

# Immediate Steps the Department of Labor (DOL) Can Take to Improve the Workforce Investment Act (WIA) and Trade Adjustment Assistance (TAA)

The Department of Labor (DOL) under President-elect Obama should place a renewed emphasis on developing a national strategy to ensure that we have the skilled workforce critical to maintaining our nation's economic competitiveness. This should include a new focus on middle-skill jobs—the majority of jobs in the labor market that require more than high school, but less than a 4-year college degree—and on ensuring that federal investments in workforce education and training benefit a diversity of workers along a variety of pathways across their working lives.

Our nation's workforce investment system—already badly overtaxed as a result of years of federal disinvestment—is being called upon to provide skills training and employment services for millions of new participants, including those who have become unemployed or underemployed as a result of the current economic crisis and those who will take advantage of emerging job opportunities created through economic recovery legislation. The 111<sup>th</sup> Congress is expected to consider reauthorizing legislation for two of the primary federal programs that comprise the workforce system, the Workforce Investment Act (WIA) and Trade Adjustment Assistance (TAA), and DOL should use these reauthorization conversations as an opportunity to improve the federal workforce development system. However, given the urgency of the challenges facing our economy, there are also steps the incoming administration can take immediately to ensure that WIA and TAA are best serving the needs of U.S. workers and businesses during this difficult period.

## Workforce Investment Act (WIA)

- Issue guidance clarifying that WIA is not a “work first” program, and that as such there is no expected time interval between the provision of core, intensive and training services outlined in the statute's “sequence of services.” Further clarify that One-Stop clients seeking training services can be immediately assessed and referred, if appropriate, to training services via Individual Training Accounts (ITAs) or contracted training.
- Issue guidance encouraging a greater focus on the provision of training services, particularly to populations currently under-served by the workforce development system. Consider providing incentives (such as the Incentive Grants authorized under section 503) to states spending at least 70 percent of their Adult and Dislocated Worker formula funding on training and training-related services.
- Provide local workforce areas greater flexibility to contract for training services in addition to using individual training accounts, where such approaches can be used to maximize the effectiveness of limited training dollars, while the economy is considered to be in a recession.
- Permit local workforce areas to use a certain percentage of their formula allocations to provide services to incumbent workers, particularly as part of a layoff aversion strategy or where skills training will help workers advance from low-wage occupations. Require that local areas publish standards for employer contributions to worker services (e.g., paid release time, matching contributions) or job quality standards expected from employers whose incumbent workers are receiving WIA-funded services.

- Use H-1B visa fees made available to the Department under section 414(c) of the American Competitiveness and Workforce Improvement Act of 1998 to award grants to industry or sector partnerships with a focus on full stakeholder involvement, serving a diversity of workers across skill levels, and rigorous performance requirements. The SECTORS Act of 2008 (S.3368) introduced by Senators Brown (D-OH) and Snowe (R-ME) offers an example of how to develop and administer such partnerships.
- Permit states to waive out of section 133(b)(4) and transfer up to 40 percent of funds between their Adult and Dislocated Worker programs while the economy is considered to be in a recession, in order to allow greater flexibility to respond to dramatically changing needs in local labor markets.
- Offer states and localities “fast-tracked” renegotiation of performance standards on placement and earnings gains while the economy is considered to be in recession. Encourage local areas to maintain or increase outcome standards for credential attainment during the same period, in order to better prepare workers for the recovery.
- Consider waivers issued during the last 60 days of the current Administration’s tenure to ensure that such waivers promote access to training or otherwise improve the capacity of the workforce development system to respond to the needs of workers and businesses during the current recession.

#### Trade Adjustment Assistance (TAA)

- Ease dual enrollment of TAA-certified trade impacted workers for WIA-funded services not currently provided by TAA (e.g., career counseling, wrap-around services). Allow states to count the same worker for both their TAA and WIA performance reports.
- Issue guidance stating that there is no mandatory waiting period between certification, assessment and referral to training under TAA. Further clarify that TAA-certified workers who are in danger of going (or have already gone) beyond the 8- or 16-week deadlines for training referrals have the right to petition to suspend that clock until they have received the necessary counseling services from either the TAA or WIA systems.

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