

# Workforce Investment Act

## Policy Recommendations

February 2011

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The Government Accountability Office (GAO) estimates that 90 percent of today’s fastest-growing jobs will require some form of postsecondary education. Meeting these increased demands will require a robust public workforce system that can address the needs of a diversity of jobseekers—including individuals with low literacy skills and limited English proficiency, dislocated workers transitioning to new occupations or industries, and young people seeking to enter the labor market—while responding quickly and effectively to the skill requirements of employers.

In 1998, Congress established a framework for the nation’s workforce development system under the Workforce Investment Act (WIA). The law replaced multiple existing training programs with state formula grants, and created a nationwide network of locally administered “one-stop centers” where both workers and employers could access training, employment, and support programs administered through the U.S. Department of Labor (DOL) and other agencies, such as the U.S. Departments of Education and Health and Human Services.

Due to be reauthorized nearly a decade ago, WIA has failed to keep pace with changing economic conditions. The law’s original emphasis on short-term training and rapid re-employment is increasingly inconsistent with growing demands for longer-term training aligned to high-growth and emerging industries. Administrative barriers make it difficult for local providers to help participants who require multiple services, undermining the law’s vision for cross-program alignment. Steady declines in funding—formula funding decreased by nearly 30 percent<sup>1</sup> over the last decade—have made it more difficult than ever to meet the needs of participants. Many state and local systems have adopted innovative strategies despite the limitations of current law, but these efforts could be greatly strengthened if federal policy was updated to reflect best practices in the field.

### **Title I – Workforce Systems for Adults, Dislocated Workers, and Youth**

#### **Increase the Number of Individuals Receiving Training**

As Congress considers reauthorizing WIA Title I, policymakers should ensure that the program is supporting high quality education, training, and related services that provide a diversity of

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<sup>1</sup> Inflation adjusted.



jobseekers with the necessary skills to obtain, retain, and advance in well-paying occupations and careers.

**Significantly strengthen focus on attainment of postsecondary degrees, certificates, and other industry-recognized credentials under WIA Title I.** Establishing meaningful goals and performance measures for credential attainment would enable policymakers to determine how successful the public workforce system is in meeting the skill requirements of jobseekers and employers on a national, regional, and local basis, while allowing state and local workforce agencies to emphasize the kinds of longer-term training that leads to well-paying jobs and careers for participants, rather than focusing on rapid labor market attachment encouraged under current performance measures. Specifically, Congress and DOL should:

- Require that credential attainment be a core performance indicator under Title I;
- Set numeric goals for state and local Workforce Investment Boards (WIBs) to increase training and credential attainment, consistent with DOL's Employment and Training Administration's goal of increasing the number of individuals earning degrees, certificates, and other industry-recognized credentials by 10 percent by 2012;
- Require states to include the list of credentials offered by Eligible Training Providers (ETP) on state ETP lists;
- Incentivize collaboration between WIBs and education and training providers to develop and implement innovative training programs that increase credential attainment for low-skilled adults, including integrated education and training programs that combine adult education and occupational skills instruction; and
- Recognize and promote local or regional credentials developed through sector partnerships or other employer consortia within a specific industry or geographic area, and delivered by a qualified training provider.

**Support career pathways under WIA Title I.** A number of states have begun to implement career pathways strategies which align adult education, job training, and higher education programs to allow participants to obtain progressive educational or occupational credentials even as they continue to work,<sup>2</sup> but their efforts could be strengthened by:

- Requiring states and local areas to set and meet goals for co-enrollment of participants in WIA Title I and Title II programs, and require that co-enrollment percentages increase over time;
- Establishing performance measures for Title I that reward states and local areas for interim outcomes along career pathways, such as GED attainment or completion of

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<sup>2</sup> See, for example, the Joyce Foundation's Shifting Gears Initiative, which was launched in six Midwestern states in 2006. <http://www.shifting-gears.org/>.



postsecondary courses leading to an industry-recognized degree, certificate, or other credentials;

- Clarifying how WIA Title I funds may be used in conjunction with Pell Grants, and ensure that local workforce staff are trained to assist participants in accessing the full range of student assistance they need to succeed in training; and
- Providing states and local areas with flexibility to merge Title I and Title II funds as necessary to support integrated education and training programs and other innovative strategies that provide services through multiple education and training programs.

Congress should also eliminate the current sequence of service requirements; increase overall formula funding for WIA programs to at least the level of combined spending under the American Recovery and Reinvestment Act and regular Fiscal Year (FY) 2009 appropriations bills to ensure that local WIBs and one-stops have the necessary resources to respond to heightened demand for services; create and fully fund a separate line item under DOL's budget to support one-stop administrative and infrastructure costs while requiring that a minimum percentage of WIA formula funds be used to directly support job training; and retain the Recovery Act provision that allows local WIBs to contract for training services for multiple participants where such practices do not limit consumer choice.

### **Invest in Sector Partnerships to Effectively Target Scarce Training Resources**

Sector partnerships are industry-led collaboratives between key stakeholders connected to a local or regional industry that optimize investments by carefully targeting training to local and regional employer skill needs. Recent research demonstrates that well-designed sector programs can have significant positive outcomes for low-income workers, including earnings gains, steadier employment, and increased access to health care and other benefits.<sup>3</sup> In 2010, the House of Representatives passed legislation—the SECTORS Act (HR 1855)—that would have established designated capacity and funding to support sector partnerships under WIA;<sup>4</sup> Congress should incorporate the language from this bill as part of a broader WIA reauthorization effort.

