

2015 State Legislative Round-Up

July 2015

Middle-skill jobs that require education beyond high school but not a four-year degree make up the largest part of the skilled labor market. Yet employers in key industries can't always find enough trained workers to fill these jobs. In 2015, numerous states enacted legislation to address the needs of workers and employers and close this middle-skill gap. States increased access to career pathways and set policies to support job-driven training. Others took steps to implement the federal Workforce Innovation and Opportunity Act (WIOA), which became effective on July 1, 2015. This paper summarizes key legislative and budgetary actions that states took to close the skill gap in 2015.

Workforce Innovation and Opportunity Act Implementation

In anticipation of WIOA's effective date of July 2015, several states adopted legislation to implement the new federal workforce law. WIOA requires states to submit "state plans" that describe their workforce development vision and strategies. States can choose to develop either a "unified plan" that includes operational plans for the core programs funded under WIOA or an expanded "combined plan" that includes operational plans for the core WIOA programs and one or more additional federal programs. WIOA also sets requirements for the composition and responsibilities of state and local workforce development boards, and includes provisions for partnerships between WIOA and other federal programs as part of the one-stop delivery system. In 2015, Arkansas and Louisiana were among states that enacted WIOA implementation legislation specifying the type of plan the state should submit.

- **Arkansas** [Senate Bill 791](#) makes several changes to existing law to implement key aspects of WIOA. The bill requires the Governor to submit a unified state plan, and it sets a vision and outline for that plan. It codifies certain WIOA requirements in regard to the composition and functions of the state and local workforce development boards, designation of local workforce development areas, and state, regional, and local planning. The legislation also establishes a standing committee of the state workforce development board to provide oversight of the Temporary Assistance for Needy Families (TANF) Program to replace the TANF oversight board. It defines nine federal programs as one-stop partner programs in addition to WIOA's six core programs.
- **Louisiana** [House Bill 741](#) requires the state workforce development board to develop and submit to the Governor a combined state plan. It also amends existing workforce law to reflect changes to workforce development boards under WIOA.



WIOA also requires states to use key skills strategies including sector partnerships, career pathways, job-driven training, and cross-agency measurement. In 2015, California, Florida, and Virginia all enacted legislation that emphasizes such skills strategies as part of WIOA implementation.

- **California [Assembly Bill 1270](#)** updates the state's workforce statutes to conform with WIOA. The bill builds on California's existing emphasis on sector partnerships and career pathways, codifying definitions for both and requiring the state workforce development board to assist the Governor in developing these strategies. The bill identifies the state plan as the comprehensive framework for all federal and state workforce training and employment services, funding streams, and programs though it does not require a combined plan. AB 1270 also changes the membership requirements and duties of state and local boards and transitions Youth Councils established under WIA to standing committees of local boards.
- **Florida [House Bill 7019](#)** creates a task force charged with developing recommendations for WIOA implementation. The task force comprises 20 officials representing government and education organizations and is staffed by the state's workforce investment board, CareerSource Florida. HB 7019 requires the task force to make recommendations on the development of sector strategies and career pathways, the inclusiveness of workforce programs, regional planning design, one-stop service delivery design, and the integration of economic development, workforce development, and the state's education system.
- **Virginia [House Bill 1986](#) and [Senate Bill 1372](#)** advance postsecondary credential attainment, sector strategies, career pathways, and cross-program information as part of WIOA implementation. The laws require each local workforce board to allocate a minimum of 40 percent of WIOA adult and dislocated worker funds to training that leads to postsecondary credentials. They also require that 30 percent of WIOA's statewide set-aside funds be used to incent postsecondary institutions to more quickly increase the number of people earning workforce credentials. Under HB 1986 and SB 1372, workforce development boards must develop and execute strategic plans that support sector partnerships and career pathways. The laws also require each agency administering publicly-funded career and technical education and workforce development programs to submit an annual performance report to the Governor and state board, starting November 1, 2016. Program performance will be measured against state metrics developed by the state board and Chief Workforce Development Advisor.

Career Pathways

Career pathways combine education, training, career counseling and support services that align with industry skill needs so participants can earn secondary school diplomas or their equivalent, postsecondary credentials, and get middle-skill jobs. Career pathways should also



be informed by cross-program data that shows how various programs work together to serve students with different needs. In 2015, Colorado and Minnesota enacted legislation that will increase investments in career pathway approaches in their states.

