

# CO-INVESTMENT

## ABOUT THIS SERIES

The stated purpose of the federal Workforce Innovation and Opportunity Act (WIOA) is “to strengthen the United States workforce development system through innovation in, and alignment and improvement of, employment, training, and education programs in the United States, and to promote individual and national economic growth.” Through this series of briefs on key equity levers in WIOA, World Education, Inc. (WEI) provides analysis of WIOA quantitative data 2016-2019 and recommendations for WIOA reauthorization on five key topics:

- CO-ENROLLMENT
- CO-INVESTMENT
- CAREER PATHWAYS
- PERFORMANCE ACCOUNTABILITY
- SYSTEM INTEGRATION

The goal of the series is to inform policy makers and other key stakeholders on WIOA outcomes to date and present options for increasing the efficacy of the WIOA legislation to promote equity.

The Workforce Innovation and Opportunity Act (WIOA) has fundamental purposes: to create more access and opportunity for educational and economic mobility within target populations, and to support alignment across the workforce, education, and economic development systems to increase the quality and accessibility of education and employment services. The law endorses two complementary strategies, co-enrollment and co-investment, for realizing these purposes. WEI’s brief on co-enrollment presents data and recommendations on this strategy as it pertains to WIOA’s six core programs:

- **Title I** Adult
- **Title II** Adult Education and Family Literacy
- **Title I** Youth
- **Title III** Wagner-Peyser
- **Title I** Dislocated Worker
- **Title IV** Vocational Rehabilitation Services

The co-investment strategy pertains to these programs and more, as it includes all of the “required one-stop partners” listed in WIOA Section 121(b)(1)(B), such as programs authorized under the Perkins Act, the Senior Community Service Program, and Temporary Assistance to Needy Families (TANF). Even more than co-enrollment, co-investment requires a conversation around what it means to partner. Partnership goes far beyond signing an annual Memorandum of Understanding; it means bringing resources and taking responsibility. However, in many states co-investment is an unrealized equity strategy.

## WIOA QUANTITATIVE REPORTING

WIOA's mandated statewide performance reporting demonstrates the lack of investment being made in quality career and training services. **Figure 1** shows the data for PY 2019 as an example. In the Title II Adult Education program, just over one million participants received career services at an average cost of \$129.50 per person, while under 40,000 received training at an average cost of \$449.45. This represents an abysmally low investment in people confronting barriers to success and even less than was spent per participant in PY 2018.

**Figure 1: Statewide Performance Report – WIOA Title II Adult Education Program PY 2019<sup>1</sup>**

PROGRAM		TITLE (select one):			
STATE: NATIONAL SUMMARY	Title I Local Area:	Title I Adult	<input type="checkbox"/>	Title II Adult Education	<input checked="" type="checkbox"/>
REPORTING PERIOD COVERED (Required for current and three preceding years.)		Title I Dislocated Worker	<input type="checkbox"/>	Title III Wagner-Peyser	<input type="checkbox"/>
From (07/01/2019):	To (06/30/2020):	Title I Youth	<input type="checkbox"/>	Title IV Vocational Rehabilitation	<input type="checkbox"/>
		Title I and Title III combined	<input type="checkbox"/>		

  

SUMMARY INFORMATION				
Service	Participants Served (Cohort Period: 07/01/2019 - 06/30/2020)	Participants Exited (Cohort Period: 04/01/2019 - 03/31/2020)	Funds Expended (Cohort Period: 07/01/2019 - 06/30/2020)	Cost Per Participant Served (Cohort Period: 07/01/2019 - 06/30/2020)
Career Services	1,075,311	1,008,947	\$139,253,800.02	\$129.50
Training Services	38,260	30,491	\$17,195,957.13	\$449.45

**Figure 2** presents data for the PY 2019 Title I Adult program, where spending per participant was higher — \$1,139 for Career Services and \$1,854 for Training Services — but still not anywhere near the cost for a quality educational program for an adult with foundational skill needs, which in 2017 was estimated to be more than \$7,000.<sup>2</sup>

