WIOA
THE OPPORTUNITY FOR INNOVATION

JOHN COLBERT, Esq.
Capitol Hill Partners, LLC
WIOA in context

• Eleven years in the making
• An update – not an overhaul
• Incorporates many best practices utilized in states around the nation
• Very tight timelines included in the law for implementation by DOL
• Real change begins in your upcoming annual plans to be implemented on July 1, 2015
The core goals of WIOA

- **Aligns** workforce investment, education, and economic development systems;
- **Increases** the employment, retention, and earnings of participants through the attainment of recognized postsecondary credentials and better meet the skills needs of employers;
- **Improves** opportunities for workers with barriers to employment, including people with disabilities;
- **Creates** a streamlined, yet comprehensive approach to workforce development through unified planning.
Of note to NADO

- **State WIB’s** – continued business majority and business chair
- One member chosen by each chamber of the state legislature (reduced from two members per chamber)
- 20% of members from labor movement

- **Local WIB’s** – streamlined and more strategic
- still business majority and chair
- One stop governmental partners eliminated
- 20% of members from labor movement
Of note to NADO

Core WIOA formula funding
• Only one significant change to WIOA formula funding
• Dislocated Worker state formula funding now has a 90% hold harmless to prevent significant shifts in funding on annual basis;

• One Stop infrastructure funding – if locals cannot figure out cost allocation, the State will determine program contributions.
Of note to NADO

Key WIOA dates

• Draft rule – imminent
• No WIOA State plans due to DOL this year
• WIOA Youth funding available – April
• WIOA PY15 funding formula available – July 1
Of note to NADO

Key WIOA dates

• Final rule published – early 2016
• Unified plans due – Spring 2016
• Full WIOA implementation July 2016

• Begin fostering implementation discussions now between program partners in your state
Timing of WIOA passage ideal for states to innovate

State WIA funding allocation:

- PY 13 – 5%
- PY 14 – 8.75%
- PY 15 – 10%
Timing of WIOA passage ideal for states to innovate

WIOA Funding in PY 15

- Double the funding available to states for WIA programs just six months ago
- 100% transferability between all funding streams
- Opportunity for significant state innovation
Innovation opportunities in WIOA

• Authorizes career pathways approaches underway in many states that combine occupational training and postsecondary education to earn industry recognized credentials

• Authorizes transitional jobs strategies

• Enhanced Employer Engagement

• Board size reductions to allow for stronger business engagement

• Requires common performance measurements from across all its core programs.
Innovation opportunities in WIOA

• **Unified Planning** - WIOA *requires* a state unified plan for the core programs in the Act beginning in PY 16.

• **No need to wait** – states can submit unified plans before PY 16

• It also *permits* states to include in its unified plan one or more of the following programs: Perkins Act, TANF E&T, TAA, UI, SNAP E&T, SCSEP, CDBG, CSBG, and VETS programs.
Innovation opportunities for states in WIOA

Promotes Regionalism

• WIOA requires strong regional planning and coordination

• States work with locals to identify regions – taking into consideration labor markets and regional economic development areas.

• Requires strong local performance with fiscal integrity or states may realign WIB’s
Changes made to Governance

Membership on Boards
• Streamlines membership requirements for State and Local workforce boards
• Maintains business majority
• Requires certification of one-stop centers by the Chief Elected Officials and the WIB
• Adds Vocational Rehabilitation, Adult Education, and Registered Apprenticeship as required board members and increases the voice of labor on the board
Changes in Governance – LWIB’s

Identifies 13 functions for Local workforce boards including:

• Engaging employers;
• Develop and implement career pathways;
• Identifying and promoting proven and promising practices;
Changes in Governance – LWIB’s

Identifies 13 functions for Local workforce boards including:

• Establishing standing committees to more effectively accomplish the work of the local boards;
• Promoting consumer choice of participants among providers;
• Enhancing coordination with education providers
• Think regionally
Changes in Governance – SWIB’s

Identifies 12 functions for State workforce boards:

• Provides guidance re:
  • programmatic alignment,
  • career pathways,
  • sector partnerships,
  • coordination between states and local areas,
  • identification of regions,
Changes in Governance – SWIB’s

Identifies 12 functions for State workforce boards:

• case management information systems
• Best practices
• Development statewide One Stop policies
• Tech improvements
• Statewide workforce and labor market information systems
Competitive and Integrated One Stops

• Each local area must have one comprehensive one-stop center.
• Must be Competitively awarded
• Eliminates stand-alone Employment Service offices.
Competitive and Integrated One Stops

Enhanced and Streamlined Operations:

• All partners share One Stop infrastructure costs

• MOU’s with every one-stop partner to describe operations, services provided and coordinated, funding, and referrals.

• Local boards will certify one-stops every three years, using criteria written by the state Workforce Development Board.

• Integrate the intake, case management, reporting, and fiscal and management accountability systems of one-stop partners.
Innovation opportunities for states in WIOA

Stronger focus on training

• Makes permanent language appropriations language allowing grants from Adult or DW funds to train cohorts, instead of solely utilizing ITA’s

• Encourages sectoral initiatives to work with employers to train workers in high demand sectors

• Increases **incumbent worker training** to 20% of funding allotment

• Authorizes transitional jobs programming
Innovation opportunities for states in WIOA

Youth funding now targeted to out of school youth

- WIA - 30% of funds required to be spent on OSY
- WIOA - 75% of funds required to be spent on OSY
- Youth Councils no longer required
- Local Boards are encouraged to designate a standing Youth Committee
Changes in youth policy

Changes to Youth Eligibility

• Out-of-school youth must be aged 16-24, not attending any school;

• In-school youth must be aged 14-21, attending school, low income and one other barrier
Changes in youth policy

New Youth Program Elements

• Financial Literacy;
• Activities that help youth transition to postsecondary education and training;
• Education offered concurrently with and in the same context as workforce preparation activities and training for a specific occupation or occupational cluster;
• Entrepreneurial skills training;
Changes in youth policy

**Emphasis on Work-Experience**
At least 20 percent of local Youth formula funds must be used for work experiences, such as:

- **summer and year-round** employment,
- pre-apprenticeship,
- on-the-job training,
- internships and job shadowing
WIOA: Innovation Opportunity

Pay-for-Performance – significant expansion

- WIOA allows states and locals to use their annual formula funds for pay-for-performance – a dedicated resource moving forward
- With no additional overall funding – allows states and localities to directly contract for outcome-based performance.
WIOA: Innovation Opportunity

Pay-for-Performance – significant expansion

- States can also augment pay-for-performance with non-federal funds
- Local areas can use up to 10 percent for pay-for-performance
- States can provide technical assistance to WIB’s on pay-for-performance
WIOA: Expansion Opportunity

Pay-for-Performance – significant expansion

• Specific outcomes and populations to be served negotiated between providers with state or local

• Can create incentives or bonus payments to assist harder to serve populations

• Paid upon successful completion of these outcomes

• Pay for Performance expanding across social service programs – bipartisan support for evidenced based programming
Major opportunity for state innovation

Pay-for-Performance significantly expanded

• Effort to incorporate pay for performance in WIOA formula funds led by Senator Portman

• Also key focus of the Administration is on Pay for Success in social service programming

• However, WIOA creates a different authority than the Administration’s Workforce Innovation Fund
What should we be doing now?
WIOA implementation - overall approach

• “Beg for forgiveness, rather than wait for permission”

• Implement what the statute outlines now and tweak if necessary post regulations
QUESTIONS AND COMMENTS

John Colbert, Esq.
Capitol Hill Partners
202.544.1300
jcolbert@caphillpartners.com
www.caphillpartners.com