

# Workforce Investment Act Title I

## System Alignment and Innovation

### Summary of Key Provisions

June 2011

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#### Sec. 2 Purposes

Describes five purposes of the bill: (1) to increase for individuals, particularly those with barriers to employment, access to and opportunities for employment, education, training, and supportive services; (2) to support the alignment of the workforce investment, education, and economic development systems; (3) to improve the quality and relevance of workforce investment, education, and economic development efforts to provide workers with the skills and credentials they need to get and keep decent jobs, and to provide employers with the skilled workforce they need to succeed in the global economy; (4) to improve the delivery of services through the workforce development system for workers and employers; and (5) to increase the prosperity of workers and employers, the economic growth of communities, regions, and states, and the global competitiveness of the United States. (pg. 2-3)

#### Title I – System Alignment and Innovation

##### Sec. 101 Definitions

- Defines key terms, including, among others: adult education; career pathway; core program; customized training; dislocated worker; in-demand industry sector or occupation; individual with a barrier to employment; industry or sector partnership; integrated education and training; low-income individual; nontraditional employment; planning region; recognized postsecondary credential; region; training services; workforce development activity; workforce development program; workforce development system; workforce investment activity; and workplace learning advisor. (pg. 3-31)



## Subtitle A – Workforce Boards and Plans

### Chapter 1 – State Provisions

#### Sec. 111 State Workforce Development Boards

- *Restructures State Boards* – Members appointed by governor must now include 1/3 representatives of businesses in the state; 1/3 representatives of the workforce (must include labor, may include community-based and youth-serving organizations); and 1/3 government representatives (must include agencies administering “core programs” and chief elected officials, may include other entities). Eliminates requirement that chairperson be business representative. (pg. 32-36)
- *Maintains and Expands Board Functions* – Among other things, responsible for developing recommendations on alignment of core programs and other programs to support comprehensive workforce system; review and commenting on state plans of one-stop partner programs that are not core programs; and developing guidance for the state workforce system, including guidance on removing barriers to alignment and coordination, the development of career pathways, and the identification of planning regions within the state. (pg. 36-41)
- *“Qualifications for Directors”* – Authorizes State board to hire director and staff. Director of a State board subject to qualification requirements. Qualifications to be developed by a task force established by the Secretary of Labor, in consultation with the Secretary of Education. (Sec. 121, pg. 122-129)

#### Sec. 112 Unified State Plan

- Requires states to submit four-year “unified State plans” to the Secretaries of Labor and Education, primarily focused on issues of alignment and coordination across WIA-funded programs (pg. 43-44)
- Requires plan to include both “strategic” and “operational” planning elements:
  - *Strategic Planning Elements* – Include analysis of economic conditions in the state; analysis of knowledge and skill needs of employers; analysis of workforce in the state, including educational and skill levels; analysis of workforce development activities in the state, including strengths and weaknesses; a description of the state’s strategic vision and goals for preparing an educated and skilled workforce; and a strategy for aligning core programs and other resources to achieve the strategic vision and goals. (pg. 44-45)
  - *Operational Planning Elements* – Include descriptions of how the state will implement the state strategy; operating systems and policies that will support the state strategy; program-specific requirements for the core programs; and a range



of state assurances relating to stakeholder review, and fiscal and administrative compliance. (pg. 45-59)

- Requires state board to review plan after two years, and requires governor to submit modifications reflecting changes in the labor market and economic conditions, or other factors affecting implementation. (pg. 61)

### **Sec. 113 Combined State Plans**

Permits states to submit combined state plans for core programs and one or more specified program and activities, including: (A) career and technical education programs under the Carl D. Perkins Career and Technical Education Act; (B) Temporary Assistance for Needy Families; (C) Supplemental Nutritional Assistance Program (SNAP) employment & training; (D) work programs under the Food and Nutrition Act; (E) Trade Adjustment Assistance; (F) veterans' programs under chapter 41 of Title 38 of the U.S. Code; (G) programs authorized under state unemployment compensation laws (H) programs under Title V of the Older Americans Act; (I) employment and training activities carried out by the Department of Housing and Urban Development; (J) employment and training activities under the Community Services Block Grant; (K) programs under the Second Chance Act. (pg. 62-68)

