **ODJFS should narrow the definition of “basic skills deficient” to better align with WIOA. The definition should be consistent across WIOA guidance and the local areas.**
3. **The state should set basic parameters for WIOA assessments, in line with the Americans with Disabilities Act and formally eliminate sequence of service requirements.**
4. **ODJFS should consider court ordered child support payments to be an extenuating circumstance in calculating family self-sufficiency.**
5. **ODJFS should consider credit card and payday loan payments to be an extenuating circumstance in calculating family self-sufficiency.**
6. **ODJFS should develop a policy framework for driving investment to high-quality training providers and high-road employers.**

ODJFS adopted several of the recommendations, at least in part. They added the definition of “public assistance” as defined in WIOA to all policies impacting adult and dislocated workers and corrected the definition of “basic skills deficient,” limiting the designation to individuals who are unable to compute or solve problems, or read, write or speak English at a level necessary to function on the job, in their family, or in society.⁸ The agency will allow child support obligations to be considered an extenuating circumstance allowing people owing child support whose income would otherwise exceed the local “family self-sufficiency” standard to obtain training services through WIOA.⁹ The revised letters emphasize that job seekers are not required to attempt and fail career services or demonstrate a failure to secure self-sufficient employment prior to receiving training and education assistance. These are marked improvements and show the state’s commitment to better addressing the needs of low-skilled adults with barriers to employment.

As Ohio begins drafting the first WIOA plan and aligning TANF and WIOA funding, assessment, and training policy through the recently enacted Comprehensive Case Management and Employment program, ODJFS should adopt WIOA policies that promote economic mobility. In addition to the tweaks suggested in our joint comments, there are four big policy shifts the state could make to help more Ohioans escape the low-wage, low-skill trap and make economic gains:

- 1) **Combined Strategic Planning and Alignment:** WIOA encourages states to develop a combined plan that includes TANF and SNAP employment and training programs. WIOA requires TANF to be a partner at local workforce development centers (“OhioMeansJobs” Centers also known as “One-Stops”). SNAP employment and training is an optional partner, meaning states have discretion to include it. Colocation or partnership, as mandated by WIOA, will not automatically increase communication and reduce silos.¹⁰ Intentional

⁸ See, Ohio Department of Jobs and Family Services, WIOA Policy Letter 15-0, Career Services for Adults and Dislocated Workers, July 2015.

⁹ Ohio Department of Job and Family Services, WIOA Policy Letter 15-09, Training Services for Adults and Dislocated Workers, July 2015.

¹⁰ Under WIOA each partner program must provide access through the one-stop center to program activities, use a portion of their funds to maintain the one-stop center, and enter into a cost-sharing agreement with the local WIB and participate in operating the one-stop according to the terms of the agreement. The Governor can make a determination to “opt-out” of the TANF partnership requirement. See, WIOA Sec. 121.

communication and combined planning is needed to identify, across all programs, strategies that will help low-skilled, low-income Ohioans not just get a job, but get a job that moves them toward self-sufficiency.

While the state is working toward partial alignment, starting with 16 to 24-year olds through the Comprehensive Case Management and Employment Program (CCMEP), Ohio has not yet committed to combined WIOA planning that would include TANF and SNAP employment and training programs.¹¹ Combined planning includes core WIOA programs and additional programs that would be served by better connecting participants to training and work.¹² States have been encouraged to include TANF and SNAP education and training in a combined WIOA plan. CCMEP was passed in the Ohio budget bill, HB 64. The program will use TANF block grant funds and WIOA dollars to make employment and training services available to participants. The program will also establish a comprehensive assessment of client employment and training needs. Ohio will eventually require work-eligible Ohio Works First recipients, and some WIOA enrollees to participate in the CCMEP but will start with low-income young people ages 16 to 24 with employment challenges. As with WIOA, the program offers an opportunity to better connect people to training, but planning and implementation across WIOA and TANF is needed to capitalize on the programs' promise. Moreover, including TANF in larger combined planning under WIOA would allow more people from the workforce development and public assistance communities to participate in development and implementation of both programs.

Combined planning would allow the state and local workforce regions to efficiently manage and pool funding across programs and support Ohio's ongoing "no wrong door" approach. It would also maximize the benefit of TANF colocation and decrease disparate treatment and policy across the various workforce development regions in Ohio. For example, the Center for Law and Social Policy has collected innovative state strategies that link these sectors [here](#).

