ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 21-22

TO: STATE WORKFORCE AGENCIES
STATE WORKFORCE ADMINISTRATORS
STATE WORKFORCE LIAISONS
STATE AND LOCAL WORKFORCE BOARD CHAIRS AND DIRECTORS
STATE LABOR COMMISSIONERS
AMERICAN JOB CENTERS
STATE APPRENTICESHIP AGENCIES
STATE DIRECTORS OF THE OFFICE OF APPRENTICESHIP

FROM: BREN Parton /s/
Acting Assistant Secretary

SUBJECT: Increasing Equitable Service Access and Employment Outcomes for All Jobseekers in Workforce Innovation and Opportunity Act Adult and Dislocated Worker Programs

1. **Purpose.** This guidance clarifies and compares the variety of training and other services available to states and local workforce areas under the Workforce Innovation and Opportunity Act (WIOA) with the goal of improving training outcomes across all populations served, particularly those with barriers to employment and underserved populations. The guidance also addresses operational questions related to implementing certain types of training.

2. **Action Requested.** State and Local Workforce Development Boards (WDBs) and State Workforce Agencies should: 1) analyze labor market information and service enrollment data to assess community need for and equitable access to public workforce development system services and training, 2) adjust and enhance the variety of WIOA-funded training types and other services offered, particularly where evidence supports promising training approaches and strategies, and 3) provide accurate quarterly updates on expenditures for WIOA training programs, as well as quarterly performance reports.
3. **Summary and Background.**

a. **Summary** – WIOA permits funding several service and training strategies for adults and dislocated workers, described previously in Training and Employment Guidance Letter (TEGL) No. 19-16 and TEGL No. 08-19. This guidance builds on those TEGLs to share insights into what national WIOA data suggests regarding system implementation of adult and dislocated programs for all populations and expands on how different training and service approaches may be deployed for individual customer circumstances. This guidance shares where existing evidence supports the effectiveness of a particular service or training approach, which state and local areas should consider incorporating into the implementation of WIOA-funded training programs.

The Department of Labor’s (DOL) Employment and Training Administration (ETA) analyzed WIOA participant and outcomes data for Program Years (PY) 2018, 2019, and 2020, a highlight of which is available in Appendix II. The Department as well as other entities have also conducted evaluations of the workforce system. The Department’s WIOA data analysis, along with a portfolio of evidence from evaluations on training programs suggests that completing a training program aligned with particular strategies and approaches that have an empirical basis and may increase wage and employment outcomes for participants, when compared to outcomes of individuals who enroll in a training program that is not based on evidence-based practices.

However, different approaches may not work for all groups and in all contexts. Deploying a variety of effective outreach, service, and training strategies permitted (or even required) by WIOA to meet different community and individual needs is of particular importance as the workforce system aims to better serve marginalized and historically underserved and underrepresented populations, at a time when multiple sectors are growing from public investment in transportation, clean energy, and broadband. A state and local service portfolio can include more than one service and training strategy available for customers, especially if resources are largely devoted to those that have the most evidence for improving employment.

b. **Background** – On January 20, 2021, President Biden issued the Executive Order On Advancing Racial Equity and Support for Underserved Communities Through the Federal Government (EO 13985), which directed agencies to allocate resources to advance fairness and opportunity and to promote equitable delivery of government benefits and equitable opportunities for underserved communities, including Black, Latino, and Indigenous and Native American persons, Asian Americans and Pacific Islanders and other persons of color; members of religious minorities; lesbian, gay, bisexual, transgender, and queer (LGBTQ+) persons; persons with disabilities; persons who live in rural areas; and persons otherwise adversely affected by persistent poverty or
inequality. In support of this EO, ETA analyzed WIOA performance data to determine how Federal resources allocated to the states and local areas for the Adult and Dislocated Worker (DW) programs are used to provide access to services and lead to increased employment, credentials and increased earnings, and whether there are meaningful differences among populations in access and outcomes.

While WIOA performance data analyzed alone cannot show causation or exclude intervening variables, the data suggests that workforce system participants (individuals who received any training or individualized services) who completed training programs funded through WIOA were observed to have higher rates of employment and wages than those who enrolled in training funded through WIOA but did not complete training. This analysis was completed by aggregating data from various years of WIOA performance and calculating averages. Similarly, other studies have found that strategies designed to improve adult completion of non-degree credentials, including career pathways and comprehensive student supports, can have positive impacts on non-degree credential completion. Overall, in Program Years (PYs) 2018-2020, exiers from the Adult program who completed training earned, on average, wages of $2,125 more than the average for Adult program participants who enrolled in training programs but did not complete. Trained exiers from the DW program earned, on average, wages of $1,119 more than the average for DW program participants who enrolled in training but did not complete. For both Adult and DW programs, exiers who completed training also had higher employment rates than those who did not complete training, both in Q2 and Q4 after exit. These higher wages and employment rates are consistent across demographic groups. However, completion rates sometimes differ by demographic group, as reflected in the data analysis in Attachment II, Table 1 and Table 4; we encourage state and local boards to review and complete a similar analysis for their region.

