

The Philadelphia Perspective on the Workforce Innovation and Opportunity Act

I. Introduction: Regulatory Recommendations Development Process

During October and November 2014 we engaged our board and youth council, staff leadership team, the entire Philadelphia Works staff, one-stop partners and more than 40 other service providers and stakeholders through presentations and discussions with national, state and local workforce experts. Philadelphia Works hosted these series of sessions, some in partnership with the Philadelphia Youth Network (the city's competitively procured Youth Works Administrator) to raise awareness of substantive differences between the Workforce Innovation and Opportunity Act (WIOA) and our current legislation and gain input to inform our conversations with the federal and state entities that are responsible for developing regulations. The feedback provided to us during these discussion sessions was applied to create "The Philadelphia Perspective on the Workforce Innovation and Opportunity Act" outlining input from Philadelphia's workforce development system and its partners.

II. Recommendations and Areas for the Federal Government to Consider

A. Federal/State Criteria for Service Delivery

1. **Continuous Improvement of One-Stop Delivery System (§101(d)(3)):** *Keeping in mind WIOA's emphasis on effectiveness, accessibility, integrated services and improvement of the one-stop delivery system, what are some examples of criteria that we would like to see?*
 - We understand that the development of criteria is largely a state issue. Therefore, as the federal government creates guidance and parameters within this area, we would like DOL to be aware of our proposed criteria and ask that any federal regulatory guidance encourage the establishment of the considerations offered below:
 - Emphasis on true integration of services
 - Effective customer flow model: A client must be directed to the appropriate service activity as opposed to the right "funded program."
 - Client-centered criteria (as opposed to objective performance criteria): Established criteria should ask whether the customer – as the focal point of our work – received the services they needed, learned something and had a positive customer experience.
 - Incorporation of individualized success goals and accomplishments for those with barriers to employment, especially veterans.
 - Understanding of the center's effectiveness in market penetration of individuals with barriers to employment.
 - Standardized assessments capabilities: establish assessments that cross funding streams so that centers can measure each customer's barrier and skillset coupled with protocols for follow-up services.

- Use of and partnership with pre-existing resources such as neighborhood technology centers to maximize on the ability to increase access to our centers and broaden the number of partners who can provide access to customers.
- Establishment of commonly agreed-upon center-wide goals that outline a strategy for defining the center's success as opposed to looking at individual program success.
- Functional supervision: The system must be recognized for its ability to manage operations, despite the multiple programs that may be housed within a one-stop.

WIOA mandates "consultation" by the Governor with local areas when determining criteria. What level of "consultation" would we like the state to have with local areas? How should consultation be defined?

- Consultation should be defined as strongly as possible to stress advanced notice, robust conversations and true collaboration with local areas prior to any state decision-making. Once the state drafts criteria, local boards should have ample opportunity to provide feedback to State boards throughout the process and State boards should be encouraged to visit local areas to understand how each local system is unique in its functionality and service population.

2. **Eligible Training Providers (§122):** *What input do we have for the state in establishing and applying criteria to qualify training providers to receive WIOA funds?*

- Again, eligible training provider criteria are largely a state regulatory issue. Nevertheless, as the federal government creates guidance and parameters within this area, we would like DOL to be aware of possible criteria considerations and ask that federal guidance encourage the criteria offered below:
 - Match to employer demand rather than the wants or needs of job seekers who come into the centers.
 - Service to those with barriers to employment.
 - Availability of training options at multiple skill levels as opposed to options for only those with higher competencies. Training programs should be framed in terms of pipelines that build onto one another and stackable credentials, including those at pre-secondary and post-secondary levels.
 - Training providers with reasonable costs.
 - Incorporation of soft skills achievements.
 - *Additional thoughts for consideration:*
 - The system needs the flexibility to be proactive so that we can identify and attract the most effective providers.
 - Requiring providers to now report their performance is an important step in ensuring we are working with the most talented providers, however, their abilities must also require continuous improvement, similar to the one-stop centers, instead of a stagnant number.
 - The workforce development system needs to engage with companies' internal training programs to share information on how they train and independent outcomes reviews of their trainings, especially if it is an industry that is in high-demand in our local area.