### **Maintain and Improve the Public Workforce Infrastructure**

The public workforce system coordinates a range of federally-funded training programs and services that address the distinct and specific needs of different worker populations and industries. The state-administered Employment Service<sup>5</sup> provides critical job search, labor-

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<sup>3</sup> [http://www.ppv.org/ppv/publications/assets/325\\_publication.pdf](http://www.ppv.org/ppv/publications/assets/325_publication.pdf).

<sup>4</sup> HR 1855; see <http://www.nationalskillscoalition.org/federal-policies/sector-partnerships/> for additional information about the SECTORS Act and sector partnerships.

<sup>5</sup> Authorized under the Wagner-Peyser Act (WIA Title III).



market information, and other core services, while locally-administered WIA Title I programs provide assessment, training and supportive services, and employment services to both jobseekers and employers. Prior reauthorization efforts have been stalled, in part, by attempts to merge WIA and the Employment Service, or to eliminate the Employment Service altogether. The resulting confusion, rather than achieving new efficiencies, would likely lead to further friction in the distribution of training funds, unemployment insurance, or sound labor market information to workers in need. Congress should reject any such efforts in the future and focus its efforts on increasing effective coordination between the two systems while also ensuring adequate funding for each program.

## **Title II – Adult Education and Family Literacy Act**

### **Increase Investments in Adult Basic Education**

Adult education programs are severely underfunded and are simply unable to provide the services and supports low-skilled individuals need. The Adult Education and Family Literacy Act (AEFLA) state grants have declined by more than 17 percent in inflation-adjusted terms between FY 2002-2009.<sup>6</sup> Fewer than 3 million low-skilled individuals are served by federally-funded adult basic education programs each year,<sup>7</sup> and those who do manage to get served see an average investment of just \$645 per student annually.<sup>8</sup> Congress should significantly increase funding for state adult basic education formula grants; maintain current state maintenance of effort (MOE) requirements; and consider additional funding for competitive grants to states and localities to support innovative service delivery strategies and systems alignment.

### **Focus on Career and Postsecondary Success**

Under current law, federal adult education funds can be used to support a wide range of activities, such as family literacy programs, that are not directly related to enhancing participants' employment or educational prospects. Congress should set increasing career and postsecondary success for low-skilled individuals as the primary purpose of AEFLA, and limited federal resources should be devoted exclusively to helping those individuals who are pursuing adult education and literacy services as a means to succeed in the workplace or in postsecondary education and job training. State, local, or other funding sources should continue to be available to meet other literacy and adult education needs. Congress should modify the current performance accountability system to require that workforce outcomes be reported for all Title II participants, which would reduce current incentives for Title II providers to avoid discussing employment goals with participants at intake to reduce post-completion data collection. Congress should include measures of postsecondary success beyond enrollment –

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<sup>6</sup> Calculations by National Skills Coalition based on Department of Education data.

<sup>7</sup> <http://www.nationalcommissiononadultliteracy.org/ReachHigherAmerica/ReachHigher.pdf>, pg. v.

<sup>8</sup> <http://www.nationalcommissiononadultliteracy.org/content/strawnbriefrev101807.pdf.pdf>, pg. ii.



including attainment of industry-recognized credentials or completion of college-level coursework—to ensure that adult education programs are adequately preparing individuals to succeed in postsecondary training and education programs.

### **Prepare More Workers for the 21st-Century Economy**

Between Program Year (PY) 2004 - 2007, the percentage of adults who exited WIA Title I who were also co-enrolled in adult basic education programs declined from about 0.7 percent to 0.2 percent.<sup>9</sup> This suggests that many individuals seeking adult education services to enhance their career prospects are not taking advantage of the range of employment and supportive services—including child care and transportation assistance—that are available under Title I, and are enrolling in programs that may not be adequately aligned with entrance requirements for occupational training and postsecondary educational programs. Congress should explicitly permit activities offered under Title II to be provided before, or in combination with, work or postsecondary education and training activities. In particular, Congress should consider removing current restrictions on the use of Title II dollars to support occupational training if offered as part of an integrated education and training program or similar service delivery model. Congress should address “creaming” issues related to conflicting performance requirements by allowing programs offering services to dual-enrolled individuals to track a single set of performance outcomes for such participants, and should require states and local areas to set and meet annual co-enrollment goals between Title I and Title II.

Congress should also consider providing grants to states to support program alignment efforts across state and local agencies, and authorizing state and local grants to support the development of innovative service delivery strategies leading to industry-recognized credentials along well-defined career pathways within key industries. Congress should consider separate performance measures for these programs, rather than holding them accountable for the current adult education performance measures, and conduct an evaluation of the impact of integrated programs on the rate at which students attain career and postsecondary success.

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<sup>9</sup> [http://www.doleta.gov/performance/results/pdf/PY\\_2008\\_WIASRD\\_Data\\_Book\\_FINAL\\_1192010.pdf](http://www.doleta.gov/performance/results/pdf/PY_2008_WIASRD_Data_Book_FINAL_1192010.pdf).