Where program completion varies by race or ethnicity, such differences can have impacts on economic outcomes and exacerbate inequities. It is exceptionally important that quality training opportunities are available for individuals of all races, genders, and members of other populations protected from discrimination by WIOA Section 188, as well as from all other demographic backgrounds. Further, it is important that, regardless

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3 McKay et al. 2019, Miller et al. 2020
5 In addition, State Governors are required as part of their annual monitoring responsibilities to conduct statistical or other quantifiable analyses of records and demographic data by particular protected categories, and to investigate any significant differences to determine whether they appear to have been caused by discrimination. See 29 CFR 38.51(b)(1).
6 WIOA Section 188 and its implementing regulations prohibit discrimination on the bases of race, color, religion, sex, national origin, age, disability, or political affiliation or belief, or, for beneficiaries, applicants, and participants only, on the basis of citizenship or participation in any WIOA Title I-financially-assisted program or activity. See 29 CFR 38.5.
of the race, disability status, sex, or other protected status of the participants, all WIOA DW and Adult program participants have access to training for top growth occupations and occupations with higher salaries. National information about growth occupations and WIOA occupational training data examined by race/ethnicity and sex shows that Black, Hispanic, and White men in Adult and DW training programs were less likely to be trained in high-growth occupations, particularly in nursing and medical occupations, than were Black, Hispanic, and White women. However, men had a higher average hourly wage ($36.75 for DW and $31.66 for Adult) than did women ($25.52 for DW and $28.90 for Adult), as of October 2022. This national-level analysis, which may mask important local-specific variations, indicates gaps where workforce programs have an opportunity to examine whether program design results in discrimination or impedes earnings equity, and whether workforce programs can do more to help women and other underserved populations overcome external forces such as pay discrimination in the larger labor market. More information on national wage differentials can be found in the Department of Labor’s Women’s Bureau Earnings and Ratios tool. Occupational segregation for different underserved populations may impact the occupations for which individuals are trained. Attachment III includes the data tables that show the occupations for which different demographic groups are generally trained.

4. Using WIOA investments to improve access to training and entry into quality jobs.

a. Funding Mechanisms for WIOA Training Strategies. Participants’ individual service needs vary, as do the employment sectors most prevalent in a local area, so it is important to tailor training options to meet the needs of the local community and learner. A successful local area can use multiple types of training approaches that address the in-demand competencies and skill needs identified through state and local sector initiatives. When determining which sectors and occupations to focus training efforts on, states and local areas should also focus resources on training that prepares jobseekers for higher-paying quality jobs in local growth industries, such as jobs with benefits, where workers have voice and opportunities for career advancement. More information about Job Quality can be found in the Department of Commerce and Department of Labor Good Jobs Principles and in TEGL 07-22, “Increasing Employer and Workforce System Customer Access to High Quality Jobs.”

WIOA allows states and local areas to fund training through a variety of approaches. Most local areas tend to use individual training accounts (ITAs), but ETA encourages the use of other funding mechanisms when appropriate. Table 1 below provides a

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7 Training Data (2022), U.S. Department of Labor; data included is an aggregate of several years of data.
8 Training Data (2022) U.S. Department of Labor; data included is an aggregate of several years of data.
description of each allowable training type that the funding mechanisms described above can support, as well as a highlight of some of the advantages to participants and employers inherent in each; please note that context, curriculum, groups being served, and local factors will impact the success of these programs. States and local areas should consider these factors when standing up programs. Section 4(b) of this TEGL provides more detail on how states and local areas can better design and leverage training programs. A full description of allowable training activities can be found in TEGL Nos. 19-16 and 08-19 (and their respective Change 1s). In addition, TEGL No. 13-16 expands on training that may be provided to support the primary components of Registered Apprenticeship Programs (RAP). Further guidance regarding non-Eligible Training Providers (ETP) contract training is available in Attachment I of this TEGL.