B. Adult/Dislocated Worker System: Service Delivery and One-Stops

1. **Career Services (§134(c)(2)):** *What potential challenges or benefits do you see to the elimination of sequence of services into career services?*

These are areas where technical assistance could be helpful:

- A concrete process for determining eligibility for services is critical to delivering effective services within the one-stop center
 - The regulations must provide a definitive point in which eligible customers must be enrolled into WIOA services.
- With this change come different responsibilities for our current partners. Under WIA, some service providers focused on only core services while others concentrated on only intensive services – new roles will now need to be established.
- If a local model for an integrated assessment exists, it would be helpful for all one-stop partners to utilize a uniform assessment, regardless of funding stream, that is also accessible online.

3. ***Temporary Assistance for Needy Families (TANF) as a Required Partner (§121(b)(1))***: *What opportunities should DOL consider in drafting regulations and guidance to ensure active involvement from TANF? What areas should be the focus for technical assistance?*

- Ensuring active involvement from TANF comes from understanding that the new one-stop system will create additional opportunities for customers to achieve their goal of self-sufficiency.
- A significant challenge that everyone will have to understand, however, is how and when to dual enroll TANF customers in WIOA title I services in a way that captures successes that may be failures by TANF standards. Having agencies understand the nuances of how the work is conducted on a ground level is imperative to executing true integration and developing a system that recognizes the diversity of partners involved.
- In order to effectuate true integration of interdepartmental work, the federal government must require intergovernmental partnership at all levels. Databases and systems must communicate with each other and information must be shared on federal, state and local levels.
- *Questions for regulations to consider/address*:
 - How is performance going to be reported when TANF is a partner in the one-stops?
 - How can we co-enroll into WIOA and capture successes (like skills gains or employment in the 2nd quarter following exit) that are failures by TANF standards, which require more immediate employment?

4. ***Infrastructure Funding (§121(h)(2)(D))***: *What should be included in the guidance to help states and local areas implement these provisions regarding shared infrastructure costs? What should this process look like? How (at what point) should the state consult with local areas and the State Board to determine the portion of funds to be provided by each One-Stop partner from each program?*

- The regulations should stress that the development of infrastructure funding agreements is a strictly local negotiation process that requires minimal state involvement unless all partners determine that a funding structure could not be agreed upon.
- WIOA outlines a cap on required contributions with WIOA adult, dislocated worker, youth and employment services capped at 3%, 1.5% for other partners and an increasing scale of contribution for Vocational Rehabilitation. Rigorous adherence to this limitation will result in a single partner carrying the brunt of the burden or insufficient funds to properly operate a one-stop. If agencies perceive this limit as a statewide ceiling, it may also impede successful negotiations with partners at the local level. The regulations should clearly state the responsibilities of one-stop partners to provide adequate funding and minimal barriers should be put in place for contribution to this funding.

- The development of a formula is a challenge as the agreement must balance equity with the realities of funds available to each partner, so as to not disincentivize participation from any one partner. The different possibilities of allocating funding were discussed among providers: time equivalents, time with customer, square footage, equal costs for all, etc. While the group was unable to offer a specific formulaic recommendation, the following consideration was raised for the federal regulations to review:
 - The funding options need to accommodate for the wide variety of partnerships and opportunities that may evolve through the one-stops, including large-scale partners such as TANF, as well as smaller partners who offer an important service, but may require part-time staff or smaller physical space such as the Career Wardrobe in Philadelphia.
5. **One-Stop Operator Competitive Process (§121(d)(2)):** The federal regulations should underscore Congress' resolution to make the one-stop operator procurement process a procedure for local areas to administer.

C. Individuals with Barriers to Employment

1. **Setting Priorities (§324):** *How would we want the Governor to set priorities? Which groups should we be most concerned to have included in those priorities? Is there technical assistance or guidance that we want DOL to offer to States so we can better serve those with barriers to employment? What else could DOL do to make it possible for the workforce system to ready these job seekers for good and lasting jobs?*
- Because these priorities are to be set by the Governor, we have no formal recommendations to offer on prioritizing those with barriers to employment. However, as the federal government creates guidance and parameters within this area, we would recommend that they offer states with ample flexibility to identify relevant populations as well as consider the importance of serving those with multiple barriers.
2. **Statistical Adjustment Model (§116(b)(3)(A)(viii)):** *What concerns do you want DOL and the State to consider when establishing and adjusting performance metrics (especially those related to earnings and employment rates)? Do you have ideas for how the performance metrics can be used to improve services to those with barriers rather than be a disincentive?*
- Performance standards should not become a disincentive to serving individuals with basic skills deficits and barriers to employment. Tensions exist between helping someone attain a first job on a career pathway, which may be a low-wage job given their past work experience and literacy level (even after training/literacy services), and serving people who can command a higher wage in the marketplace with some career guidance and possibly training. DOL, with OVR and DoE should consider the development of performance standards that incentivize provision of services that set people with barriers to employment on a pathway to employment.
 - DOL negotiates performance standards with states which then negotiate with local areas. DOL should provide guidance to states so that performance standards also reflect local populations with barriers and the local wage rates they can command.
 - Regulations should be measured on the local area's current labor market composition.