- **Colorado [House Bill 1274](#)** requires the Colorado Workforce Development Council (the state workforce board) to design career pathways for construction and related skilled trades, information technology, and health care. The bill requires career pathways that align a variety of programs including workforce readiness and career and academic plans in high schools, apprenticeships and other work-based learning options, initiatives for adult and out-of-school youth, and postsecondary education. It also requires career pathways to be reviewed by regional sector partnerships to ensure they are industry-driven. The bill appropriates funds to the Department of Labor and Employment and the Department of Higher Education for 2015-2016 state fiscal year to implement the Act.
- **Minnesota [House File 3](#)** appropriates \$8.2 million in the 2016-2017 biennium budget for adult workforce development competitive grants, which the Minnesota Department of Employment and Economic Development (DEED) expects to use to provide grants to partnerships that expand or create a career pathways program for adults using the state's FastTRAC model. The 2016-2017 biennium also maintains [FastTRAC's funding level](#) at \$3 million. Together, these investments represent an \$11.2 million investment in adult career pathways. HF 3 also expanded Minnesota's outcome report card for adult workforce programs. The bill extended programs covered by the report card to include adult basic education and the Minnesota Family Investment Program, the state welfare program. The bill also requires the report card to include information on program cost. The Bill appropriates \$200,000 in one-time funding to DEED to support the report card's development.

Career pathways include adult basic education, typically offered concurrently with and in the same context as general workforce preparation and training for a specific occupation. In 2015, Arkansas, California, Georgia, and Ohio increased investments in adult basic education.

- **Arkansas [Senate Bill 154](#)** establishes adult education charter schools that offer a curriculum that culminates in a high school diploma and an industry certification program. The bill specifies that individuals aged 19 or older may enroll in an adult education charter school if they have not earned a high school diploma or failed to complete high school graduation requirements. While the legislation allows adult education charter schools to be funded from public or private sources, funding cannot be provided through the Public School Fund.
- **Article 9 of California's education omnibus bill ([Assembly Bill 104](#))** creates the Adult Education Block Grant program to establish and support regional adult education consortia. The bill tasks the consortia with developing and implementing a comprehensive plan for adult education in the region that includes actions for integrating adult education with postsecondary education and workforce development. The bill requires the state to provide two-year planning and implementation grants to



consortia. The Fiscal Year 2015-2016 budget enacted in California appropriates \$500 million to the Adult Education Block Grant program and includes \$25 million in one-time funds to help consortia build capacity to assess their programs' effectiveness.

- **Georgia [House Bill 63](#)** creates a tax credit for employers who provide or sponsor an adult basic skills education program approved by the Technical College System of Georgia. Employers receive \$400 for each employee who passes a GED test and \$1,200 for each employee who passes a GED test and successfully completes a 40-hour adult basic skills education program while being compensated at his or her normal pay rate. Employers do not qualify for the tax credit if they require employees to reimburse or pay the employer for the cost of attending the program or for the cost of taking the GED test. Eligible employees must be state residents who work for at least 24 hours a week, and who have been employed by the employer for at least 16 consecutive weeks. The bill limits single employers to a total of \$100,000 in tax credits per year and caps aggregate tax credits at \$1 million per year.
- **Ohio's [2016-2017 Budget Act](#)** includes an additional \$1.25 million to expand the Adult Diploma Pilot program to up to five additional sites. The program, piloted in 2014, helps adults earn a high school diploma while participating in training leading to an industry-recognized credential.

Tuition assistance is also critical to ensuring that career pathways lead to postsecondary credentials, particularly for part-time, working students. In 2015, Indiana, Nebraska, and Oregon all passed legislation that expands tuition assistance.

