

How California's Workforce Development System Excludes Immigrants, Why it Matters, And What We Can Do About It

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Immigrants and refugees are an important part of the U.S. workforce. However, they are not sufficiently integrated into the nation's public workforce development system.¹ To make matters worse, they face multiple barriers in accessing workforce development services, including scheduling difficulties with irregular, unforgiving work schedules; linguistic and cultural barriers; lack of socioemotional and institutional support.² This has devastating consequences for California, where immigrants comprise one-third of the state's labor force.³

Workforce development programs help businesses find qualified job candidates. They also equip people with the skills and opportunities they need to find better jobs, which can help low-income and other disadvantaged groups lift themselves out of poverty. Title I of the United States' main federal workforce development policy – the Workforce Innovation and Opportunities Act (WIOA) – covers job training programs like Certified Nursing Assistant training programs and Automotive Service Excellence certificates for mechanics. These programs are legally accessible to authorized immigrants. Title II covers adult education programs such as English as a Second Language courses in community colleges. Title I programs are accessible to authorized immigrants, while Title II programs are silent on immigration status.⁴

However, they are systematically excluded from local workforce development systems through several mechanisms. The mechanism of “creaming,” in which nonprofits are incentivized to serve the most employable clients who are most likely to get a job after program participation, is well-documented.⁵ Through recent fieldwork based in the City of Los Angeles, we highlight the additional mechanism of structural creaming—in which nonprofits fail to match the right kinds of clients (especially the most marginalized) with the right kinds of employers, because of network gaps on both ends.

Key Research Findings

To better understand how immigrants and refugees are being excluded from workforce development programs, we conducted a series of 27 interviews with staff from 19

¹ California Immigrant Policy Center. 2019. *Making the Right Investments: Ensuring Workforce Development Programs Work for All Californians*. Los Angeles, CA: California Immigrant Policy Center.

² CIPC, *Making the Right Investments*, 10.

³ American Immigration Council. 2017. “Immigrants in California.” Washington, DC: American Immigration Council. Accessed August 24, 2019,

https://www.americanimmigrationcouncil.org/sites/default/files/research/immigrants_in_california.pdf.

⁴ McHugh, Margie and Madeleine Morawski. 2015. *Immigrants and WIOA Services: Comparison of Sociodemographic Characteristics of Native- and Foreign-Born Adults in the United States*. Washington, DC: Migration Policy Institute.

⁵ Anderson, Kathryn H, Richard V Burkhauser, and Jennie E. Raymond. 1993. “The Effect of Creaming on Placement Rates Under the Job Training Partnership Act.” *ILR Review* 46 (4): 613–24.

workforce development nonprofits that offer job training services in LA. The interviews we conducted in January and February 2019 offered insight from street-level, managerial and executive-level staff. We find that:

Creaming is not just about outcome-based performance metrics, but also about structural exclusion from provider networks. Different WIOA-funded providers have connections with different employers and clients – a function of both their locations, and social or business networks. The marginalized groups that face many barriers to employment are often left unreached by WIOA-funded providers. These groups include authorized immigrants with limited English proficiency; undocumented immigrants without work authorization, who are ineligible for Title I services; and other special populations with multiple, compounded barriers to employment—such as formerly incarcerated individuals struggling with homelessness, or homeless individuals struggling with substance abuse. Some providers may have immigrant clients at their doorsteps, but are unable to connect them with appropriate employers who can accommodate people with limited English proficiency; others may have connections with immigrant-friendly employers, but do not have direct access to employment-seeking immigrant populations.

State and local workforce development policy reinforces the exclusion of the most marginalized Californians, including both authorized and unauthorized immigrants. WIOA-funded providers are unable to address and rectify network gaps, because their organizational capacity is drained by several features of the workforce development system, including:

- ***Paperwork burdens*** – The complex forms required to enroll in these programs act as a barrier for potential clients, especially those with lower literacy levels or with difficulties accessing personal documents because of housing instability or mental health issues. These burdens are amplified for special populations, who must present additional documentation, so that providers can meet state and local performance metrics. The groups who could benefit most from these programs, then are likely self-selecting out of enrollment because of these barriers.
- ***Overhead funding provisions and cuts*** – The LA city workforce development board places a 4% cap on administrative costs in WIOA dollars, which is much more restrictive than the 10% federal cap. Given the heavy paperwork burdens of the program, this only further restricts nonprofits from providing additional application assistance--which erects another barrier of entry for clients.
- ***Performance metrics*** – Expected outcomes for WIOA-funded providers increase over time, especially for number of clients served. This is met with limited to no corresponding grant increases – a familiar story of nonprofits being asked to do “more with less.” Progressive strengthening of performance metrics promotes inter-provider competition and encourages services to emphasize quantity over quality, and limit provider capacity to address the long-term needs of clients facing barriers to employment.