D. Youth: Eligibility Requirements and Program Elements

1. **Funding (§129(a)(4)(A)):** The new funding structure recommended for out-of-school youth programming is major. In order to accommodate for this transition, we recommend that the

regulations provide for a phase-in implementation. This will also help us accommodate those young people who are enrolled in two-year programs and characterized as in-school youth under WIA but would fall under the out-of-school youth category under WIOA.

2. Eligibility Requirements (§129(a)):

- Regulations should consider the option for youth referred from certain social services agencies and other public systems to be presumed eligible under the enumerated eligibility requirements.
- When defining ‘high poverty area,’ the regulations should consider multiple possibilities, including examples such as:
 - Neighborhoods served by Title I school-wide project schools,
 - Neighborhoods served by universal feeding schools (in which all students are eligible for free/reduced lunches),
 - 70% Lower Living Standard Income Levels for metropolitan areas,
 - Zip codes and census tracts where at least 50% of residents have income levels at or below the poverty line, or
 - Allowing local areas to make decisions on an appropriate definition of high poverty area based on their in-depth understanding of their area’s demographics.
- *Additional thoughts for consideration:*
 - As DOL writes the requirements for eligibility and proof of eligibility, it is important that the regulations reflect the reality that most of the disconnected youth we encounter have barriers to proving eligibility through formal paperwork. Burdensome verification requirements often mean that the most vulnerable youth are unable to access much-needed services due to a lack of access to documentation.

3. Youth Program Elements (§129 (c)(2)): The regulations should clearly define the parameters for new program elements such as financial literacy and entrepreneurship content.

4. Coordination across titles: Ease of movement across funding streams will be paramount to the success in establishing pathways for our young people’s success. DOL should consider the following:

- Youth who move from one funding stream should be permitted to remain enrolled in the first funding stream until they complete their plan of service.
- Young people often start and stop participation over the course of many years. Our system needs to better acknowledge this and develop a more realistic time-frame and system that is adaptable for youth, so that we may better measure their success across a protracted period of time.
- When managing youth through services and programs, allow local areas flexibility to define protocols governing enrollment and exits to tailor service and performance across titles.

E. Performance Measures

1. Regulations on performance measures should emphasize the importance of serving individuals from all backgrounds, including disconnected youth and individuals with barriers to employment.
 - Effective service to youth will require DOL and DOE to be collaborative and consistent when defining basic skills deficiency, credentials, skills gains and measurements of progress.
 - *Questions to consider/address:*
 - How do we balance the need to move people forward on a career pathway with the need to achieve our performance goals?