- **Indiana [Senate Bill 509](#)** repurposes the state's part-time student grant into the state's first adult student grant by limiting eligibility to students who are financially independent from their parents as determined by the Free Application for Federal Student Aid (FAFSA). The bill also includes a provision for recipients to be awarded an additional amount of up to \$500 in their final semester if they graduate with a degree aligned to priority economic sectors.
- **Nebraska's Community College Gap Assistance Program Act ([Sections 27-37 of LB 519](#))** provides funding to community colleges to award financial assistance to lower-income Nebraska residents enrolled in certain non-credit, job-driven training programs aligned with stackable credentials that lead to a program awarding college credit, an associate's degree, a diploma, or a certificate in an in-demand occupation. Gap assistance can be used to cover the costs of tuition, direct training, required books and equipment, and fees, including those for industry testing services and background checks.
- **Oregon [Senate Bill 81](#)** waives community college tuition for eligible students. SB 81 would provide students with grants to cover the remainder of their tuition not paid for by state and federal aid grants. To be eligible for these grants, students must have been Oregon residents for 12 months, enroll in community college courses within six months of graduating high school or receiving a high school equivalency, and earned a 2.5 GPA.



The grants are available to students who enroll in associate degree, transfer, and career and technical education programs, and continued eligibility is contingent on maintaining a 2.5 GPA.

Job-Driven Training

Job-driven training prepares workers for jobs available in the region's economy. There are a variety of policy tools states can use to advance job-driven training. These include but are not limited to apprenticeships, on-the-job training, and other forms of work-based learning, the use of industry-specific advisory councils, and other forms of employer-informed training.

In 2015, California, Colorado, and Washington enacted legislation to expand work-based learning in their states.

- **California's enacted [FY 2015-16 budget](#)** increases funding for apprenticeship programs by \$29.1 million. Of this increase, \$14.1 million is allocated for growing existing apprenticeship programs and \$15 million is to be used to create new apprenticeship training demonstration projects in high-growth industries.
- **Colorado [House Bill 1230](#)** creates the Innovative Industries Workforce Development Partnership to reimburse businesses for a portion of expenses related to paid internships in key industries. Reimbursements are subject to available appropriations and eligible businesses must have less than 100 employees and must provide work experiences related to certain occupations. Interns can include students from secondary schools, adult basic education or high school equivalency programs, postsecondary schools, or recent graduates. HB 1230 tasks the Colorado Workforce Development Council with working with secondary schools, community colleges, workforce centers, and other postsecondary institutions to market the program, identify interested students, and verify appropriate course work.
- **Washington [Senate Bill 5863](#)** requires the Department of Transportation, in coordination with the Department of Labor and Industries, to expend funds for apprenticeship preparation and support services, including through providing grants. The Bill requires the Department to actively engage communities with populations that are underrepresented in transportation apprenticeship programs and to report on the results of those efforts by 2020.

Meanwhile, Hawaii and Oklahoma both passed legislation establishing bodies to advise the state on health care workforce policy.

- **Hawaii [House Bill 696](#)** establishes a health care workforce advisory board to advise the labor department on strategies for developing the health care industry workforce and creating partnerships with health care providers and organizations.



- **Oklahoma [Senate Bill 612](#)** requires the Governor’s Council for Workforce and Economic Development, which serves as the state’s workforce investment board, to form a subcommittee on health workforce, and tasks the subcommittee with preparing health
- workforce supply and demand reports, researching and analyzing the state’s health care education and training capacity, recommending retention and recruitment strategies for high-need areas, and assessing health workforce policy.

Arkansas and Maine passed legislation to support employer-driven training programs.

- **Arkansas [Senate Bill 891](#)** creates planning and implementation grants to support employer-driven training. Proposals must be submitted by alliances that may include technical institutes, community colleges, universities, the K-12 system, educational cooperatives, or employers with input from local workforce boards. Proposals must address employer skill requirements for regional industry sectors identified by workforce boards.
- **Maine [L.D. 1019](#)** establishes the Put ME to Work Program to create employer-driven job training programs in high-demand fields at community colleges. The bill provides \$1 million in the upcoming biennium (\$500,000 per year) to support need-based scholarships, grants, and financial aid to program participants. Businesses or industry partnerships must provide at least 50 percent of program start-up costs through funds or in-kind contributions.

Conclusion

During the 2015 legislative session, governors and state legislatures worked to adopt policies aimed at closing their states’ middle-skill gap. The legislative and budgetary actions summarized in this paper demonstrate how states took action to implement WIOA, increase access to career pathways, and support job-driven training. By advancing and investing in these key skills strategies in 2015, states policymakers are addressing the skill needs of workers and employers and closing the middle-skill gap.