Table 1: Training Types and Advantages of Each

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<th>Training Types</th>
<th>Description of Training Type</th>
<th>Advantages for Participants and Employers</th>
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| Classroom or Online Training for Individuals | Classroom training refers to the academic or technical education individuals receive through a structured instruction. ITAs are available to cover the cost or supplement other sources of funding, such as grants for eligible participants enrolled in a training program on the state’s ETP list. WIOA funds can also pay for supportive services participants need to enroll in and complete classroom training. | Support for classroom training:
Participants may benefit from ITAs for training and supportive services if they remain in a training program, reducing barriers to enrollment and completion. Classroom training appears to have the most significant impact on employment when its completion allows a participant to obtain an industry-recognized credential, particularly a credential associated with an occupation that pays them more than what they made before. Classroom training should be of sufficient depth and quality that it allows participants to obtain an industry-recognized credential that can potentially provide them with a notable increase in income. Well-designed classroom training benefits employers and participants when such training is developed in coordination with employers or industry sector partners, preparing |
|                                        |                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                            |
| On-the-Job Training (OJT) for Individuals | OJT refers to training by an employer to a participant hired by the employer that provides knowledge and skills essential to full and adequate job performance. OJT funds provide reimbursements to businesses of up to 50 percent of the wage rate of OJT participants (in certain circumstances up to 75 percent) to help defray the personnel training costs of new employees. In an OJT program, the business is generally the entity providing the training. This training is funded by a direct contract and could exist as a stand-alone training, or as a portion of an integrated training type, such as a RAP. | Paid employment while in training: Participants build skills and establish employment status while receiving a consistent paycheck. OJT also provides learning opportunities for those who cannot spend time outside of work hours for more traditional classroom training programs.11 Employers can hire an employee right away, ensure the training program is specific to their hiring needs, and get help offsetting training costs. Employers should ensure that all OJT programs and hiring are nondiscriminatory and equitable. |
| Cohort Training | Cohort training, financed through a contract instead of an individual ITA or an individual OJT contract can cover classroom-based occupational training for a group of participants and/or on-the-job training for a group of participants. Cohort training can also be utilized to support both primary components of a RAP, as noted below (See TEGL No. 13-16). | Participants and employers benefit from economies of scale: A cohort of participants benefit from paid on-the-job learning and/or paid occupational skills training. They also benefit from peers working through the program with them, providing support and opportunities for peer learning, which evidence shows to be promising for education.12 Employers as well as Local WDBs benefit from cost and administrative efficiencies, as well as economies of scale. |

### Registered Apprenticeship Programs

RAPs are an employer-driven, work-based training strategy that combines On-the-Job Learning, work experience, or OJT with job-related academic instruction, resulting in a Certificate of Completion. A Certificate of Completion is a nationally recognized occupational credential that counts as a recognized post-secondary credential under WIOA sec. 3(52). OJT contracts can support the On-the-Job Learning component, and ITAs can support the Related Instruction component.

### Incumbent Worker Training (IWT)

Under IWT, an employer selects a training provider to increase skills for current employees and pays a significant portion of training costs, often as a layoff aversion strategy or to facilitate skill upgrading. Direct contracts can fund IWT.

### Customized Training

Customized training is contracted group training based on a commitment by an employer or group of employers to hire participants upon successful completion of the training. Employers pay for a significant cost of the training, as determined by the Local WDB.

### Paid employment while training and progressively higher wages:

Participants receive an income while participating in training that culminates in at least one industry recognized credential. There is a built-in career ladder for apprentices who receive wage increases associated with skills attainment.

Employers can benefit from a highly trained employee right away with good prospects for retention.  

### Retention and Advancement:

Participants gain skills necessary to keep their jobs or advance within their company.

Employers can benefit from retaining and promoting talent internally, minimizing real and institutional knowledge costs of replacing employees.

### Customizable:

Participants build skills and establish employment status. Customized training requires an employer commitment to retain the individual upon successful training completion.

Employers can benefit from leveraging a customized training program to attract workers, build workers’ skills tailored to employers’ needs (including for hard-to-fill vacancies), and gain a competitive advantage with a skilled workforce.

