



Workforce Innovation and Opportunity Act of 2014

Support Funding in the FY2018 Appropriations Process

BACKGROUND: On July 22, 2014, President Obama signed the Workforce Innovation and Opportunity Act (WIOA) of 2014 (H.R. 803 as amended) into law, which reauthorizes the U.S. Department of Labor's (DOL) Workforce Investment Act (WIA) programs through 2020. The bill marks the first major overhaul of the federal workforce system since 1998 and was approved by Congress after a ten-year reauthorization process.

Overall, WIOA focuses on streamlining programs, reporting, and administration. The bill eliminates 15 existing federal training programs including WIA incentive grants, WIA Pilots and Demonstration Projects, and the Workforce Innovation Fund (WIF). The legislation creates common measures across core workforce programs for both adults and youth and mandates a single state unified plan for all core programs.

The bill maintains the existing basic structure of WIA (workforce systems title, occupational training title, adult basic education [ABE], literacy and English language acquisition [ESL] title; Wagner-Peyser Act; and Vocational Rehabilitation) and does not create a single state funding block grant or consolidate current funding streams. Additionally, the bill maintains that a state's governor does not have the authority to consolidate local workforce investment boards.

In May, Congress passed and President Trump signed into law an omnibus spending plan (the Consolidated Appropriations Act of 2017) to fund the federal government through September 30, 2017.

On May 23, the President released the administration's FY2018 budget proposal, "A New Foundation for American Greatness." The proposal recommends eliminating the Senior Community Service Employment Program (SCSEP) which was funded at \$400m in FY2017. The proposal also requests reduced funding to the WIOA Title I and III Formula Programs (Adult, Youth, Dislocated Workers, Employment Service) by 39%. The administration's budget calls for a reduction of \$54 billion from non-discretionary domestic funding while increasing defense spending by the same amount.

LATEST ACTION: In July, the House Appropriations Committee passed its FY2018 Labor, Health and Human Services, Education, and Related Services spending bill. Recommended levels for programs are:

Adult Employment and Training: \$776m, \$39m less than FY2017 level

Youth Employment and Training: \$831m, \$58m less than FY2017 level

Apprenticeship Grants: No funding approved; \$95m less than FY2017 level

Dislocated Worker Employment and Training: \$1.1b, \$100m less than FY2017 level

Community Service Employment for Older Americans: \$300m, \$100m less than FY2017 level

Job Corps: \$1.69b, \$10m less than FY2017 level

WIOA amends current WIA law in several ways. Key changes include:

- **Local Workforce Investment Boards (WIBs).** WIOA generally maintains the current structure of the local workforce boards, continuing to require a business majority and chair. However, the number of required members is reduced from 51 to 19.

- **State and local plans.** WIOA requires a single, unified state plan covering all core programs authorized under the bill. The plan must describe the state's overall strategy for workforce development and how the strategy will meet identified skill needs for workers, job seekers, and employers. Local plans must be aligned to the strategy described in the state plan and must describe how services provided at the local level will be aligned to regional labor market needs. The local plan must be updated every four years. These new plans must be submitted to DOL by March 3, 2016.
- **American Job Centers (one-stop centers).** WIOA requires state boards to establish criteria for use by local boards to assess the "effectiveness, physical and programmatic accessibility, and continuous improvement" of American Job Centers at least every three years. The bill maintains current requirements for mandatory one-stop partners to reach a voluntary agreement to fund infrastructure costs; however, if local areas fail to come to an agreement, a state mandated funding mechanism may be imposed upon those local areas.
- **Employment and Training Activities.** WIOA codifies the elimination of the original "sequence of services," and combines core and intensive services into a new "career services" category. The bill signals to states and local areas an interest in seeing a number of existing best practices adopted or expanded including: career pathways (including integrated or contextualized ABE, ESL, and occupational training); industry or sector partnership (local WIBs are required to "convene, use, or implement" sector partnerships); and an increased focus on the attainment of industry-recognized certificates and credentials linked to in-demand occupations.
- **Statewide set-aside (i.e. governor's set-aside).** WIOA restores the statewide set-aside to 15 percent. It is currently set at 5 percent by discretionary appropriations levels.
- **Funding levels.** Unlike current law, which vaguely specifies "such sums as necessary," WIOA includes specific funding levels for each fiscal year (FY) 2015 through 2020 for the WIA Youth, Adult, and Dislocated Worker programs. Funding levels are increased each year and reach FY2010 levels by FY2017. However, it is important to understand that these are just recommended authorization levels and actual funding levels will continue to be determined through the annual appropriations process.
- **Data and accountability.** WIOA makes all its programs accountable for the same core metrics: employment (or education for youth) after program exit; median earnings; credential attainment; measurable skill gains; and employer engagement.
- **Performance measures.** WIOA creates a single set of common measures for adults across all core programs authorized under the bill, including both occupational training and adult education programs, and a similar set of common measures across all youth serving programs authorized under the bill. Adult measures include: unsubsidized employment; median earnings; receipt of a secondary diploma or recognized postsecondary credential; measurable skills gains toward a credential or employment; and employer engagement.
- **Federal Implementation.** WIOA gives DOL two years after enactment to implement policy changes.

For more information, please contact Josh Shumaker, Legislative Associate, at 202.624.8482 / jshumaker@nado.org.

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+Indicates Chair of the U.S. House Labor, Health and Human Services, Education, and Related Agencies Subcommittee

#Indicates Ranking Member of the U.S. House Labor, Health and Human Services, Education, and Related Agencies Subcommittee

**Indicates Representative serves on the U.S. House Labor, Health and Human Services, Education, and Related Agencies Subcommittee*