REquest to Approve

Date: October 4, 2021

Time: 10:00 am

**Request**

The IWIB Eligible Training Provider Policy Workgroup, Demand Occupation Training List Subgroup requests revisions to the current Demand Occupations Training List (DOTL) Framework to implement a bottom floor to the median wage criteria.

**Background**

In March 2021, Illinois Workforce Innovation Board Executive Committee approved a new Demand Occupation Training List (DOTL) framework and criteria. This framework utilizes current data on job openings, median wages, and education and on-the-job training projections to create a new DOTL. Additionally, the new list shifts the focus of demand occupations from ten separate regional lists to a single Statewide list (See Attachment A to this request for the newly approved Demand Occupation Training List Framework effective July 1, 2021). NIU’s Center for Governmental Studies, Education Systems Center at NIU, the Office of Employment and Training, and the Eligible Training Provider List (ETPL) Policy Workgroup developed the criteria.

Since the new list was implemented via issuance of WIOA Notice 20-NOT-08, Demand Occupation Training List, staff identified a gap in the criteria pertaining to wages, resulting in low-wage occupations being included on the list. The purpose of the proposed update is to ensure WIOA Title I participants selecting occupations that lead to a good job with good wages are doing so with a career in mind. Attachment B contains three scenarios in applying a bottom, lower limit to the projected median wages of an occupation to consider it in-demand. These are presented as percentages of the Living Wage for 1 adult & 1 child in Illinois according to the [MIT Living Wage Calculator](https://livingwage.mit.edu/), which was $26.48 in December 2020.

**Considerations**

One of the hallmarks of the Workforce Innovation and Opportunity Act (WIOA) is to strengthen and improve the workforce system to get Americans into careers that lead to self-sustaining wages and help employers hire and retain skilled workers. WIOA Policy 7.3 Training Provider and Training Program Eligibility requires that all training programs purchased using an Individual Training Account be on the ETPL and in an occupation that is in-demand. Furthermore, WIOA Policy 7.3 outlines that those training programs which lead to demand occupations are discussed between participants and the career planners to support informed customer choice.

To ensure an adequate number of training programs are available to participants across the state, the criteria contained within the approved DOTL framework created Tiers of demand. In the first tier, High Priority occupations meet all three criteria related to annual job openings, minimum typical entry education level and work experience (expressed as on-the-job training), as well as the median wage rate. A second level of demand, identified as Moderate/Growth, was calculated whereby an occupation was considered as in-demand in the Growth category if it failed to meet the minimum job openings (0.01% of statewide employment=646), but met a lower defined level/“floor” (62% of 646=400 openings) and met the median wage rate (85% of the Living Wage of $26.48= $22.51) or failed to meet the median wage rate but met the higher job openings criteria were placed in the Moderate category.

While a lower “floor” to the job openings criterion that would qualify an occupation as in-demand was established in this Growth/Moderate Tier, there was no such lower “floor” initially applied to the wage criterion. This resulted in entry level occupations requiring minimal education and work experience and having expected low wage rates to qualify as demand occupations. Adding a “floor” will help ensure better job quality for customers by eliminating occupations that have very low wages.

The three Attachment B options outline proposed median wage “floors” from as low as 50% of the Living Wage rate (50% of 26.48=$13.24/hour) to as high as 62% of the Living Wage rate (62% of $26.48=$16.42/hour. Each Option provides a listing of the occupations that would fail to meet the new criteria and would be removed from the current DOTL. While these would be removed, WIOA Policy 7.3 allows for training towards such occupations as part of a commitment to a career pathway that leads to an in-demand occupation.

One example, utilizing 62% (equal percentage to that of the lower limit on job openings) of median wage rate (62% of $26.48=$16.42/hour), 31-1014 Nursing Assistants which has an anticipated median wage across the state of only $11.28/hour, far below a living wage or leading to self-sufficiency, would be removed from the DOTL. This occupation would in fact be removed under all three options due to such low wages. A WIOA participant would not be able to indicate they want to train only to become a certified nursing assistant (CNA), but they could commit to continuing their education along the healthcare career pathway and train towards a registered nurse (RN), Licensed Practical Nurse (LPN) or Licensed Vocational Nurse (LVN), which are in-demand and identified as a high priority on the new DOTL.