- How will performance measures be calculated, i.e., on defining enrollment, participation, exits and what counts when.
2. **Median Earnings Measure (§116(b)(2)(A)(III)):**
 - The shift from average wage to median wage will have a huge impact on the kinds of positions we are able to fill in order to meet our performance metrics. Goals should consider a local area's current labor market and populations served so that the negotiated median is appropriate.
 - *Youth:* The regulations should offer safeguards against the median earning standards driving local areas to focus their efforts on serving older, more skilled eligible youth who are more likely to work full-time and earn higher wages. The median income measure should recognize and accommodate for local areas with youth who are enrolled in postsecondary education, training and part-time employment programs.
 3. **Accountability:** Philadelphia Works recommends that local Workforce Investment Boards (WIBs) should not be penalized or deemed out of compliance if partner organizations with staff within the one-stop centers do not meet their performance measures. Boards should only be held accountable for performance of programs run by staff who are under their fiscal jurisdiction.
 4. **Effectiveness in Serving Employers (§116(b)(2)(A)(iv)):** We offer the following considerations for measuring effectiveness in serving employers:
 - Dual system/Jobseeker employer connectivity measures: How well an employer is connected to job seeker advancement
 - Repeat business as when an employer repeatedly uses the public system
 - Uniqueness of local needs: What may work for an employer in an urban area may not be as relevant to rural areas and vice versa
 - Measures that do not inflict an undue reporting burden on employers
 - Use available reporting systems wherever feasible to capture data for the measure
 - Measures that are empirical and numerical (as opposed to a survey)
 - Length of time using the system for hiring needs
 - Measures and reporting requirements should account for and consider the unique needs of small businesses
 5. **Transition of Adult and Dislocated Worker System:**
 - DOL should permit local areas to adjust to new performance measures by waiving sanctions for at least the first two years of WIOA implementation. This will allow local areas to understand valid baseline performance numbers and adapt to the new timelines outlined in WIOA.
 - We recommend a policy similar to WIA in regard to meeting performance goals. Under WIA, a local area must achieve 80% of their negotiated performance levels in order to have successfully met their goals. In addition, an area would be considered unsuccessful in meeting performance goals if it did not meet a negotiated performance goal for three consecutive years.
 6. **Retention (§116(b)(2)(A)(ii)):** Under WIOA, retention is measured in the fourth quarter after program exit – a significant change for youth programs. Sustained reconnection with this disconnected population will require significant staff time and capacity than was required under WIA. Local areas will need time to renegotiate contracts and build provider capacity to meet this measure. Philadelphia Works recommends a phase-in period of one year after the implementation of the other WIOA performance measures for the retention performance measure for youth.
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7. **Reduction of Reporting Burdens and Requirements (§504):** We recommend the following options for participant data reporting requirements, which would result in significant resource savings to the system:
- Encourage the use of staff- or self-attestation
 - Electronic attestation
 - Minimal hard copy documentation
8. **Reporting Systems:** As WIOA highlights new measures for performance, local areas will require guidance from the state to determine how state systems of record will be repurposed to record new metrics, what information will need to be monitored and other areas that will impact our metrics reporting process. We ask that the federal government offer strong technical assistance and dedicated resources to states and locals as they develop new systems to comply with WIOA.
9. **Skill Gain (§116(b)(2)(V)):**
- The regulations should either identify the level of documentation that will be sufficient to validate a skills gain or the federal government should offer technical assistance to states and locals on best practices that are not overly burdensome.
 - If a badging system is utilized to identify skill gain, the regulations should consider the challenge in determining who validates badges.
 - Regulations should also consider the challenge of requiring every program and organization to engage in factoring objectives into a curriculum. Oftentimes, it takes time to develop a curriculum and given the fast pace at which industry may change, maintaining a relevant curriculum is already a challenge.
 - *Youth:*
 - *Questions for regulations to consider/address:*
 - What are measurable skills gains and who determines that? Are they relative to each person's individual plan? At what increments are skills gains reported?
 - Does the measure only apply to those who have been enrolled for more than a certain length of time (i.e. six months) but are still enrolled at the end of the program?
 - *Individual with a Barrier to Employment:*
 - When defining "skills gain" clarify and give examples of those gains that would apply to an adult or youth with a serious disability or barrier to move toward employment. This could be a "soft skill" or a partial step that indicates progress toward employability
 - *Questions for regulations to consider/address:*
 - Should "skills gain" toward employment include only measurable "hard" occupational and literacy/language acquisition skills, or also soft skills that lead to employability? Perhaps referring to the Competency pyramids would be helpful – gains toward which of the following could count for this measure -- "Personal Effectiveness," "Academic Competencies," "Workplace Competencies"? Will DOL and DoED also consider other "Employability Skills" like the ones proposed by the National Network of Business and Industry Associations (personal skills, people skills, applied knowledge, workplace skills).
10. **Credential Attainment (§116(b)(2)(iii)):**
- Under WIA, DOL had previously advised that the identification of credentials are a local determination. We urge DOL to maintain this position as we transition towards the new credential measure so that credentials are defined by local market needs but national and industry-recognized credentials should remain a priority.

- On-the-job training (OJT) and customized training are demand-driven trainings that ensure that jobseeker skills respond to employer demand, but they may not have a specific credential attached. The baseline denominator for measuring credential attainment should be of those who go to training, excluding work-based training, as opposed to all who are WIOA-registered or all who are enrolled in training for the adult/dislocated worker and youth system, ultimately measuring only those in individualized training programs.

F. Local Board Committees (§107)(b)(4)):

The local boards' standing committees should be aligned with the priorities and needs of each local area and should remain a local decision that is outlined in the local board's by-laws.

G. Regional Planning (§106(a)(1)):

Regional planning is complicated by how local elected officials vary by county, current regional work, availability of data, geographies, and major differences across state lines, local area preference, etc. Federal guidance to states should define "consultation" by the Governor with local areas in such a way that highlights true dialogue and collaboration, including advanced notice, robust conversations, evaluation of all possibilities and local area preference. When the state proposes regions, local areas should be afforded maximum opportunity to provide feedback to state boards for consideration. For those job markets that cross state lines, leadership and understandings by the governors of all affected states should precede determinations of regions.