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b. **Designing effective and efficient training programs.** It is important for the workforce system to invest in the full suite of training options available through WIOA and align those training options to state and local sector strategies. Not all potential participants will need the same types and length of training. For example, individuals with limited work history, such as some recently justice-impacted individuals, may benefit from transitional employment (described below) initially, while a mid-career worker may be better served by IWT, and both may benefit from OJT. To expand access to training for a variety of participants with diverse needs, state and local WDBs should:

- Establish the foundation for participant success by investing in supportive services, creating partnerships with worker or community-based organizations for worker supports (such as local providers serving people with disabilities that can provide information and resources) and with industry sectors for employer-responsive training, hiring and training staff, and leveraging transitional jobs for individuals from underserved populations. (See part i below.)
- States and localities must ensure that training complies with legal requirements for providing program materials and technology that are accessible to and in appropriate formats for individuals with disabilities and translated or interpreted into appropriate languages for persons with limited English proficiency.
- Strengthen and expand the menu of available high-quality training options aligned to in-demand occupations and sectors by expanding ITAs and ETPs to include populations that may be proportionally underserved by these programs, investing in pre-apprenticeship programs, and working with employer partners to develop high-quality OJT. (See part ii below.)
- Leverage training to create partnerships designed to help employers recruit and retain workers. (See part iii below.)

More detailed strategies can be found in the following sections. States and localities should consider the information below to create an intentional and sustainable plan for better leveraging training options and serving individuals from underserved communities, including those protected from discrimination by WIOA Section 188 and those highlighted in EO 13985, as described in the Background section of this TEGL. Attachment V provides a compilation of program evaluations and research studies regarding the training types, techniques, and supportive services outlined in this section that have shown evidence of effectiveness. For more studies about the effectiveness of various strategies, please use the Department of Labor’s Clearinghouse for Labor Evaluation and Research to see the most up-to-date research.

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i. **Establish the Foundation for Participant Success.**

**Invest in supportive services** as a component of increasing equitable access to successful training programs. Any number of barriers may prevent an individual from entering or completing training. These barriers include but are not limited to:

- Training, materials, and testing costs
- Childcare needs
- Transportation
- Financial literacy training
- Access to internet and other necessary tools to complete program
- Unstable housing

These barriers may be more pronounced for some individuals from underserved populations and can interact to create multiple challenges. For example, a parent searching for scarce childcare may be limited in their options if they do not have access to a car or live in an area without easily accessible public transportation, which further exacerbates their childcare challenge. People with disabilities, especially those unable to drive, may face similar barriers and have similar needs. Successful states and local areas assess and address barriers to WIOA participation when designing workforce services.16

Studies have demonstrated that providing supportive services to training participants leads to more successful outcomes. Use of holistic supports, including financial and social services, had a positive impact on the likelihood of adult learners attaining a credential in health pathways.17 Program participants surveyed who received supportive services indicated they had higher rates of meeting or being on track to meet their completion goals.18 Supportive services have also been shown to facilitate retention in RAPs.19

ETA strongly encourages the use of Adult and DW formula funding to provide supportive services, such as transportation tokens or vouchers for childcare, as a method for increasing participation in and completion of career and training services. States have freedom to establish allowable funding amounts and policies to provide supportive services as a component of career services and training, and local areas can further refine

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both their local policies and menu of such services. See 20 CFR 680.900 for a list of allowable supportive services under WIOA. Please note this list is not exhaustive; states and localities may choose among these and/or identify other supportive services necessary to remove barriers and improve training and employment outcomes. ETA encourages partnerships with other programs and organizations to provide supports. It also is important to note that there is no cap on supportive services under WIOA or its programmatic and nondiscrimination regulations.

Create partnerships with existing community groups and education providers that serve underserved communities. WIOA requires outreach as a key responsibility of state and local WDBs (20 CFR 679.130; 29 CFR 38.40). To better share information with and to provide services to members of the various groups protected from discrimination by WIOA Section 188 and its implementing regulations, state and local WDBs and other recipients are required by those regulations to engage with community groups and education providers that serve members of those groups. Similarly, local WDBs should engage with community groups and education providers in underserved communities, particularly those that are led by and devoted to communities underrepresented in WIOA programs. Community-based nonprofits, schools including community schools, labor unions, worker organizations, disability-focused and faith-based organizations that are well-known in underserved communities are key partners in this work as trusted conduits of information to local jobseekers, and they are valuable sources of feedback to the workforce system. High-performing state and local boards invite these organizations to share concerns and needs with boards to ensure services and programs are responsive to community needs, and budget funds to pay for such expertise if information requests are more than nominal. Community-based organizations are also well-placed to share information about American Job Centers (AJC) and training programs directly with community members and can follow up with those individuals to support them as they navigate the process. Community-based partners may also be able to help AJC programs recruit bilingual staff fluent in the languages used by the local community to provide services within WIOA and AJC programs, and identify qualified interpreters and translators to perform those specific tasks in the relevant languages.20 Many WDBs already coordinate with K-12 schools and community colleges, and such partnerships can help connect individuals with supportive services and job search assistance as they work to complete secondary or postsecondary education and move along a career pathway. Even WDBs with strong connections to education partners should examine which education institutions are part of communities underrepresented in WIOA programs, such as minority-serving institutions, and seek to establish and/or strengthen partnerships with such institutions. High school and community college career technical education programs also provide opportunities for developing lifelong learning opportunities for learners and workers and workforce pipeline development for employers. WIOA-funded staff may present information to, partner with, develop cohort training with, and seek

