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Train in Vain

By Anne Kim

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Why the government's workforce training system includes the worst colleges and excludes the best.

Advanced College is a for-profit school in South Gate, California, a Los Angeles suburb that's 95 percent Hispanic. Photos on Google Maps [show](#) a one-story beige building with a small parking lot. A banner on a car stereo store next door announces, "No Credit Needed." Two doors down, there's a crematorium, and across the street, a burger shop. Advanced College offers only seven programs, according to its website, including a credential in "computerized accounting" (tuition and fees: \$13,573), a certificate in phlebotomy (\$3,500), and a certificate in vocational nursing (\$35,000).

The Department of Education's College Scorecard reports that the school had only 31 students and a mere 52 percent completion rate as of July. And despite the name, just 43 percent of Advanced College's students earn more than they would with just a high school degree. The school is under the dreaded "heightened monitoring" by the Education Department for "financial or federal compliance issues."

Nevertheless, Advanced College is among the approximately 1,000 "eligible training providers" as of July 22 (and more than 5,700 programs) approved by the state of California to receive training funds under the Workforce Innovation and Opportunity Act, the federal government's largest workforce development program. Under the WIOA, state and local workforce agencies provide unemployed and underemployed workers "individual training accounts" (typically funded between \$3,000 and \$5,000) to pay for training from state-approved providers included on an "eligible training provider list"—an ETPL—required under federal law. (The only way an institution can get federal training dollars is to be on a state's ETPL.)

California's ETPL includes high-performing institutions, but they are hard to distinguish from lesser schools and questionable for-profits. These include the Stellar Career College in Modesto, whose students earn a not-so-stellar median annual income of \$25,723, according to the College Scorecard, and UEI College—Gardena, where 93 percent of students take out federal loans and 22 percent are in default or delinquent. Also on California's list is American River College, a community college in Sacramento with a 30 percent graduation rate, and various branches of the Milan Institute, a for-profit cosmetology school that, among other things, offers a 75-week course in "barbering" for \$18,781. (It, too, is under Education Department monitoring.)

These ETPLs are meant to ensure that workers qualifying for federal job training assistance have high-quality programs from which to choose. But as the California examples show, the lists fall short. As an instrument for giving workers “choice” while demanding “accountability” from training programs, ETPLs are a failure. And this is a major reason why federal job training efforts are much less effective than they could be.

Rather than ensuring practical, affordable training for in-demand jobs, the lists are a haven for expensive for-profits and fly-by-night concerns. Some of the nation’s best training providers actually eschew being on an ETPL because of the bureaucratic hassles. At the same time, states’ poor data collection (despite all the bureaucracy) means that potential trainees can’t compare programs for the best investment of their time and federal aid. The Education Department’s College Scorecard, for instance, is not cross-referenced on ETPL sites, depriving a would-be trainee of valuable information. Collecting reliable performance data from providers has been a long-standing challenge. Worst of all, the ETPL represents an archaic approach to workforce development—“train and pray”—where workers enroll in training programs that may or may not match up to the jobs available or impart the skills that employers want.

With employers starved for skilled talent, the federal workforce development system should provide workers with the skills to land in-demand jobs. Yet the number of workers enrolled in WIOA-funded training has been declining, indicating a broken system. The best place to start is to fix who’s doing the training.

“The ETPL is a dinosaur,” says Kris Stadelman, who recently retired as executive director of the NOVA Workforce Board in Silicon Valley and was also CEO of the Workforce Development Council of Seattle-King County in Washington. “It does not at all work in the way it was designed,” she says. “And it should just be put to bed.”

Congress appropriates nearly [\\$3 billion](#) a year to fund worker training programs via almost [2,400](#) “American Job Centers” authorized by the WIOA. Given this decentralized infrastructure, the ETPL was meant to provide workers with maximum flexibility in choosing a training program.

This concept of “customer choice” was also intended to fix an earlier iteration of the federal workforce program, the Job Training Partnership Act of 1982. Under this law, participants didn’t pick their training but were assigned to programs chosen and contracted out by local workforce development agencies. “Often these arrangements led to overconsumption of some training and lack of flexibility for funders, students, and employers,” a 2011 analysis by Carl Van Horn of Rutgers University and Aaron Fichtner of the New Jersey Department of Labor and Workforce Development concluded. Widely publicized incidents of abuse fueled the JTPA’s reputation as a boondoggle for state and local governments.

