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More needed to support low-wage adult workers

Ohio's draft uniform workforce plan (the plan) sets out three bold goals: to help more Ohioans compete for quality, living-wage jobs with opportunity for career advancement, to help employers succeed and grow, and to provide job training in high-demand occupations that also results in work-place valued credentials. These goals are largely on target. They rightly prioritize the needs of jobseekers and maintain focus on employer needs. This shared emphasis on training will benefit jobseeker and employer alike. But, as with most strategic plans, "the devil is in the details," or rather in the implementation of the strategic vision.

This draft plan falls in the waning months of the Workforce Investment Act. About six months after this draft is finalized, the rulebook will change. The Workforce Innovation and Opportunity Act (WIOA) takes effect in July, with state plans due in March 2016. This plan will be in effect during a critical transition period and for that reason should focus on reforms that set the stage for success under WIOA. Sanctions under WIOA are tough. Two consecutive performance failures in *any* core program will result in a 5 percent reduction in WIOA Title 1 discretionary funding in the following program year (WIOA sec.116 (f)(1)(B)). Under WIOA the Governor can hold up to 15 percent of Title 1 funding in reserve for statewide activities. WIA currently authorizes 8.75 percent and is unable to provide incentive grants to local areas (Plan, pg. 20). These funds currently support a variety of administrative processes but also substantive programs like Rapid Response activities (Plan, pg. 20). Planning the WIOA transition now will give Ohio a better chance to meet and exceed the new measures. But more importantly, WIOA-focused planning will help vulnerable populations access quality employment and training services, improving the lives of individuals, the stability of families, the labor pool for employers, and ultimately, the vibrancy of our Ohio communities.

Access and Quality

Ohiomeansjobs.com (OMJ) features heavily in the state's plan. Registration with OMJ is listed as the state's number one reform. The website offers resume hosting, a job search database, and vast amounts of information about training, skills assessments and careers. OMJ is intended to be a virtual one-stop that offers self-directed core and intensive services online (Plan, pg. 6). Under the plan, local WIA areas must use the site as their job placement system (Plan, pg. 21). Participants in the summer youth programs were required to register for summer 2014 (Plan, p. 10).

Establishing OMJ registration as a requisite of service will likely create an additional barrier to services and a roadblock to education and employment for the very population prioritized for assistance under WIOA. Registering with OMJ requires access to a computer or smart device and access to the Internet. Broadband access continues to be limited in many parts of the state,

particularly in rural areas.¹ Accessing OMJ.com also requires linguistic and computer literacy. It requires a relative level of sophistication to understand and navigate the various parts of the site and to understand the value of what is offered. These are attributes and privileges that many low-income adults with barriers to employment may not possess. Requiring OMJ registration for Adult Basic and Literacy Education (ABLE) programs seems particularly problematic. The state should not make OMJ.com registration mandatory and certainly not a pre-condition of services.

At the very least, the state should provide waivers similar to those in H.B. 2 approved by the General Assembly last year. This includes people with a disability, who have low literacy in the language used on OMJ, those prohibited from using a computer (O.R.C. 4141.29(A)(4)(b)(iii)). For those in protected classes who cannot access those services online, the state should be clear in describing meaningfully equivalent services so those individuals can still get the benefit of the program activities.

Online resources can be beneficial to many. Ohioans who are more comfortable interfacing with a computer system than entering a one-stop may find benefit in OMJ.com. But for many and likely the most vulnerable workers, it runs the risk of discouraging participation. Replacing one-on-one assistance from a trained staff person with online-only services may also run counter to the state plan's aims of increasing the number of Ohioans who can compete for quality career track jobs and increasing employer-recognized, credentialed training. A controlled review of Nevada's reemployment services program, found that providing personalized, one-on-one services (skill assessment, job prospects, resume development, and a customized work-search plan) are a cost-effective way to speed reemployment and help recipients get relatively high paying jobs.² It's not clear whether an online-only interface can produce similar benefits for participants, particularly those with barriers.