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20 See definition of “qualified interpreter” at 29 CFR 38.4(xx)(2).
feedback from sessions regarding WIOA training opportunities to local high schools, out-of-school-time programs, community colleges, and four-year institutions including minority-serving institutions. Staff hours to perform outreach to workers, community organizations, education partners, and employers is an allowable program cost under WIOA.

WDBs should track participant success among its training programs and share the outcome information with partners, with a focus on wage and employment data, and highlight the positive impact these programs can have on local individuals and communities. At the same time, training programs that do not demonstrate value for participants should be reevaluated as an available option. Outreach and communications are legally required and necessary for building partnerships and for informing jobseekers in the community about available services. To reiterate, outreach and recruitment is an allowable cost of WIOA funds, per 2 CFR 200.421. More information about allowable outreach is available in TEGL 23-14, and in the October 2022 webinar Outreach and Marketing with WIOA: Exploring the Possibilities.

Train existing staff and recruit new front-line staff and career counselors at AJCs to welcome individuals from all walks of life, including individuals from underserved communities who may be using AJC services for the first time. Career counselors help potential program participants identify their short- and long-term career goals; understand local and regional labor market information to choose a career path; help navigate testing or licensing; and develop individual plans to provide the best recommendations to customers. While states and local areas differ in levels of career counseling they deliver, evidence shows that, on average, individuals with more intensive career counseling at the onset have higher wages long-term. For example, case managers in jail-based AJCs with direct linkages to community-based AJCs were viewed by participants as the strongest influence on their likelihood of career success after release from jail. See Attachment IV for some resources available to career counselors.

Core training topics should include how to comply with the nondiscrimination requirements of WIOA Section 188 and its implementing regulations as well as overcoming unconscious bias, anti-racism, anti-sexism, disability awareness and nondiscrimination, reasonable accommodations, cultural sensitivity, gender identity, and other topics relevant to the local community. For instance, workforce development practitioners should ensure that women are presented with all employment and training options, including in non-traditional sectors for women that could be higher paying and offer them growth opportunities. The same is true for members of other underrepresented communities. There are many Diversity, Equity, Inclusion, and Accessibility training

programs and curricula that the workforce system can leverage to best respond to local needs. See Attachment IV for some available resources. Further, AJCs should recruit staff members who reflect the local community and have lived experiences that help them understand, relate to, and effectively serve AJC customers.

For instance, the workforce system should hire front-line staff who speak the languages most spoken in the community and contract with interpretation and translation services to ensure that qualified interpreters/translators are available for a wide range of other languages. Per the WIOA nondiscrimination regulations at 29 CFR 38.9, AJC programs are responsible for providing information and resources in appropriate languages to individuals who are limited English proficient [LEP]. AJC programs must determine which languages are used by a significant number or portion of the population eligible to be served, or likely to be encountered, by the program, and translate all vital information\textsuperscript{23} into those languages. They must also collect information about the LEP status and preferred language of every applicant, registrant, participant, and trainee,\textsuperscript{24} and provide vital information to LEP participants in their preferred languages, as specified in 29 CFR 38.9. To enable meaningful access to training for LEP individuals and other individuals with a preferred language other than English, local areas can take steps such as providing training materials in the preferred language of participants (either written translation or by oral interpretation or summarization) and providing oral training content in the preferred language through in-person translation or phone translation.

As a general rule, AJC programs must take reasonable steps “to ensure meaningful access to each…LEP individual served or encountered so that LEP individuals are effectively informed about and/or able to participate in the program or activity.” Such steps minimize confusion and frustration for potential participants.

In addition, as required by 29 CFR 38.15, it is essential to ensure that equally effective communication supports are provided upon request to job seekers and their companions who are deaf or hard-of-hearing, or who have other communication-related disabilities, including those who also have language access needs (such as Spanish sign language interpretation).