## **Chapter 2 – Local Provisions**

### **Sec. 116 Local Workforce Development Areas**

- Maintains requirement for governor to designate local areas, and provides criteria for designation. (pg. 68-76)
- *Regional Planning and Service Delivery* – Requires states to identify regions; regions may be comprised of 1 local area that is aligned with the region, or 2 or more local areas that are (collectively) aligned with the region; for regions comprised of two or more local areas, requires local boards to participate in regional planning process, and submit a single regional plan that incorporates both cooperative elements (service delivery strategies, collection and analysis of regional labor market data, coordination of services, etc.) and local plans for each local area. (pg. 76-81)
- *Interstate Regions* – Authorizes two or more states to designate interstate regions as planning regions, and jointly exercise state functions. (pg. 81)

### **Sec. 117 Local Workforce Development Boards**

- *Restructures Local Boards* – Maintains business majority and requirement that chairperson be business representative. Of remaining board members:



- *Not less than 20 Percent must be Representatives of the Workforce* – Must include labor organizations or other employee representatives, may include community-based and youth organizations;
- *Not less than 10 Percent must be Representatives of Entities Administering Education and Training Activities* – Must include eligible providers of adult education and institutions of higher education, may include local educational agencies and community-based organizations;
- *Not less than 10 Percent must be Representatives of Government and Economic and Community Development Entities* – Must include economic or community development agencies, the state employment service office, and programs under the Rehabilitation Act; may include transportation, housing, or public assistance agencies, philanthropic organizations, and other individuals or entities. (pg. 82-86)
- *Standing Committees* – Requires the local boards to establish standing committees. At a minimum, must establish standing committees that assist with operational and other issues relating to the one-stop delivery system, youth services, and individuals with disabilities. (pg. 86-88)
- *Maintains Existing Board Functions* – But adds requirements relating to employer engagement, leveraging of non-federal resources, and leading efforts to develop career pathways and promote other proven and promising practices. (pg. 94-106)
- *“Qualifications for Directors”* – Maintains authority to hire staff. Director of a local board subject to qualification requirements. Qualifications to be developed by a task force established by the Secretary of Labor, in consultation with the Secretary of Education. (Sec. 121, pg. 122-129)
- Maintains limitations on local board provision of core, intensive, and training services. (pg. 107-109)
- Eliminates Youth Councils.

## Sec. 118 Local Plans

- Requires each local board to develop and submit to the governor a comprehensive four-year local plan. If the local area is part of a planning region, the local board must comply with requirements under sec. 116 relating to regional plans. (pg. 111)
- The local board must review the local plan after the first two years of the four-year period, and prepare and submit modifications of the local plan to reflect changes in labor market and economic conditions or in other factors affecting implementation of the local plan. (pg. 111-112)
- *Expands Required Plan Contents* – To include, among other things: strategic planning elements, including a regional economic analysis, an analysis of the knowledge and



skills needed to meet the needs of employers in the region, an analysis of the workforce in the region, and an analysis of the workforce development activities in the region; the local board's strategic vision and goals; and a strategy for aligning the core programs and other resources to achieve the vision and goals. Also must include strategies for increasing employer engagement; a descriptions of how the board will coordinate activities across a range of programs; a description of how the local board will ensure the continuous improvement of service providers; a description and assessment of the types of education and training activities available in the local area; and how the local board will coordinate workforce activities across a variety of programs and services. (pg. 112-120)

### **Chapter 3 – General Provisions**

#### **Sec. 121 Qualifications for Directors**

Requires all new and renewing state and local board directors to meet qualifications established by the Secretary of Labor. Requires Secretary of Labor, in consultation with Secretary of Education, to establish a task force to assist in development of director qualifications. Requires Secretary of Labor, in consultation with Secretary of Education, to award a grant to a national entity representing workforce development system agencies to review the qualifications annually. (pg. 122-129)

#### **Sec. 122 Funding of State and Local Boards**

- States may use administrative funds under Title II or non-federal funds to pay for state boards. (pg. 129)
- Local areas may use administrative funds under Title II or non-federal funds to pay for local boards. (pg. 129)

### **Subtitle B – Workforce Development Performance Accountability System**

#### **Sec. 131 Performance Accountability System**

- Establishes performance accountability measures across all core programs for states, and Title II core programs for local areas (pg. 129-130)

#### **State Performance Accountability**

- *Sets for each State Six Performance Accountability Measures* – For adult and dislocated worker programs (Title II), adult education programs (Title III), employment services



under Wagner-Peyser (Title IV), and programs under Title I of the Rehabilitation Act (Title V):