In a 1990 [screed](#) from the Cato Institute, the journalist James Bovard excoriated the program for “providing contractors with a license to steal.” “JTPA has spent taxpayers’ money to set up a circus museum, teach cab drivers to smile, and enable a small-town mayor to fly to Japan,” he wrote. In addition to numerous audits by the Government Accountability Office and the Department of Labor’s inspector general faulting the program’s contracting practices, Bovard cited a 1988 investigation by *The Plain Dealer*, finding that Ohio Governor Richard Celeste had funneled \$1.4 million in JTPA contracts to campaign contributors. Among these was a \$100,000 effort “to train 32 unemployed coal miners to become engineering aides.” “Only two of the trainees got jobs,

which is not surprising because there was no demand for engineering aides in the area of Ohio where the training occurred,” Bovard wrote.

Successor legislation to the JTPA, the [Workforce Investment Act of 1998](#), created the ETPL to be a tool for consumers—a *Consumer Reports* for training programs, as the former workforce director Stadelman says. Meant to help trainees, the ETPL has instead created a different set of pitfalls.

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One problem is that anyone can apply to become an eligible training provider. Most states [actively solicit](#) applications. The result is an array of programs that may or may not align with the skills and credentials a local economy needs. Among the more than 1,500 approved programs in Virginia, for example, trainees can pursue credentials in everything from an associate’s degree in diesel technology to certification as a wind turbine technician, an EMT, or a truck driver. They can also seek training as a bail bondsman, an ethical hacker, or a massage therapist and get certificates in such specialties as permanent cosmetic tattooing, professional horseshoeing, or the appropriate use of pepper spray (for aspiring security guards). No doubt these might be excellent programs, but what’s lacking is information about the availability of area jobs for students interested in these fields (that is, whether there’s a local shortage of farriers or cosmetic tattoo artists).

In West Virginia, many of the approved providers are online and based out of state, so they might lack a connection with local employers. A scan through the state’s ETPL includes providers based in Ohio, Pennsylvania, Maryland, Michigan, and even California. (This would be the Ding King Training Institute, which offers a certificate in “painless dent repair” for vehicles for \$13,000, according to West Virginia’s ETPL online.)

The options are dizzying. “People don’t make good choices without a lot of instruction in the current labor market, an assessment of their skills, understanding not just who succeeds at that training but how much money they make at the end,” Stadelman says.

And in California and Virginia, at least, the number of for-profit providers on the state’s approved provider lists equals or exceeds the number of public institutions, such as community colleges, which means that the choices available to students might be more expensive than they need to be. (Trainees pay out of pocket for costs above the training dollars provided in their individual training accounts.)

A student interested in becoming an administrative assistant, for example, could enroll in a three-week, 120-hour certificate program at Rappahannock Community College for \$320—or they could spend \$4,000 for a certificate from the for-profit MD Technical School. Another for-profit, the Joshua Career Institute, offers a 600-hour certificate program for \$8,000. Virginia’s ETPL describes all three offerings as “administrative assistant” training, and none of the programs have outcomes data available on the site (all values for completion rates and earnings are listed as zeros).

Some training providers might be reluctant to disclose their outcomes because they don’t have good news to report. States might not want to dig too deep, for fear of failing to meet federally mandated performance targets.

Even though states don't do much to police the schools allowed on their ETPLs, some for-profit providers exploit the fact that they are on the list as a badge of quality in their marketing. The online training provider MedCerts, which offers IT and health care certifications, boasts on its home page that it has "approved ETPL status in 30+ states." Aryan Consulting and Staffing, an approved Maryland provider that offers entry-level pharmaceutical manufacturing training, promises, "If you are unemployed and receiving government benefits, you may be qualified for complementary training and placement program (*sic*)." The for-profit Medical Learning Center writes on its "Payment Options" page that it "is an approved Northern Virginia Workforce Investment (NVWIB) trainer provider for Virginia Residents. Funding is provided for Nurse Aide that covers the total cost (*sic*)."

A second problem plaguing the ETPL system is the lack of performance data. WIOA participants cannot tell which programs work and which don't.

"Everybody likes to talk about customer choice, but the caveat is that it's got to be informed customer choice," John Pallasch says. He was executive director of Kentucky's workforce development program and served as assistant secretary for employment and training at the Department of Labor. "We have to give the customer better information—real-time information—so that they can make informed decisions."