Furthermore, AJC programs should review the documentation commonly collected at intake so as not to delay access to services with extensive document reviews. WIOA-funded programs should limit such documentation to that required for eligibility and use the flexibilities already available in data validation guidance to accept self-attestation where needed to facilitate timely access to services for individuals. See TEGL 23-19, Change 1. Please note, WIOA-funded programs should not turn away jobseekers who decline to provide an SSN. Further, there is no circumstance in which SSNs of family

\textsuperscript{23} As defined in 29 CFR 38.4(ttt).
\textsuperscript{24} As defined in 29 CFR 38.4(c), (aaa), (oo), and (nnn), respectively. These definitions are likely to differ from the common understanding of the terms.
members should be collected; this is not necessary for any WIOA-funded program eligibility.

Utilize transitional jobs for those with minimal job experience. Transitional jobs allow individuals to strengthen their work history while earning a wage in a short-term job. Transitional jobs are considered career services and are particularly suitable for participants with inconsistent work history or who are long-term unemployed. Studies have found that transitional jobs have a positive impact on participants’ employment and earnings outcomes, with the gains concentrated during the period of the transitional job placement. The findings also included increased likelihood of employment and decreased use of public benefits after job placement. A demonstration project that tested transitional jobs among individuals recently released from prison and low-income parents that had fallen behind on child support found increased earnings among participants and higher total earnings compared to a control group at the point of follow-up. A recently completed synthesis of studies of 13 subsidized employment models found nearly all programs that provided subsidized employment or traditional transitional jobs produced larger impacts among those who had more barriers to employment. State and local boards using transitional jobs must adopt relevant policies, including:

- Provisions on employer reimbursement amounts, up to 100 percent of wages
- Limits on job duration;
- Supportive services to be offered;
- Methods to identify individuals who are chronically unemployed or have inconsistent work history who may serve as program participants; and
- The decision to what degree job readiness training will be provided in combination with the transitional job.

WIOA regulations at 20 CFR 680.195 state that transitional jobs must be combined with relevant supportive services for participants, who are often at high-risk of incompletion for a variety of reasons. To best achieve this, states can consider working with Temporary Assistance for Needy Families (TANF) programs to identify individuals who need assistance finding a job and would benefit from work experience, but for whom TANF cannot fund such work experience. TANF and the Supplemental Nutrition Assistance Program (SNAP) already serve individuals with the highest need in communities; supporting transitional job training with WIOA funding for SNAP or TANF participants who need work experience allows individuals to get important job

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experience while also using the strengths of both programs to support their path to employment.

ii. Strengthen and Expand the Menu of Available Training Options and Strategies

Some training programs have evidence supporting their efficacy, such as training that provides learning in a work context, including Registered Apprenticeship and well-structured on-the-job training, as well as training that prepares learners for work in a particular sector; evidence on their efficacy can be found in Attachment V to this TEGL.

**Leverage ITAs and create an intentional list of ETPs to help participants access high quality programs.** Participants that would benefit from classroom training and want a more traditional approach to education with the flexibility to choose their programs may prefer using an ITA to access training from approved providers. Most WIOA-funded training takes place via ITAs; 84 percent of individuals enrolled in occupational skills training used an ITA in Program Year (PY) 2020.

State and local WDBs should review ITA policies at the state and local level to assess whether per-person funding caps enable participants to truly access training that leads to credentials for occupations with career ladders and salary progression. Policies should not unintentionally cause participants to choose shorter-term training with more limited career prospects. State and local WDBs should also review and reconsider policies that prohibit individuals from receiving training more than once. Career pathway programs offer training in discrete, stackable credentials, so that learners and workers can continue to work while taking training that prepares them to move up multiple steps along a career pathway. Among the findings of a meta-analysis of career pathways evaluations, some programs that target longer-term, more advanced training from the outset, have had larger and more sustained impacts on earnings. Programs might also improve earnings results by using labor market information to target occupations and industries that have high potential for advancement. Some programs that target other industry sectors, such as information technology (IT) or financial services, have had large and sustained impacts on earnings.

State WDBs should continue to review and update the state list of ETPs with a focus on finding providers that are convenient for and available to underserved communities, and that serve those communities effectively. The process of reviewing and updating should also ensure that the providers do not discriminate on any basis prohibited by WIOA Section 188, and in particular that they comply with legal requirements for serving LEP individuals and individuals with disabilities. As remote and online training options have expanded in recent years, state WDBs should also assess whether the state’s ETP list

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adequately reflects such training options. More detail on program quality can be found in TEGL No. 08-19, which describes requirements states and local areas must implement to approve ETPs, including the placement of RAPs on state ETPs.

States and local areas must regularly review those ETPs, ensuring program providers continue to provide quality programs that lead to an industry recognized post-secondary credential in an in-demand field that will lead to a quality job, while providing for consumer choice. States and local areas should also ensure program providers comply with applicable nondiscrimination requirements.