State and locally-funded programs mimic WIOA performance metrics, reproducing the structural exclusion of immigrants at state and local levels. In LA, state and locally-funded providers are held accountable to the same federal WIOA outcome-based performance metrics, including number of clients served, quarterly employment rates, and median earnings for two years after exit. Such WIOA performance metrics are adopted in state and locally-funded workforce development programs, even though state

and local workforce development funds are administered separately from federal WIOA funds. Such performance metrics are unresponsive to both nonprofit capacity and client needs, and cripple nonprofit capacity to reach persistently excluded populations, including immigrants.

'Alternative' workforce development program models can help close gaps, but are underfunded and underutilized. In LA, some non-WIOA-funded providers exclusively serve populations facing major barriers to employment, including formerly incarcerated populations and/or homeless populations (though there are no such providers exclusively serving immigrant populations). Such providers offer a range of human services typically outside the purview of traditional workforce development providers, including in-house mental health providers, housing support, involved case management, and peer support and empowerment programs and networks.

However, these providers cannot completely address network gaps, for two reasons. First, there is insufficient coordination between non-WIOA-funded and WIOA-funded providers, and there are no formal incentives or mechanisms for WIOA-funded providers to systematically refer unreached clients to the relevant non-WIOA-funded providers. Second, while state and local funding for such non-WIOA-funded providers appears to be increasing, there are limited investments in immigrant-specific providers, which are precisely designed to reach both immigrant communities and immigrant-friendly employers.

Recommendations

State and local workforce development policies should rethink paperwork burdens, and overhead provisions and cuts, and their adoption of federal performance metrics. While federal workforce development policy plays an integral role in shaping our public workforce development system, California still has a great degree of autonomy in how it holds workforce development providers accountable. California policymakers should be wary of the impact of structural creaming on the most marginalized California residents, and how they are persistently and systematically excluded from the state's workforce development system.

State and local workforce development agencies should provide additional funding for program administration and systematic data collection for both WIOA-funded and non-WIOA-funded providers. Despite persistent calls for better, more systematic and comprehensive data on workforce development clients, our understanding of workforce development clients and how outcomes differ between demographic subgroups remains extremely limited. Additional funding for program administration and data collection would help identify where, why, and for whom different workforce development programs work. Additional funding could also be used to conduct systems-wide holistic evaluations of local workforce development systems, which are often a combination of disparate WIOA-funded and non-WIOA-funded programs.

State and local workforce development agencies should encourage collaboration between WIOA-funded and non-WIOA-funded providers, focusing on the needs of the most marginalized – including immigrants. Given the limits and detrimental impacts of federal performance measures, it is critical for California to lead the way in testing different kinds of performance measures, which can build evidence towards federal workforce development policy reform, and more inclusive local workforce development systems.

Such measures might include that of employability (which tracks the removal of barriers for labor market participation, rather than labor market outcomes), effectiveness (which tracks the size and strength of networks with employers), and equity (which tracks efforts to improve long-term economic opportunity for clients through advocacy and organizing).⁶ A growing body of literature proposes alternative forms of accountability, through benchmarking, iterative planning and design, and error detection and correction mechanisms.⁷

State and local workforce development agencies should invest in 'alternative' workforce development models that address persistent failures in the federally-funded workforce development system. Given the failures of both WIOA-funded and non-WIOA-funded providers in addressing the systematic exclusion of immigrant communities from the public workforce development system, California must lead the way in testing and funding models of immigrant-inclusive workforce development programs at the local level. Organizations such as worker centers (which already have direct access to unauthorized immigrants and their employers) and immigrant-serving human service nonprofits (which have direct access to immigrant clients facing barriers to employment) are both prime candidates for such investments.

Acknowledgments

This project was approved by the Massachusetts Institute of Technology Committee on the Use of Humans as Experimental Subjects, and funded by the MIT Department of Urban Studies and Planning and the MIT Priscila King Gray Public Service Center. I gratefully thank Ben Miyamoto of the Scholars Strategy Network for his thoughtful edits and comments.

⁶ Holland, Brian. 2016. "Both Sides Now: Toward the Dual Customer Approach under the Workforce Innovation and Opportunity Act in the United States." *Local Economy* 31 (3): 424–41. <https://doi.org/10.1177/0269094216640476>.

⁷ Negoita, Marian. 2018. "Beyond Performance Management: A Networked Production Model of Public Service Delivery." *Public Performance & Management Review* 41 (2): 253–76. <https://doi.org/10.1080/15309576.2017.1408473>.