



December 19, 2014

The Honorable Portia Wu  
Assistant Secretary

The Honorable Eric M. Seleznow  
Deputy Assistant Secretary

The Honorable Gerri Fiala  
Deputy Assistant Secretary

Employment and Training Administration  
U.S. Department of Labor  
200 Constitution Avenue NW  
Washington DC 20210

Dear Assistant Secretary Wu and Deputy Assistant Secretaries Fiala and Seleznow,

We members of the Opportunity America Jobs and Careers Coalition are grateful for the opportunity to comment on what we see as a critical issue before the Department of Labor and the Department of Education: the employer measure mandated by Section 116 of the Workforce Innovation and Opportunity Act.

The Opportunity America Jobs and Careers Coalition brings together employers and employer associations from across a range of industries experiencing skills mismatches and worker shortages: construction, manufacturing, hospitality, healthcare and IT, among others. We have come together as a group to highlight the need for better workforce training and drive a skills agenda on Capitol Hill.

Of all the improvements mandated by the Workforce Innovation and Opportunity Act, by far the most significant in our view are the enhanced incentives for employers to partner with the workforce system to design and provide occupational training.

Educators, employers and policymakers increasingly agree: employer engagement is vital – *the* key to effective, up-to-date training. And we deeply appreciate the ways in which WIOA promises to revamp the workforce system to be more responsive to employers – the enhanced opportunities for employers to offer training themselves, to partner with local educational institutions to make training more relevant and effective and to serve in more meaningful and constructive ways on state and local bodies that plan and oversee training.

These incentives are enticing to the employers we represent. But as always with policy, the devil is in the details. These and other opportunities will bear little fruit if the system does not work on the ground to engage employers – if incentives are inappropriate or unappealing, if partnerships are poorly structured, if requirements are too burdensome or employer input is ignored.

Bottom line: the employer measure stipulated in Section 116 is critical. Without it – without meaningful metrics and accountability – there can be no hope of delivering on the promise of the Workforce Innovation and Opportunity Act.

Just what does it mean for the federal workforce system to “serve employers effectively?” How should that be measured? And how will Washington ensure that states are held accountable for meeting the new standards?

Our thinking about the employer measure starts with two overarching principles:

**1/ All elements of the measure should be objective, not subjective.**

We fear that subjective measures would be capricious and unreliable: vague, relative, subject to the whims of those posing the questions and those responding to them.

Far preferable in our view will be a measure that collects hard, factual data – not whether employers *like* the federal workforce system, but how often and in what ways they engage with it and the outcomes of that engagement.

Another way of putting this: we’re more interested in *workability* and *results* than *satisfaction*.

Among the many problems with trying to measure satisfaction: it often has more to do with extraneous factors than with the effective functioning of the workforce system. It’s likely to be fickle and untrustworthy. And it’s highly dependent on expectations. One employer may report that she is very satisfied with a level of effectiveness that another employer down the street would find sorely lacking.

All these problems plagued the “customer satisfaction” measures in the 1998 Workforce Investment Act, and we strongly urge the departments to go in a different direction with WIOA – measuring actual performance rather than feelings, positive or negative.

**2/ The measure should be as streamlined as possible and require minimal additional paperwork from employers.**

When queried about their experience with the federal workforce system, the employers we represent are all but unanimous – they complain about the reporting requirements, which they find burdensome and disproportionate to the benefits they derive from engaging with the system.

For some, the paperwork is merely a nuisance. For others, it’s an out and out deterrent – so off-putting that it stops them from engaging with the system in any way. We strongly believe that improving the system’s effectiveness for employers will depend on reducing this burden, not adding to it.

Bottom line: we hope that rather than add surveys or questionnaires or other additional reporting requirements, the employer measure will draw on information already collected from employers – indicators captured by existing reporting requirements and, whenever possible, tabulated by one-stop centers or local workforce boards.

**Together, these two overarching concerns lead us to propose that the employer measure focus on a short list of objective performance indicators.**

We feel it's important to consider a variety of indicators – there's no single metric that captures all the things employers seek from the system.

We also feel it's important to measure and hold states accountable for outcomes rather than inputs. We care about inputs – especially how training is structured and provided. Of particular interest and concern: how often and in what ways a state workforce system engages employers in some capacity, whether as eligible training providers, participants in sector partnerships, to provide training in the workplace or in some other way.

We hope every state will track its engagement with employers along all of these dimensions and seek to augment that engagement from year to year, holding workforce boards and one-stops accountable for the extent to which they succeed in partnering with employers. And we believe it would be helpful for the federal government to propose a set of standardized measures for tracking this engagement. But we understand that success or failure on these metrics may be determined to some degree by circumstances, and as a result it may be difficult to include a direct measure of employer engagement among the factors for which states are held accountable.

Together, these considerations point us toward a short but critical list of items to include in the employer measure for which states are held accountable – five trackable outcomes that capture what the employers we represent most want and need from the federal workforce system:

- **Hires.** The percentage of workforce system job referrals who are hired by employers.
- **Retention rates.** The percentage of those hired who are retained by the employer for 12 months or longer – and the percentage who have been promoted one year later.
- **Money spent on training.** The percentage of the state or local area WIOA budget that is spent on direct workforce training – as opposed to administration, soft skill training or auxiliary services, such as counseling and job searches.
- **In-demand industries and occupations.** The proportion of training funds spent on preparing workers for in-demand industries and occupations, as defined by the state or local workforce board.
- **Industry credentials.** The percentage of youth and adults trained with WIOA funds who earn a competency-based industry credential demonstrating mastery of core occupational skills.

All of these metrics are factual and data-based. They reflect outcomes rather than inputs. They should require little if any additional reporting by employers.

And we believe they capture the essence of what our members want and need from the workforce system – training, education and employment services that provide U.S. employers with the workforce they need to compete effectively in a rapidly changing economy that puts a greater premium than ever before on technical skill.

Thank you for the opportunity to provide input on implementation of the Workforce Innovation and Opportunity Act. We look forward to working with you to make the law's promise a reality in workplaces across America.

Yours sincerely,

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American Hotel & Lodging Association  
Associated Builders and Contractors  
Associated General Contractors  
Independent Electrical Contractors  
International Franchise Association  
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