- 2) **Maximize education and training hours to fulfill TANF's work participation rate and adopt policies that encourage persistence:** Given the challenges of today's job market and the fact that most of Ohio's largest occupations pay a median wage that keeps a family of three in poverty, developing skills and attaining industry-recognized credentials is essential to help participants secure living wage jobs and no longer need public assistance. Nearly a third of all adult recipients of TANF cash assistance have less than a high school diploma, but only

¹¹ Ohio has submitted a "unified" WIA plan that includes various components of the workforce development system. "Combined" planning would extend the document to TANF and SNAP programs.

¹² The required unified WIOA plan covers Adult, Dislocated Worker and Youth workforce activities under WIOA, Wagner-Peyser services, Adult and Family Literacy; and Title 1 of the Vocational Rehabilitation Act. A combined plan may include any or all of the following programs: Carl D. Perkins Career and Technical Education Act, TANF, Trade Adjustment Assistance, Veterans Employment and Training Services, Unemployment Insurance Services, Basic Food Employment and Training (BFET), Work programs of the Food and Nutrition Act, Senior Community Services Employment Program, Employment and Training programs under the Community Development Block Grant, Employment and Training programs under the Community Services Bloc Grant, and services under the Second Chance Act of 2007, addressing reentry and recidivism. *See*, WIOA, Sect. 103. Ohio's most recent plan includes several of the programs suggested, but does not include TANF or SNAP. Our comments on the state's draft plan are available at <http://www.policymattersohio.org/workforce-plan-pr>.

5.7 percent were engaged in training or education.¹³ People who lack basic education and skills struggle to attain self-sufficiency without public assistance.¹⁴ Combined TANF, SNAP Employment and Training, and WIOA planning would identify ways these systems could help more people secure basic and advanced skills. In absence of such a plan, the planning and implementation of the CCMEP should be used to identify significant policy barriers to enrolling TANF participants in education and training.

One such obstacle is that WIOA and TANF are measured on different outcomes. WIOA is results oriented, looking at employment, retention, earnings, and skill gains. TANF primarily measures particular types of work participation, namely hours spent in “countable” work-related activities.¹⁵ Combined planning, implementation of the CCMEP, and regular meetings between WIOA and TANF stakeholders, could identify ways these systems could meet both sets of outcomes while moving toward the greater goals of helping low-skilled, low-income adults achieve self-sufficiency and greater economic mobility.

Other obstacles stem from TANF’s work participation rates requirements. TANF allows education and training activities to count toward the required “Work Participation Rate” *after* the first 20 hours of work are spent on designated core activities that include work, work experience programs, and community service. Vocational training hours for an individual TANF participant can all be counted, but are limited to 12 months. The state can count no more than 30 percent of the TANF individual’s vocational training hours toward the state’s Work Participation Rate. Even without a waiver Ohio could increase the number of TANF recipients engaged in education and training. The report, [Ensuring Full Credit Under TANF’s Work Participation Rate](#) from the Center for Postsecondary Economic Success lists several ways a state could do more to connect recipients to education and training and get credit for those hours.

The Center’s recommendations include prioritizing training so that the state counts the full 30 percent allowable under TANF for vocational education. Programs could also ensure that the full 12 months of education and training allowed under existing TANF rules are being counted. Rather than automatically assigning recipients to job search or work, and having work requirement hours allocated to those activities, a comprehensive assessment could steer TANF recipients directly to education and training, which could be fully counted as stand alone work-related activities. WIOA prioritizes integrated training that combine basic skill education with vocational training, apprenticeships and on-the-job training. Cross-program

¹³ See, Elizabeth Lower-Bach, “Work Participation Rate,” CLASP, Table 1: Work Participation Rates by State, May 2015, available at <http://www.clasp.org/resources-and-publications/publication-1/TANF-101-Work-Participation-Rate.pdf>, calculating share of all individuals counted as participating in various work and education activities). See also, Characteristics and Financial Circumstances of TANF Recipients, fiscal year 2012, Table 251 most recent available at http://www.acf.hhs.gov/sites/default/files/ofa/tanf_characteristics_fy_2012.pdf, showing TANF recipients by educational attainment). Only 11.3 percent of Adult TANF recipients participated in training and education activities. *Id.* at Table 28.

¹⁴ See, Wendy Patton, Shrinking aid for Ohio’s poorest families, Policy Matters Ohio, November 2013, available at <http://www.policymattersohio.org/shrinking-nov2013>. The report shows how Ohio’s work participation strategies are leading to increased sanctions, not increased skills and employment.