**Figure 2: WIOA Adult Performance PY 2019<sup>3</sup>**

PROGRAM		TITLE (select one):			
STATE: NATIONAL SUMMARY	Title I Local Area:	Title I Adult	<input checked="" type="checkbox"/>	Title II Adult Education	<input type="checkbox"/>
REPORTING PERIOD COVERED (Required for current and three preceding years.)		Title I Dislocated Worker	<input type="checkbox"/>	Title III Wagner-Peyser	<input type="checkbox"/>
From: 07/01/2019	To: 06/30/2020	Title I Youth	<input type="checkbox"/>	Title IV Vocational Rehabilitation	<input type="checkbox"/>
		Title I and Title III combined	<input type="checkbox"/>		

  

SUMMARY INFORMATION				
Service	Participants Served (Cohort Period: 07/01/2019 - 06/30/2020)	Participants Exited (Cohort Period: 04/01/2019 - 03/31/2020)	Funds Expended (Cohort Period: 07/01/2019 - 06/30/2020)	Cost Per Participant Served (Cohort Period: 07/01/2019 - 06/30/2020)
Career Services	354,470	293,637	\$403,848,091	\$1,139
Training Services	147,365	88,326	\$273,158,348	\$1,854

## RECOMMENDATIONS

With WIOA legislation due for reauthorization, policy makers need to amend our federal education and workforce development law to strengthen definitions and provide joint guidance and incentives in order to ensure that its intended equity outcomes are realized.

**First, align definitions.** Current WIOA guidance offers contradicting definitions for career and training services. While federal guidance<sup>4</sup> tells a Title I Adult program to report English language learning and Integrated Education & Training as “individual career services,” the same guidance tells a Title II Adult Education program to report these activities as “training services.” Co-investment is hardly possible when programs do not have clear agreement on how services are defined.

**Second, clarify roles.** There is also a need to differentiate roles to support co-investment. Federal guidance is clear that all WIOA funds can cover the full range of services. This works well for local

flexibility, but on the ground it can mean that adult education programs are hiring their own career counselors rather than utilizing the expertise in the Title I system, and youth programs are hiring their own high school equivalency instructors rather than utilizing the Title II system. Guidance and incentives for state and local leaders to create aligned strategies for serving shared populations can both increase the quality of services and provide higher return on investments in those services. Federal toolkits<sup>5</sup> provide samples to support funding alignment; these need to be raised up within reauthorization and rewarded through incentives for co-enrollment in strategically aligned partnerships.

**Third, pool or braid funds.** Congress authorized Performance Partnership Pilots for Disconnected Youth (P3) to support co-investment and the development of a more efficient and integrated education and workforce development system to support out-of-school youth. Initial evaluations show positive findings for credential completion and employment under certain interventions including case management and WIOA career and training services.<sup>6</sup> To support more co-investment in proven strategies, WIOA reauthorization should incorporate authority that would allow tribal, municipal, county, and state governments to request flexibility and grant waivers to pool resources from various WIOA Titles and WIOA Partner Programs<sup>7</sup> to build career pathway systems and programs in exchange for improved outcomes for low-income youth and adults in the domains of education, training, employment, earnings, health and wellbeing.

While P3 models show impact, they also rely on waivers and, in some sense, risk-takers within the public systems to operationalize pooled funding. Another option is to **braid funding**—to utilize separate funding streams together in a way that still allows clear reporting back to each funding source. WIOA reauthorization can provide incentives for co-enrollment and templates for braided funding across WIOA program partners to help state and local leaders understand the leverage points for differentiating services for shared populations.

One advantage of braided funding is building cross-system understanding of partners' services and performance structures. This understanding supports local decision making on *who does what* within a specific intervention. California public systems created a braided funding worksheet to support their career pathway co-investment. When deciding on which fund to braid into each key task, the partners also differentiated which partner was responsible for that key task. For example, partners can decide that providing support services and career navigation is the responsibility of the Title I Adult partner while designing and delivery the integrated education and training is undertaken by the Title II Adult Education and Perkins Career Technical Education partners.

## SUMMARY RECOMMENDATIONS FOR WIOA REAUTHORIZATION

- Legislate joint cross title alignment of definitions of career services and training services, so that partners share a common understanding of services.
- Require aligned joint guidance from the U.S. Departments of Labor and Education on reporting co-enrollment and co-investment with WIOA Combined State Plan partners.
- Provide incentives for braided funding in strategic co-enrollment and co-investment with WIOA Combined State Plan partners.
- Promote continued experimentation with pooled funding efforts beyond youth, building from the evidence base developing under the P3 pilots.