Department of Labor [regulations](#) require states to collect information from approved providers, including the number of WIOA participants enrolled in a particular course, the cost of the course, and outcomes such as the percentage of enrollees who receive a credential and whether they're working. This data is supposed to be available on a state's ETPL and on [trainingproviderresults.gov](#), a project initiated by the Labor Department in 2019 that was intended to be for training programs what the College Scorecard is for colleges.

But click on provider listings on a state's ETPL or the website, and lots of information is missing. Clicking on the "Course Performance" tab for half a dozen approved courses on West Virginia's ETPL yielded straight zeroes for such measures as "wages at placement," "number employed after six months," and "number receiving degree or certificate."

[Trainingproviderresults.gov](#) frequently shows only asterisks for employment rate, completion rate, and earnings with the note "[Data Suppressed](#)." In fairness, the site is relatively new, and states have not finished submitting their data. But the problems are still profound. "The data in there is junk because that's the data that the states are giving us," says Pallasch, under whose watch the site was launched.

One problem is that training providers aren't handing over data, a challenge that dates back to the 1998 Workforce Investment Act. In a 2003 [audit](#), the Department of Labor's Office of the Inspector General found that many ETPL providers considered reporting requirements to be "burdensome," especially if they didn't have many WIOA-funded students. "The cost of collecting the data often exceeded the benefit when few WIA participants were in a class," the office reported. Some programs also worried that disclosing personal information about students, such as Social Security numbers and wage data, would violate students' privacy rights and subject them to liability.

Although new [regulations](#) have since resolved the privacy concerns, a November 2020 [report](#) from the research organization Mathematica found that in many states, local officials still said training providers “could not, or would not, provide the required performance data.”

It’s not clear, however, that training providers would be forthcoming with their data, even if barriers disappeared. I emailed 10 providers on the Virginia and Maryland ETPLs, asking about the number of WIOA-funded participants they’ve served in the past year and their outcomes. Eight out of 10 did not respond, and two failed to follow up after an initial response.

Some training providers might be reluctant to disclose their outcomes because they don’t have good news to report. Pallasch suggests that states might not want to dig too deep, for fear of failing to meet federally mandated performance targets. “I know firsthand that in Kentucky, we cleaned the data well enough to get the performance measures and then we moved on,” he says. “We didn’t clean it pristinely, and there’s not a state out there that does, because there’s no incentive to do that at the state level.”

The consequence of this missing data is that WIOA participants don’t have the information they need. It also means that poor-performing programs slide under the radar.

“If we’re being honest about our eligible training provider lists right now, we know that they are bloated. We know that there are programs on there that are not performing,” Pallasch says. “States will tell you that they have a process to go through and check performance and purge their lists, but I would love to see an audit trail. I would love for any state to say, ‘Here are the 2,200 programs we had on the list last year. Here’s the data we looked at, we kicked these 400 off, and we brought these 200 on.’ I assure you there’s not a state out there doing that.”

On the other hand, ironically, some of the nation’s best providers aren’t even on state ETPLs, because of onerous reporting requirements.

Particularly problematic is a requirement that approved providers report performance on *all* students, not just those funded by the WIOA (though this requirement was frequently [waived](#) during the pandemic). Many community colleges opt out of applying for a state’s ETPL because they don’t “have the capacity to collect and report on these data for their thousands of students, even if they did decide that being on the ETP list was important,” according to Mathematica.

National or multistate providers have to meet the requirements of multiple ETPLs. “If you’re LinkedIn Learning or a Cisco certifications class, would you want to submit to all 50 states the data on everybody who took your class and whether or not they got a job and how much they made if they got a job?” Kris Stadelman says. “No. So you just never get on the ETPL.”

“Many small organizations that run good programs opt out [because] it’s too bureaucratic,” the former director of a nationally recognized training program based in Maryland says. (They declined to use their name or the name of their institution to preserve relationships with state officials.) “We started to pursue [an ETPL application] but stopped because the process ... was lengthy, and it was clear they were going to mess with a program we felt good about. We didn’t want to change it for driblets and drabs of money.”

The eligible training provider list represents an archaic approach to workforce development—“train and pray”—where workers enroll in training programs that may or may not match up to the jobs available or impart the skills that employers want.

Among the cutting-edge institutions you won't find on state ETPLs are well-regarded ones like Western Governors University, an online institution that offers skills-based credentials, and Southern New Hampshire University. (The *Washington Monthly* has written about Western Governors University in the past, and SNHU has [ranked](#) in our top 20 best colleges for adult learners.) Amazingly, SNHU is not on New Hampshire's ETPL. Ultimately, it is WIOA participants who lose out. The result is not protection for the consumer but limits on choice and limits on marketable skills workers can acquire," Stadelman says.