¹⁵ See, Elizabeth Lower-Bach, Amy Ellen Duke-Benfield and Lavanya Mohan, “Ensuring Full Credit Under TANF’s Work Participation Rate, Center for Post secondary and Economic Success and CLASP, March 2014, available at <http://www.clasp.org/resources-and-publications/publication-1/Ensuring-Full-Credit-Under-TANFs-Work-Participation-Rate.pdf>.

planning could identify ways these training models could help TANF participants and the State meet existing work requirements without sacrificing opportunities to gain skills.

Local or regional partners could also develop pilot projects to increase employment, retention, and career-connected job access that would qualify for a TANF waiver of existing work requirements.¹⁶ In 2012, the Federal agency responsible for TANF, the Department of Health and Human Services (HHS), issued a call for states to develop projects to test service delivery strategies that could “lead to more effective means of meeting the work goals of TANF.”¹⁷ These projects could include a request to waive workforce participation requirements in order to encourage experimentation and new strategies. While no state has so far taken HHS up on the call, Ohio should make such a request. Ohio is already moving toward greater WIOA and TANF alignment. The CCMEP system will further link TANF to education and training opportunities. The state should make every reasonable effort to remove policy barriers that discourage recipients from enrolling in and completing basic and vocational education and training. Seeking a waiver would allow programs to try innovative ways to connect the TANF population to skills and work without jeopardizing the program’s funding. The waiver would also allow recipients to fully participate in the WIOA activities that are most likely to lead to self-sustaining, career-track work without the barriers created by the TANF process measures, particularly those which may shorten training time or otherwise discourage participation particularly in basic education and GED classes.

Improving access to education and training will help more Ohioans gain skills but access is only part of the problem. The state and local WIBS should adopt policies that support persistence. WIOA permits Boards to provide supportive services, such as childcare, housing and other needs-based payments that help clients participate in employment and training services. The Act specifically permits funds to be used to help people unable to obtain Pell grants, and can help cover expenses not covered by Pell. WIOA funding is limited. Local WIBs are being charged with a big task but supportive services should be prioritized when and where possible. At minimum, local boards should develop clear policies on supportive services that prioritize people with employment barriers and that support persistence in work or education and training.

- 3) **Consistent and comprehensive assessment-** Accurate definitions, priority of service policies, and even expanded supports for education and training are only effective if the assessments to identify client barriers and determine services needed are comprehensive and complete. In the current WIA state plan, Ohio says it needs a single assessment to use across the workforce system. There is also an increased focus on developing individual employment plans and targeted services. The Policy Letters issued by ODJFS confirm the state’s commitment to consistent and equitable assessment, but do not provide details or guidance to the local areas regarding content, focus or quality of participant evaluations and assessments. Without additional guidance, assessments will be inconsistently applied across the local WIOA areas. While WIOA largely retains local programmatic and policy-setting power,

¹⁶ See, TANF-ACF-IM-2012-03, Guidance concerning waiver and expenditure authority under Section 1115, available at <http://www.acf.hhs.gov/programs/ofa/resource/policy/im-ofa/2012/im201203/im201203>.

¹⁷ *Id.*

ODJFS should provide more specific guidance on required elements of participant evaluations and assessments.

Of particular importance, employment barriers faced by people with disabilities and the need for reasonable accommodations to overcome those barriers should be thoroughly assessed at the state level. ODJFS policy guidance should incorporate and cross-reference the Americans with Disabilities Act (ADA) requirements of ODJFS Rule 5101:9-2-02.¹⁸ This rule explains how the ADA and the Rehabilitation Act apply to ODJFS programs. The rule requires reasonable modification of local policies, practices, and procedures where necessary to avoid discrimination. The rule defines disability as a physical or mental impairment that substantially limits one or more major life activities. Therefore, an assessment should determine whether the client has a substance abuse problem, physical or mental conditions that limit life activities, other circumstances that limit employability, or needs other assistance provided by private or government entities. If an individual appears to have such a condition, the WIOA staff or Ohio Means Jobs Center partner should offer additional screening to fully assess the need for training and appropriate accommodations.

Full assessments ensure equal access to training for people with disabilities and will be critical to success of CCMEP and WIOA. A study by the Ohio Association of Food Banks, looking at their Work Experience Program that helps link so-called Able Bodied Adults without Dependents who are receiving food assistance to work opportunities found that 20.8 percent of their clients reported a physical or mental health limitation and 38.5 percent of people found to be exempt from work requirements had a physical disability.¹⁹ This study indicates that many who struggle to meet work and education requirements may need additional services and accommodation. While different local areas may have individual approaches to completing screening, they should all comply with the ADA.