**Prepare individuals for high-value RAPs, including investing in pre-apprenticeship.**

State and Local WDBs should work with apprenticeship providers to ensure RAPs are accessible for all populations, including underserved and underrepresented communities. This includes ensuring that their application process, training materials, and worksites are fully compliant with applicable disability-related requirements, including any that apply to electronic and information technology or physical accessibility. Providers can also scale up pre-apprenticeship programs for individuals interested in pursuing a RAP, which often have high school equivalency or other skill-specific requirements to enter. Quality pre-apprenticeship programs help individuals learn the skills they need to be successful in their chosen occupation, including soft and basic academic skills.

To be considered a quality pre-apprenticeship program, such a program must be connected to a RAP and designed to develop specific skills needed for a would-be apprentice to succeed in an established RAP, which provides high-quality training opportunities for participants. Quality pre-apprenticeship programs also incorporate strategies that increase Registered Apprenticeship opportunities from underrepresented or underserved populations facing significant barriers to employment in the Registered Apprenticeship labor force. For instance, the US Department of Labor Women’s Bureau awards grants yearly to many community-based organizations that work to recruit and retain more women into RAPs through training focused on women. The average wage for a RAP completer is $77,000 per year, and 93.0 percent of completers retain employment. In a study that measured net effects of apprenticeships for participants, it was found that over a career, the estimated earnings of RAP participants were an average of $300,000 more than similar nonparticipants.

WIOA Title I training funds can be used in the following ways to support RAPs and pre-apprenticeship programs:

- **ITA Funds:** Apprentices who are eligible for WIOA can use an ITA to support the related technical/classroom instruction component for eligible apprentices and pre-apprentices if those RAPs are on the state ETP. ITAs can be used to support

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placing participants in registered apprenticeship through pre-apprenticeship training and training services provided under the RAP.

- Contracted Classes for Related Instruction: In certain circumstances (outlined in the OJT section below), a Local WDB may choose to contract with a training provider to train a cohort of apprentices in an in-demand industry sector or occupation. A workforce system may choose to use a contract as a vehicle for training an apprenticeship cohort in the Related Instruction component, provided the apprentices meet the Adult or DW eligibility requirements, per section 134(c)3(G)(ii)(V) of WIOA. More information about contracting can be found in Attachment I.
- Customized Training: State and Local WDBs can create customized training agreements to support RAP sponsors, per the customized training guidance below.

More details on registered apprenticeship and pre-apprenticeship can be found in TEGL No. 13-16 and TEN No. 13-12, respectively.

**Partner with employers to develop and expand flexible OJT programs.** Evaluations have found that on-the-job training has positive impacts on employment and earnings outcomes. Potential participants may prefer OJT if they need an earn-and-learn option and may not be able to attend a classroom program. OJT is a good option for states and local areas looking to expand access for individuals who need income or who are balancing multiple priorities. Successful OJT programs involve coordination with employers offering high quality jobs, training providers, and WDBs to monitor quality and ensure program participants are learning relevant skills for their chosen career path.

In successful OJT programs, employers regularly continue to employ and advance those that have completed an OJT program in their organization; employers that regularly end employment of OJT participants should no longer receive OJT funding, per 20 CFR 680.700. Employers receiving publicly funded wage reimbursement in an OJT benefit from the workforce system, and local boards should consider which employers are the best investment. Employers offering higher wages and high-quality jobs with benefits, retention, and career advancement are stronger candidates for successful OJT that build talent pipelines and advance worker mobility.

Local boards can set limits on training length or employer reimbursement levels based on job complexity. Most local boards limit the training to no fewer than 4 weeks and no more than 26 weeks to ensure efficiency and effectiveness of programs. The workforce system should also consider program participant needs when determining program length; some participants will need more program flexibility than others. These length and complexity limitations are to be included in the OJT contract. States may choose to submit a waiver to ETA to increase OJT reimbursement up to 90 percent for small

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businesses; states and localities may use this reimbursement as motivation for small businesses in underserved communities to start OJT programs for local residents. For more information on OJT program implementation, see the Department’s OJT Toolkit.  

iii. Create Training Opportunities that are Responsive to Local Economic Needs

**Leverage Incumbent Worker Training (IWT) as an effective layoff aversion and retention strategy.** In a period of rapid turnover, employers may need to adapt their operations and train employees to build a more resilient workforce. In a survey conducted by SHRM in 2016 with 2,048 respondents, the findings show that the reported cost to hire a new employee is $4,129 on average, and employers lose important institutional knowledge when employees are laid off or quit before training their replacements. For entry level employees, IWT is a tool to obtain training that participants may need to advance along a career pathway. Further, employers can use IWTs to break up any occupational segregation within their firm and provide employees from one occupation the training necessary to advance to higher-paid positions within the firm, a hallmark of job quality. Though evidence is still in progress for IWT, an evidence scan from Mathematica identified studies that suggest potential benefits for employees and employers. In one study, at-work training hours for incumbent workers were positively correlated with promotion frequency over a two-year period. Another study in California observed positive impacts for employers, including improved firm size, after they launched a state funded IWT program.