A third and final problem with ETPLs is philosophical: their reliance on "consumer choice," without sufficient consideration of that training's ultimate value. Only about [one in three](#) people who enroll in WIOA training ends up in a job related to that training, according to Labor Department data. The problem, Pallasch says, is the lack of employer input into the kinds of programs the WIOA offers and that participants enroll in. "We ask people, 'Hey, what do you want to be when you grow up? Okay, great, go into training.' And then they finish their training and come back to the job center asking for job search assistance," he says.

It doesn't have to be this way. One obvious solution for fixing the ETPL is for the federal government to insist on better data and provider quality.

"As much as I don't like ... the big bad Department of Labor saying, 'States, you must do this,'" John Pallasch says, "in some instances the department can signal, 'Hey, we're serious about performance. We're serious about accountability. We're serious about outcomes.'"

To overcome states' worries about failing to meet federal performance targets if outcomes aren't up to snuff, states could get temporary "amnesty" for coming clean and a grace period from penalties while they purge their lists of poor performers. At the same time, Congress should modify the requirement that ETPL providers report on *all* participants, opening the door to more community colleges and national providers, as some advocates have urged.

Another step is to prohibit states from including on ETPLs institutions that would fail the "[gainful employment](#)" rules proposed by the Biden administration to regulate the quality of two- and four-year institutions—and particularly for-profits—that rely on federal student loans. (For an idea of which schools might be removed from the ETPLs, see "[The Best and Worst Colleges for Vocational Certificates](#)".) This change would not get at the many training providers that only rely on WIOA dollars and not on federal student loans to finance students' education, but it would be a good start.

California's South Bay Workforce Investment Board, one of the nation's better workforce development agencies, is a rare example of how an ETPL works when good data is a priority.

Operating just south of Los Angeles, the organization created its own approved provider list that the executive director, Jan Vogel, says benefits from a rigorous screening process for training providers. "We kick people off the list all the time," he says.

Vogel asks private-sector industry experts to evaluate an applicant's curriculum before the program is added to the ETPL—something most state agencies don't typically do. "We might go to a school that's nice and clean with a shiny sign and give them an 'A,' but our expert would say, 'Your curriculum is not up to industry standards, the teachers are using a curriculum that's archaic, and we wouldn't hire them coming out of that course,'" Vogel says. "We wouldn't have known that, so having an industry expert give us that information is very helpful."

Vogel’s team also checks the books of for-profit providers applying to the ETPL—another unusual step. It scrutinizes performance, too. “We don’t go simply by what they tell us,” he says. “We actually verify placements to see whether or not it is accurate.”

Congress should use carrots and sticks to encourage more workforce development agencies to be like South Bay. It should also make the system employer driven, rather than solely reliant on “customer choice,” so training providers and their programs impart the skills and credentials employers want. This approach might not require an ETPL at all.

The best models for this are state workforce development efforts, such as Virginia’s Fast Forward program (formerly the New Economy Workforce Credential Grant), offered through the commonwealth’s community colleges.

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Fast Forward offers short training programs (six to 12 weeks) where enrollees earn industry-approved credentials for a specific list of 40 in-demand careers in health care, IT, business, manufacturing, logistics, and skilled trades. Local businesses work with a community college to design curricula. Some programs even have “guaranteed interview agreements with local businesses,” the initiative’s website says. Since its launch in 2016, the program has boasted a 90 percent completion rate and has awarded more than 32,700 credentials. Students have seen dramatic annual wage increases (\$11,626 on average, or 55 percent).

By contrast, just 3,121 people enrolled in Virginia’s WIOA adult and dislocated worker programs between April 2020 and March 2021. Of those who finished their training, median quarterly earnings were \$6,156 six months after exit (\$24,624 on an annualized basis).

According to the [National Association for Business Economics](#), a trade association for professional economists, more than half of businesses in January 2022—[57 percent](#)—said they couldn’t find enough skilled workers to hire. This skills crunch will continue in the long run. By 2030, the placement giant Korn Ferry reports, the U.S. will need [6.5 million](#) more “highly skilled” workers (that is, with some postsecondary credential) than it is on track to produce, particularly in fields like IT and advanced manufacturing.

The nation’s public workforce system should ensure that U.S. workers don’t miss out on these opportunities. Americans deserve quality training that’s worthy of their potential.