It is recommended for consistency with the job openings “floor” that 62% of the Living Wage be the applied percentage for a lower limit to the criteria for demand occupations. The additional options are made available for comparison and discussion.

**Motion**

“I move that the IWIB Executive Committee approve Option 1 as outlined below to the criteria for identifying “Demand Occupations” in Illinois for the WIOA Title I programs.”

**Attachment B**

**OPTION 1**

Option 1 would change the current criteria and apply a lower median wage floor whereby only occupation at or above this projected median wage level would be approved as a demand occupation.

The Growth category includes occupations which meet the job openings and education criteria, but do not meet the wage criterion. Currently, several occupations are included which fall far below the wage criterion. Adding a “floor” will help ensure better job quality for customers by eliminating occupations from the DOTL that have very low wages. Applying the same principle to the wage criterion for the Growth category as we apply to the job openings criterion in the Moderate category is the proposed method for creating a wage “floor” for the Growth category. In the Moderate category, the job openings “floor” is 62% of the threshold. Applying the same percentage (62%) to the Living Wage criteria of $26.28/hour would equate to $16.4176/hour, rounded to $16.42/hour as the wage threshold/“floor” in the Growth category.

The following occupations that are currently approved in the Growth category (met education and openings criteria but fell short of the median wage criteria) would be removed from the list:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| SOC Code | SOC Title | 2018 Employment | Annual Openings | Education/OJT code | Median Wage | Demand Code |
| 39-5092 | Manicurists & Pedicurists | 6,079 | 720 | 14 | $ 10.88 | 4 |
| 31-1014 | Nursing Assistants | 63,439 | 6,942 | 14 | $ 11.82 | 4 |
| 39-5012 | Hairdressers/Hairstylists/ Cosmetologists | 24,727 | 3,153 | 14 | $ 13.00 | 4 |
| 25-3099 | Teachers and Instructors, All Other[[1]](#footnote-1) | 11,474 | 1,441 | 22 | $ 13.20 | 4 |
| 25-2011 | Preschool Teachers, Ex. Special Education1 | 24,803 | 2,692 | 18 | $ 14.29 | 4 |
| 29-2041 | Emergency Medical Techs & Paramedics | 11,087 | 799 | 14 | $ 14.54 | 4 |
| 41-9022 | Real Estate Sales Agents | 7,978 | 787 | 7 | $ 14.55 | 4 |
| 51-2099 | Assemblers and Fabricators, All Other | 69,046 | 6,882 | 7 | $ 15.22 | 4 |
| 29-2052 | Pharmacy Technicians | 21,390 | 1,772 | 7 | $ 15.44 | 4 |
| 51-9111 | Packaging/Filling Mach Operators/Tenders | 18,134 | 2,140 | 7 | $ 15.63 | 4 |
| 25-4031 | Library Technicians | 5,458 | 753 | 14 | $ 15.76 | 4 |
| 51-2022 | Electrical and Electronic Equipment Assemblers | 9,660 | 1,122 | 7 | $ 15.79 | 4 |
| 27-4021 | Photographers | 5,975 | 403 | 8 | $16.31 | 3 |

**OPTION 2**

At 60%, the rate would be $15.88/hour and would eliminate all occupations in the above table except for 27-4021 Photographers, allowing it to remain as a demand occupation in the Growth Tier.

**OPTION 3**

At 50%, the rate would be $13.24/hour and occupations eliminated from the DOTL would only include 39-5092 Manicurists and Pedicurists, 31-1014 Nursing Assistants and 39-5012 Hairdressers/Hairstylists/Cosmetologists. All other occupations from the table above would remain in-demand.

1. Would remain on DOTL based on Statewide Priority for Early Childhood Education [↑](#footnote-ref-1)