- 4) **The workforce system must prioritize job quality:** Ohio cannot address poverty without addressing job quality. As noted, most families earning less than 200 percent of poverty are already working. The workforce and public assistance systems can better help workers attain marketable skills and career-connected jobs. However, focusing on skills only solves part of the problem; the fact remains that too many of Ohio's jobs pay too little, with no benefits, or offer only part-time or intermittent work. The workforce development system can do more to address job quality.

WIOA prioritizes sector strategies as a way to bring together employers, the local workforce development system, training providers, labor and worker advocates to determine human resource needs of a growing industry sector across a region. This approach seeks to develop training tailored to employer needs. Ohio has funded sector partnership pilots, called [Industry Workforce Alliances](#). These partnerships create a platform for raising issues of job quality and recognizing high-road employer practices.

¹⁸ See, OAC, Sect. 5101:9-2-02, The Americans with Disabilities Act, available at <http://codes.ohio.gov/oac/5101:9-2-02>, accessed July 13, 2015.

¹⁹ See, "A Comprehensive Assessment of Able-Bodied Adults Without Dependents and their Participation in the Work Experience Program in Franklin County, Ohio, Ohio Association of Food Banks, Franklin County Department of Job and Family Services, 2015, available at <http://ohiofoodbanks.org/wep/WEP-2013-2015-report.pdf>, accessed July 13, 2015.

Ohio should use WIOA to create workforce development initiatives that improve the wages, benefits, and work structure for many of the front-line jobs, which lower-skilled individuals are often trained. Ohio could do this by expanding the Industry Workforce Alliance pilot and including job quality guidelines and incentives. The state could also target work-based training grants to employers with high-road economic development strategies.²⁰

WIOA allows Governors to establish factors or criteria to be used in selecting employers for on-the-job training,²¹ and the law similarly allows local workforce boards to establish criteria for employers to receive grants for incumbent worker training.²² States and local workforce boards should use these criteria to target such work-based training grants to high-road employers, leveraging WIOA funds to foster partnerships that promote improved job quality. Ohio should take advantage of its option to specify criteria for employer eligibility for expanded on-the-job training reimbursements; the state should also encourage local workforce boards to do the same with incumbent worker training grants for newly hired or existing workers. In this way, WIOA funds can be used to enable strategic partnerships with employers and industry groups to improve job quality. Ohio can support workers efforts to achieve economic mobility by setting criteria that target awards of on-the-job and incumbent worker training grants to employers that offer decent wages and benefits, invest in and support ongoing training and advancement, and provide paid leave and predictable schedules that enable workers to balance work with family caregiving and other commitments.

In one notable example of such coordination of workforce development and job quality standards, [New York City](#) overhauled its workforce development system and identified improving job quality as a goal. The city made large investments in Industry Partnerships and training to take low-skilled workers into middle-skill, career-track occupations. At the same time, the city created standards to recognize high-road employers, and sought to assess 500 local employers in 2015. The city also tried to reimburse workforce agencies not on the basis of job placements but on placement quality. They track multiple job outcomes including full-time work, wage growth, and job continuity, not just placement, wages and retention.

Ohio is not New York City and our state faces a unique set of challenges and opportunities. But the goal is the same: How can the public sector better serve low-skilled, low-income adults so they can achieve not just self-sufficiency, but real economic mobility? WIOA offers new avenues to address these old questions. Ohio is showing a strong desire to take advantage of these new approaches. For Ohio workers who face barriers to employment and a tough job market, it's essential that we all deliver.

²⁰ See, "Comments on WIOA Notice of Proposed Rulemaking," Center for Law and Social Policy, Docket No. ETA-2015-0001, TIN 1205-AB73, available at <http://www.clasp.org/resources-and-publications/publication-1/CLASP-Comments-on-WIOA-Title-I-Proposed-Regulations.pdf>, accessed July 21, 2015. Work-based training strategies and employment approaches are particularly beneficial to low-income adults and youth; "earn and learn" opportunities allow them to receive needed income while simultaneously developing essential skills that are best learned on the job. These strategies also ensure training is tied to in-demand occupations by engaging employers and industry sectors to define needed skills. Additionally, individuals with barriers to employment often need a comprehensive set of supports that involves multiple public and private systems and partners to help them earn secondary and postsecondary credentials and transition into the labor market.

²¹ See WIOA section 134(c)(H)(ii)

²² See WIOA section 134(d)(4)(A)(ii)