---

**Questions or Comments?** Please contact Judy Mortrude, Senior Technical Advisor at World Education's National College Transition Network: [judy\\_mortrude@worlded.org](mailto:judy_mortrude@worlded.org).

## Confronting Barriers

### Barriers To Success

WIOA seeks to direct services to those most in need in local communities through disaggregated reporting to a category of people deemed “individuals with barriers to employment.” This prioritizing of public resources is a laudable goal and the list of barriers is comprehensive and derived from data demonstrating the relationship between a barrier and unemployment rates. However, the characterization of the individual as containing the barrier is counterproductive in designing the very workforce development interventions needed to address those barriers, only some of which are temporary and situational, like homelessness. Further, this deficit-based framing disrespects those we serve and further taints the WIOA system and WIOA system participants as being individuals in need of fixing, with the “fix” frequently being placement in a low-quality job and an ‘exit’ from services.

### Recognize Assets

WIOA reauthorization needs to address this deficit-based language while maintaining critical reporting on who receives what services and to what impact. One way to do this would be to reframe ‘individuals with barriers’ to ‘individuals CONFRONTING barriers’ and to clearly articulate the public workforce system’s role to support that confrontation with resources needed to overcome barriers. Reauthorization should also involve a stakeholder consultative process, much like that included in Strengthening Career & Technical Education for the 21<sup>st</sup> Century Act (Perkins V) in which people confronting the barriers detailed in WIOA priority populations should be involved in designing the services for their communities. Adults in our communities have skills and experiences that can be a powerful starting point for building toward their career aspirations. WIOA needs to leverage job seekers’ assets in order to design more effective solutions.

<sup>1</sup> Statewide Performance Report – WIOA Title II Adult Education Program PY 2019. Retrieved from <https://www2.ed.gov/about/offices/list/ovae/pi/AdultEd/spr/py2019/nationalsummary.pdf>

<sup>2</sup> Investing in Quality – Literacy Assistance Center. Retrieved from [https://drive.google.com/file/d/1v\\_F0voDHFzjMbbG4UA7Ova4sqWFs3jmy/view](https://drive.google.com/file/d/1v_F0voDHFzjMbbG4UA7Ova4sqWFs3jmy/view).

<sup>3</sup> WIOA Adult Performance PY 2019. Retrieved from <https://www.dol.gov/sites/dolgov/files/ETA/Performance/pdfs/PY%202019%20WIOA%20Performance%20Summary.pdf>

<sup>4</sup> Training and Employment Guidance Letter 10-16 Change 1. Retrieved from [https://wdr.doleta.gov/directives/attach/TEGL/TEGL\\_10-16-Change1.pdf](https://wdr.doleta.gov/directives/attach/TEGL/TEGL_10-16-Change1.pdf); Program Memorandum OCTAE 17-2. Retrieved from <https://www2.ed.gov/about/offices/list/ovae/pi/AdultEd/octae-program-memo-17-2.pdf>

<sup>5</sup> DOL ETA Career Pathways Toolkit. Retrieved from [https://careerpathways.workforcegps.org/resources/2016/10/20/10/11/Enhanced\\_Career\\_Pathways\\_Toolkit](https://careerpathways.workforcegps.org/resources/2016/10/20/10/11/Enhanced_Career_Pathways_Toolkit)

<sup>6</sup> Local Evaluations of the Cohort 1 P3 Pilots: A Synthesis of Their Findings. Retrieved from [https://www.dol.gov/sites/dolgov/files/OASP/evaluation/pdf/ETA\\_P3\\_SynthesisReport\\_June2020.pdf](https://www.dol.gov/sites/dolgov/files/OASP/evaluation/pdf/ETA_P3_SynthesisReport_June2020.pdf)

<sup>7</sup> The WIOA Partner Programs include: (HHS-administered) TANF; Community Services Block Grant; (ED-administered) Career and Technical Education programs authorized under Perkins V; (USDA-administered) Employment and Training programs and Work programs under the Supplemental Nutrition Assistance Program; (DOL-administered) Trade Adjustment Assistance for Workers programs; Jobs for Veterans State Grants programs; Unemployment Insurance programs (programs authorized under State unemployment compensation laws in accordance with applicable Federal law); Senior Community Service Employment program; and Reintegration of Ex-Offenders; and (HUD-administered) Employment and Training activities carried by the Department of Housing and Urban Development.