State and Local WDBs should align IWT eligibility requirements with local needs. The most effective IWTs are built in partnership with employers and workers. As part of a sector strategy, the development of a career pathway, or as a standalone business service, WDBs can engage with a major local and regional employer and workers to identify why they are seeing turnover, and the skills most valuable for employees to climb the ladder at their organization. Employers and workers can together identify ways for IWT to strengthen the employer’s workforce and the workers' employment.

**Develop customized training programs to respond to emerging local economic needs.** Customized training programs give an employer the opportunity to train employees for jobs that are well-defined, guaranteed, and not seasonal. Business should, when possible, contract with external instructors who can provide participants with industry recognized credentials as a component of this training. It is important for the workforce system to prioritize training that leads to portable, industry-recognized credentials which allow for career advancement, rather than simply one-off training for a

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particular job. Still, this training method may be helpful when an employer is trying to hire multiple individuals at once, such as when responding to new infrastructure investments. More information highlighting evidence for this method can be found in Attachment V.

An employer or group of employers in a local area identify an occupation(s) for which they need trained employees. The employer can then work with the local WDB to develop a training program with a contractor that will give potential employees the skills they need to be successful for that particular occupation. For customized training programs to be effective, the employer must meet the requirements listed above in the IWT section. New positions must not lead to the displacement of or wage reduction for incumbent workers in the business. This training type benefits participants that are looking for training that leads to a guaranteed job with a specific employer.

Under customized training, the employer pays a significant portion of the cost of training, as determined by the local board, considering the size of the employer and other factors. If the customized training involves an employer located in multiple local areas across the state, the Governor decides appropriate factors in determining how much the employer should pay.

**Reporting Training Expenditures.** All Adult, DW, and Youth program grantees must report expenditures used for training on the Training Expenditures line in the ETA-9130 reporting form. ETA’s review of training expenditures shows that numerous states are reporting zeros for training expenditures on the ETA-9130. In preliminary expenditure reporting for Program Year 2021, 23 states did not report total training expenditures for their Adult programs, and 26 states did not report total training expenditures for their DW programs. In Program Year 2020, 14 states did not report total training expenditures for their Adult programs, and 15 states did not report total training expenditures for their DW programs.38

All types of training should be accounted for, including OJT; Skill Upgrading; Entrepreneurial Training; Adult Basic Education or English as a Second Language in conjunction with other training; Customized Training; Occupational Skills Training; Prerequisite Training; Registered Apprenticeship; other Non-Occupational Skills Training; and Job Readiness Training in Conjunction with Other Training. Please note, Transitional Jobs are not considered training for reporting purposes. All tuition costs, materials, and supportive services to enable participation in training must be included. For more information, see Training and Employment Notice (TEN) 19-22, Change 1, TEGL 16-22, and the ETA Financial Reporting website.39

As a component of WIOA, the workforce system is required to continually evaluate the success of its programs, per 20 CFR 682.220. The workforce system should take this

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opportunity to evaluate whether the strategies they employ to support underserved populations lead not only to providing more equitable services but also more equitable outcomes for participants. Likewise, the Department reviews evaluations to determine the effectiveness of workforce training programs and strategies. Some of the evaluations reviewed as a component of this TEGL are included in Attachment V. The Department encourages states to perform their own evaluations. Additionally, Governors are required to monitor WIOA Title I State programs to ensure nondiscrimination and equal opportunity, per 29 CFR 38.51.

5. **Inquiries.** For further information, please reach out to the appropriate ETA Regional Office. For information about nondiscrimination requirements, please contact the Department’s Civil Rights Center.

6. **References.** See Attachment VI.

7. **Attachments.**
   - Attachment I: Frequently asked questions regarding non-ETP contract training
   - Attachment II: Data on Participation and Performance by Demographic Group
   - Attachment III: In-Demand Occupations vs Training Programs by Race and Sex
   - Attachment IV: Resources for a Career Counseling, Credentialling, and DEIA Training Toolkit
   - Attachment V: Evidence of Effective Training Strategies and Approaches
   - Attachment VI: References