- (1) Percentage of program participants employed 1<sup>st</sup> or 2<sup>nd</sup> quarter after exit;
  - (2) Percentage of program participants employed during two quarters after quarter under (1);
  - (3) Median earnings of program participants employed during the two quarters under (2);
  - (4) Percentage of program participants who obtain a recognized postsecondary credentials or secondary diplomas (or equivalent) during program participation or within 1 year of exit;
  - (5) Percentage of program participants enrolled in education or training leading to a postsecondary credential 2 quarters after exit; and
  - (6) Effectiveness in serving employers. (pg. 130-132)
- *Sets for each State Five Performance Accountability Measures for the Youth Program:*
    - (1) Percentage of program participants enrolled in education or training, or employment, during the 1<sup>st</sup> or 2<sup>nd</sup> quarter after exit;
    - (2) Percentage of program participants enrolled in education or training, or employment, during the two quarters after quarter under (1);
    - (3) Median earnings of program participants who are employed during two quarters under (2);
    - (4) Percentage of program participants who obtain a recognized postsecondary credentials or secondary diplomas (or equivalent) during program participation or within 1 year of exit; and
    - (5) Effectiveness in serving employers. (pg. 132-134)
  - *Indicator Relating to Credential* – Program participants who obtain a secondary school diploma (or equivalent) shall be included as meeting the credential measure(s) only if they have also obtained employment or are in an education or training program leading to a recognized postsecondary credential with 1 year of exit from the program. (pg. 134)
  - *Indicator Relating to Service for Employers* – Requires the Secretaries of Labor and Education to develop and establish 1 or more primary indicators of performance that reflect the effectiveness of the core programs in serving employers. (pg. 135)
  - Requires each state to reach agreement with the Secretaries of Education and Labor—and identify in unified state plan—levels of performance for each core program for each of first two years covered by plan. Levels renegotiated for third and fourth program years prior to start of third year. (pg. 135-141)



- Requires Secretaries of Education and Labor to develop long-term performance goals for each of the core programs. (pg. 140-141)
- Requires Secretaries of Education and Labor to develop objective statistical model to revise state levels of performance based on economic conditions and individuals served during a program year. (pg. 141-142)
- *Local Performance Accountability* – Local performance indicators are the same as state indicators; local areas negotiate local levels of performance with governor, chief elected official. (pg. 142-143)
- *Performance Reports* – Requires Secretaries of Labor and Education to develop performance report templates for use by states, local areas, and eligible providers. (pg. 143-144)
  - *Content of State Performance Reports* – Level of performance under accountability measures, including with respect to individuals with barriers to employment disaggregated by each subpopulation of such individuals; total number of participants served by each program, including with respect to individuals with barriers to employment disaggregated by each subpopulation of such individuals, and the types of services provided; and number of participants enrolled in more than 1 program. (pg. 144-145)
  - *Content of Local Area Performance Reports* – Level of performance under accountability measures, including with respect to individuals with barriers to employment disaggregated by each subpopulation of such individuals; total number of participants served by each program, including with respect to individuals with barriers to employment disaggregated by each subpopulation of such individuals, and the types of services provided; and number of participants enrolled in more than 1 program. (pg. 145-146)
  - *Content of Eligible Training Providers Performance Reports* – Levels of performance under accountability measures (not including employer satisfaction measure) for adult and dislocated worker programs under Title II; and the number of participants served under each of the adult and dislocated worker programs under Title II, and the number of individuals with barriers to employment served under each such program, disaggregated by each subpopulation of such individuals. (pg. 146-147)
- *Systemwide Measures* – Requires Secretaries of Labor and Education to enter into agreements with up to five states to test systemwide measures not based on the primary indicators, such as co-enrollment and employer usage rates. (156-159)
- Essentially maintains existing language relating to evaluation of state programs, fiscal and management accountability systems, and state and local failure to meet performance measures. (pg. 149-154)