The state should measure the effectiveness of OMJ.com as a job placement system and measure whether the site has any impact on moving people through career-pathway-connected education, training, and ultimately employment. WIOA will require states to report services and outcomes specific to adults and youth with employment barriers. The state should test whether OMJ registration adds any value for those clients or whether it is a barrier to access, before making it a mandatory component of the workforce system for all jobseekers. This is particularly true in light of the potential disparate impact such a policy may produce for some groups of Ohioans.

Missing pieces and partners

TANF and SNAP Employment and Training

Engaging in unified, cross-program and agency planning is only part of the WIOA sea change. Broadly, WIOA refocuses the system, prioritizing delivery of quality employment and training services to the *most vulnerable* workers and youth. This includes low-income adults and youth with limited skills, work experience, or other barriers to work (WIOA Sect. 3 (24)). To that end, WIOA clarifies eligibility and requires states to prioritize those who are on public assistance, have low

¹ See, Connect Ohio, Map of households unserved by a broadband provider by Census block, available at http://connectohio.org/connectednationftp/ohio/Statewide_Maps/OH_Statewide_Household.pdf, and county profiles available at http://connectohio.org/community_profile/find_your_county/ohio/adams. Connect Ohio found that in 2013, about 72 percent of Ohioans had residential broadband service. That falls to 70 percent among rural households. The study also found that adults with disabilities (58 percent) and low-income households (48 percent) had lower rates of broadband service. See, Connect Ohio, survey results at http://connectohio.org/sites/default/files/connected-nation/Ohio/files/oh_2013_residential_surveys.pdf.

² Marios Michaelides, "Are reemployment services effective in periods of high unemployment? Experimental evidence from the UI system," April 2013, available at <http://www.sole-jole.org/13417.pdf>.

incomes or have basic skill deficiencies (WIOA Sec. 134(c)(3)(E)). This population is prioritized regardless of funding (WIOA Sec. 134(c)(3)(E)). WIOA plans must include these groups and describe how access to services will be expanded to these populations, with a particular emphasis on career pathways and co-enrollment (WIOA 102(b)(1)(D) and WIOA Sec. 108(b)(3)). States will be measured on what services are being provided to individuals with barriers and the quality of that service (WIOA Sect. 116 (d)(2)).

Given this statutory focus and the state's goal of helping more Ohioans compete for decent, career-path work, TANF and SNAP are critical programmatic partners but are not part of the state's strategic workforce plan. The plan does include some TANF programing in relation to youth, the summer youth program, and how TANF can play a role in transitioning foster youth aging out of the system (Plan, pg. 14). The plan also notes that TANF is a required one-stop partner to better leverage program funds and resources (Plan, pg. 23). The state initiated the OWF Work Participation Improvement Project to help counties meet TANF work participation rates, which improved primarily because many counties reduced the denominator (served fewer people) rather than pro-actively connected clients to qualified work or training activities.³ These appear to be piecemeal strategies, cutting against the goals of the state's unified plan and resulting in greater hardship to many struggling families. What is missing is a strategic vision of how these programs should work together to further the goals of WIOA and the goals listed in the state plan. A more detailed description of how services will be provided through the collaborations would also help ease implementation. The plan appears to offer no guidance on this critical question. SNAP's Employment and Training program is not mentioned.

Through joint strategic planning, the now-isolated workforce programs in WIOA, ABLE, TANF and SNAP could be leveraged to help people move out of poverty by increasing access to work opportunity, supported training, and transitional job experience. WIA/WIOA services and support could help some clients make a better transition off of OWF: particularly clients who have completed self-sufficiency plans but need additional time and support to complete a training program. Many Ohioans, labeled as Able Bodied Adults without Dependents (ABAWDs), are losing food assistance for failing to meet work requirements.⁴ Work requirements increased at a time when many counties were already struggling to provide work activity slots to clients.⁵ These adults are prime candidates for WIOA-prioritized assistance, particularly those that are running up against employment barriers. Unified planning across WIOA, TANF and SNAP Employment and Training could help TANF and SNAP programs better connect clients to training and eliminate barriers to work. WIOA programs would benefit from links to supportive services. Combined planning would strengthen the impact of each program. This bridge approach may be implied in the phrase "leveraging resources" in the draft plan, but the plan does not clarify what activities should be provided or how services, clients, or goals should be prioritized or measured. What is clear is that the current approach is insufficient. Too few within these programs are getting the opportunity for education or training services to enhance employability or reduce barriers to employment.⁶

³ PCG Human Services, "Ohio Works First Work Participation Improvement Project," May 2013, available at <http://jfs.athensoh.org/documents/RecommendationsforImprovementsstoCountyAgencyWorkActi.pdf>.

