

WIOA

THE OPPORTUNITY FOR INNOVATION

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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

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