H. Administrative Costs (§128(b)(4)):

The definition of administrative costs in WIOA could be interpreted as including all WIB personnel costs, regardless of actual staff function. Broadening the definition of what is considered to be an administrative cost will limit the local board's ability to adequately fulfill these expanded duties of the WIB and the intent of the law to increase collaboration across programs while adhering to the ten percent cost limit. Philadelphia Works recommends that DOL regulations clearly define an administrative cost and who incurs these costs. Philadelphia Works support the retention of the current definition of administrative costs, as defined by the regulations specified in 20 CFR 667.220(b).

APPENDIX: Philadelphia’s WIOA Stakeholder Engagement Process (October to November 2014)

Philadelphia’s presentation sessions:

- **Philadelphia Works Leadership Team:** On October 20, 2014, the Philadelphia Works’ Leadership Team gathered to learn about WIOA and discuss its implementation and impact on our “No Wrong Door” model. This session included policy and implementation strategy development on topic areas such as changes to local boards, employer engagement, regional planning, the WIOA timeline and others. Greg Newton, an expert on workforce development service delivery, and strategic consultant for Philadelphia Works’ “No Wrong Door” integration led the session.
- **Board and Youth Council Members:** On October 24, members of the Philadelphia Works Board and the Philadelphia Council on College and Career Success (Youth Council) gathered to hear about the new legislation and offer guidance on policy positions related to out-of-school youth, employer measures, board committees and regional planning. The WIOA overview and discussion was conducted by Rochelle Daniels, an expert in workforce development with over 25 years of experience consulting with local areas, states, and other stakeholders on workforce issues.
- **Providers and other Stakeholders:** Philadelphia Works and the Philadelphia Youth Network held an open session for all stakeholders on October 31. This session involved 85 attendees and representation from over 40 partner organizations. The WIOA Overview was provided by Ron Painter, CEO for the National Association for Workforce Boards. Attendees engaged in 5 facilitated discussion sessions on Performance Measures under WIOA, Youth: Eligibility Requirements and Program Elements, Federal/State Criteria for Service Delivery, the Adult System: Service Delivery and One-Stops and Individuals with Barriers to Employment. The discussion sessions were led by representatives of Philadelphia Works, the Philadelphia Youth Network, the Mayor’s Commission on Literacy and the Pennsylvania Workforce Development Association.
- **Philadelphia Works All-Staff:** On Friday, November 7, all Philadelphia Works staff participated in a day-long training and discussion session on WIOA led by Greg Newton. Staff received an in-depth review of the new law and engaged in conversation on the One-Stop Partnership, Operation of Adult and Dislocated Worker Programs in the PA CareerLink® Centers, Performance Accountability and Reporting, and the Youth System and Program Operations.

Providers and stakeholders who contributed to this document include close to 100 individuals from the following organizations:

- AAA School of Trucking
- Career Wardrobe
- The Caring People Alliance
- Communities in Schools of Pennsylvania
- Communities in Schools of Philadelphia
- Community College of Philadelphia
- Community Learning Center
- Community Legal Services
- Congreso de Latinos Unidos
- Connection Training Services
- De La Salle Vocational
- District 1199C Training and Upgrading Fund

- Dress for Success Philadelphia
- Education Data Systems, Inc. (EDSI)
- Federation of Neighborhood Centers
- Impact Services Corporation
- Innovation Treatment Alternatives
- JEVS Human Services
- Job Works, Inc.
- Mayor’s Commission on Literacy
- Mayor’s Office of Community Empowerment & Opportunity
- Mayor’s Office of Grants
- Mayor’s Office of Reintegration Services
- National Association of Workforce Boards
- New World Association
- Office of Councilwoman Marian B. Tasco
- Opportunity, Inc.
- Pathways PA
- Pennsylvania Board of Probation and Parole
- Pennsylvania Department of Labor & Industry
- Pennsylvania Workforce Development Association
- People for People. Inc.
- People’s Emergency Center
- Philadelphia Academies
- Philadelphia Works
- Philadelphia Youth Network
- Project 4 Ever Striving
- City of Philadelphia Office of Public Safety
- Swift Job Training
- Netter Center for Community Partnerships
- Temple University Center for Social Policy and Community Development
- Urban Affairs Coalition
- Welcoming Center for New Pennsylvanians
- YouthBuild Philadelphia Charter School