## Subtitle C – Workforce Innovation and Replication Grants

### Sec. 142 Workforce Innovation and Replication Grants

- *Creates New Workforce Innovation and Replication Grants* – The purpose of which are to: (1) promote the development of comprehensive workforce development systems at the State, regional, and local levels that reflect the alignment of strategies across core programs, and where appropriate, across other related services or programs; (2) promote innovation and to improve, replicate, and expand models and strategies of demonstrated effectiveness; and (3) establish and improve programs for youth by providing access to career pathways. (pg. 159-160)
- From funds reserved under Title II adult and dislocated worker programs, Title III adult education programs, Wagner-Peyser, and the Rehabilitation Act, the Secretaries of Labor and Education are required to award “transition grants” and “workforce innovation and replication grants.” (pg. 161-162)
- *Three-Year Non-Renewable Workforce Innovation and Replication Grants* – Shall be awarded competitively to state partnerships (comprised of governors in partnership with state boards and one or more regional entities) or regional entities (one or more local boards aligned with a region). (pg. 162-164 and pg. 169)
- *Application* – Eligible entity must:
  - Demonstrate that the state or region has (a) aligned the core programs, and (b) made significant progress toward aligning the core programs with other workforce development programs;
  - Describe the innovation and replication strategies and activities, and any waivers required necessary to implement such strategies an activities, that the entity will carry out to strengthen the workforce development system, including among other things a description of:
    - The region of the State or the State that will be the focus of grant activities, including analysis of the economic conditions, skill needs, the workforce, and the workforce development services (including the strengths and weaknesses of such services) that are relevant to the proposed strategies and activities;
    - The populations to be served, including individuals with barriers to employment, and the skill needs of those populations;
    - The promising strategies and activities the entity is proposing to demonstrate, or the evidence-based strategies and activities the entity is proposing to expand or replicate;



- How the entity will leverage resources among strategic partners for the matching requirement and to ensure the sustainability of the programs and activities after grant funds are no longer available; and
- The outcomes, including outcomes for the core program performance accountability measures, to be achieved by the proposed strategies and activities. (pg. 164-167)
- *Use of Funds* – Funds may be used to support innovative new strategies and activities or the replication and expansion of effective evidence-based strategies and activities that are designed to align programs and strengthen the workforce development system. (pg. 162)
- *Matching Funds* – Requires at least 50 percent cash or in-kind match from eligible entity, of which not more than 50 percent may be from federal resources. Allows financial hardship waiver. (pg. 167-169)

### Sec. 143 Youth Innovation and Replication Grants

- From funds reserved from the Title II youth program, the Secretaries of Labor and Education shall award “transition grants” and “youth innovation and replication grants.” (pg. 171)
- *Three-year Non-Renewable Youth Innovation and Replication Grants* – Shall be awarded to either (i) the governor in coordination with the state board and a local board or boards aligned with a region; or (ii) a local board or boards aligned with a region, in consultation with the standing committee on youth, and one or more of the following: a state or local educational agency, a non-profit with expertise serving youth, an institution of higher education, or a joint labor-management partnership. (pg. 181 and pg. 173-174)
- *Application* – Eligible entity must:
  - Describe the innovation and replication strategies and activities that the entity will carry out to strengthen the workforce development system, including among other things a description of:
    - The region of the State or the State that will be the focus of grant activities, including analysis of the economic conditions, skill needs, the workforce, and the workforce development services (including the strengths and weaknesses of such services) that are relevant to the proposed strategies and activities;
    - The youth populations to be served, including individuals with barriers to employment who are youth, and the skill needs of those populations;



- The promising strategies and activities the entity is proposing to demonstrate, or the evidence-based strategies and activities the entity is proposing to expand or replicate;
  - How youth will be meaningfully involved in the design and implementation of the proposed strategies and activities;
  - How the entity will leverage resources among strategic partners for the matching requirement and to ensure the sustainability of the programs and activities after grant funds are no longer available; and
  - The outcomes, including outcomes for the core program performance accountability measures, to be achieved by the proposed strategies and activities. (pg. 174-177)
- *Use of Funds* – Funds may be used to support innovative new strategies and activities or the replication and expansion of effective evidence-based strategies and activities to substantially improve education and employment outcomes for youth, including career pathways strategies. Such strategies and activities shall include, among other things:
  - Establishing career pathways in in-demand occupations;
  - Developing and implementing a comprehensive strategy, for an area of high poverty, that provides programs and services that prepare youth for postsecondary education and training and for employment that leads to economic self-sufficiency; or
  - Developing and implementing evidence-based strategies and activities, such as:
    - Concurrent and contextualized learning;
    - Career academies;
    - Dropout prevention and recovery strategies;
    - Paid or unpaid work experience; or
    - Innovative programs for youth facing multiple barriers to employment that provide supportive services in combination with education, training, or employment services. (pg. 171-173)
- *Matching Funds* – Requires at least 50 percent cash or in-kind match from eligible entity, of which not more than 50 percent may be from federal resources. Allows financial hardship waiver. (pg. 177-179)

#### **Sec. 144 Transition Grants.**

- Two-year transition grants may be awarded to states only during the first full program year following enactment.



- Not more than 40 percent of funds to assist in the development of unified or combined state plans, and not less than 60 percent may be used for subgrants to local areas for local or regional planning
- No state may receive more than one transition grant, or receive a workforce innovation and replication grant or youth innovation and replication grant during the first full program year after enactment. (pg. 180-182)