⁴ ABAWDs must participate in their county agency's work experience program or for 80 hours a month in employment (paid or unpaid) and/or the work program.

⁵ See, Wendy Patton, "Shrinking aid for Ohio's poorest families," Policy Matters Ohio, November 2013, available at <http://www.policymattersohio.org/shrinking-nov2013>.

⁶ PCG Human Services, *supra* at note 3, pg. 17, discussing non-core activities.

Higher Education

Ohio has a world-class post-secondary system. The state's two-year public institutions are particularly important to Ohio's workforce development system. WIOA's outcome measures employ a credential attainment metric that includes completing a recognized post-secondary credential and making skill gains while moving toward credential attainment (WIOA, Sect. 116 (b)(2)(A)(i)). Community colleges offer quality training that is largely accessible to adult or head of household learners, for less than the cost of a four-year school or proprietary program.

Unfortunately, the price is only relatively more affordable. In 2009, as the state was eliminating eligibility for students at public two-year institutions for Ohio's only need-based financial aid grant (OCOG), the poorest families needed to spend 20.9 percent of their income to pay for tuition and fees at community colleges.⁷ That put Ohio 42nd in the nation. In 2013, Ohio ranked 11th in the nation for student debt.⁸

The Perkins component of the plan notes that WIA is the training funder of last resort (Plan, pg. 60). Pell has been restricted and has never completely kept pace with the need, particularly for adults returning to shorter-term training (Plan, pg. 66). The OCOG (need-based financial aid) has been eliminated for students in two-year schools and is limited to tuition and fees and the internship/co-op program appears to be geared toward traditional students. WIA and training accounts can help with broader costs, but because of limited funding and priorities, the use of Individual Training Accounts (ITAs) varies across regions. The unified planning process should examine how well WIOA helps to fill these financial aid and cost of attendance gaps, particularly for adults and youth with barriers to employment, and how that can fill gaps and support transition in the Perkins program. This planning could strengthen all connected programs systems, helping students complete programs and moving the state closer to its goals and the goals of WIOA.

Policies at cross-purposes

WIOA and Ohio's draft plan increase the system's focus on training. One of Ohio's three big goals is to create meaningful training opportunities and move individuals into living-wage work with opportunity for advancement. The plan's proposed reforms include a common assessment for identifying client needs and skills and expanded career counseling, both changes to better target barriers and match clients with resources. Yet, under its draft plan Ohio appears to maintain a sequence of service approach, at least in the way the state explains the available services (Plan, pg. 34). Investing in assessment but pushing clients through a sequence of services undercuts the purpose of a robust assessment. Good assessment and job counseling should help staff to move clients into the services that will be most beneficial without requiring the client to jump through the service hoops.

A sequence of service approach may appear to make sense in an employment-first model and in a system stressed for funding, which the workforce system certainly is. However, it is at odds with the plan's overall emphasis on training and its emphasis on livable wage employment with the possibility of advancement. Robust assessment, one of the ten reforms of the plan, should be the guide to the kinds of services that will reduce barriers to employment or increase the clients' ability to compete for quality jobs. WIOA formally eliminated the sequence of service requirement (WIOA Sec. 134). Ohio should do the same.

⁷ Working Poor Families Project, National Center for Public Policy and Higher Education, 2009, at www.higheredinfo.org. "Poorest families" include those in the median family income in the lowest quintile (bottom 10 percent of families). 2009 most recent year posted.

⁸ The Institute for College Access & Success, "Student debt and the class of 2013," November 2014, available at <http://projectonstudentdebt.org/files/pub/classof2013.pdf>.