IMPROVING OUTCOMES IN THE WORKFORCE SYSTEM

The Workforce Investment Act of 2013 aligns and coordinates the Workforce Development System through governance boards, state and local plans, common performance measures, and four core programs: Adult/dislocated worker/youth programs, Adult Education, Employment Service, and Vocational Rehabilitation.

STATE BOARDS THAT ALIGN THE WORKFORCE SYSTEM

LEADERSHIP FOR DUAL-CUSTOMER STRUCTURE – Maintains the requirement that a majority of the board be representatives of employers, and stipulates that at least twenty percent be representatives of workers. The balance of the state boards would include representatives of agencies administering “core programs” and local elected officials, and may include providers and other key stakeholders. The Board would elect its chair from its membership.

ENSURE COORDINATED STATE WORKFORCE SYSTEM – Would maintain and expand State Board functions. Among other things, State Board would be responsible for developing recommendations on alignment of core programs and other programs to support comprehensive state workforce system; and developing guidance the system, including guidance on removing barriers to alignment and coordination and the development of career pathways.

UNIFIED STATE PLANNING

ALIGN PROGRAMS– Would require States to submit four-year “unified State plans” that include both strategic and operational elements, and focus primarily on alignment and coordination across WIA-funded programs. Plan would be reviewed after two years and modified if warranted by changes in labor market and economic conditions. Unified-state plans are optional under current law.

MORE STRATEGIC LOCAL BOARDS

STREAMLINE LOCAL BOARD COMPOSITION–Smaller restructured boards would maintain business majority and requirement that chairperson be business representative. Of remaining board members: not less than 20 percent must be representatives of the workforce; other representatives would come from entities administering education and training activities; and still others would represent government and economic and community development entities. Reduces size by eliminating requirement that all one-stop programs be represented on board; requires core programs only.
MAKE BOARDS MORE STRATEGIC - Would require local boards to increase employer engagement, leverage non-federal resources, lead efforts to develop career pathways, and promote other proven and promising practices.

LOCAL PLAN FACILITATES ALIGNMENT OF PROGRAMS

COORDINATE LOCAL PROGRAMS - Requires each local board to develop and submit to the governor a comprehensive four-year local plan, which would be reviewed two years and modified to reflect changes in labor market and economic conditions or in other factors affecting implementation of the local plan.

EMPLOY STRATEGIES AND GOALS - Would expand required plan contents to include, among other items: strategic planning elements, including economic, skills, and workforce analyses; the local board’s strategic vision and goals; a strategy and plan for aligning the core programs and other resources to achieve the vision and goals; and strategies for increasing employer engagement.

COMMON ACCOUNTABILITY MEASURES

DEVELOP SHARED SENSE OF RESPONSIBILITY - Would establish six common State performance measures for all four core programs, which would assess employment, retention, earnings, and educational outcomes for adults and effectiveness in serving employers. For youth, would set five common performance measures to assess education/training 1) enrollment and 2) retention, 3) earnings, 4) credentials, and 5) effectiveness in serving employers. Intended to encourage programs to work together to attain common outcomes. Current law has 17 separate performance measures that apply differently to different programs.

DATA AND EVALUATIONS

KNOWING WHAT WORKS—AND WHY – Would refocus attention and resources on developing common data systems at the local and state level—such as intake, case management, performance, and reporting systems—to improve the ability to determine performance and effectiveness. Requires a national return-on-investment calculation at least every three years. Sets up a pilot for up to 10 states to test a new systems integration and alignment measure with an eye toward improving performance outcomes.

INNOVATION AND REPLICATION

INNOVATION AND REPLICATION FUNDS- Workforce Innovation Fund would award competitive grants to support new, innovative strategies, or to replicate and expand effective evidence-based strategies for adults. There would also be a similar grant structure for youth. The grant activities must support alignment among the core programs.

SUPPORTS INNOVATIVE PRACTICES – Would support further development and dissemination of sectors initiatives, career pathways, and integrated education & training.
INFRASTRUCTURE FUNDING

SHARING COSTS - Would maintain requirement that one-stop partners use a portion of their funds to maintain the one-stop delivery system, including infrastructure costs.

INCENTIVE TO COLLABORATE - Local areas would still have the option of funding infrastructure costs under a memoranda of understanding. However, if the local area is unable to reach agreement through a MOU, the Governor would determine each partner’s share of the costs, based on the proportionate use of the centers, under certain caps.

TRANSFERABILITY BETWEEN ADULT AND DISLOCATED WORKER PROGRAMS

ALLOW MORE LOCAL FLEXIBILITY - Transfer Authority – A local board may transfer up to 50 percent of funds between adult and dislocated worker funds (20 percent under current law), with approval of the Governor.

IMPROVING YOUTH SERVICES

ELIGIBILITY – Would require that individuals be either an “out-of-school youth” or “in-school youth” to participate in activities.

OUT-OF-SCHOOL PRIORITY – Not less than 60 percent of youth must be used to serve out-of-school youth, although states may decrease the percentage under certain conditions and with approval by the Secretary of Labor.

EXPANDING ACCESS TO TRAINING

INDIVIDUAL TRAINING ACCOUNTS – Would maintain general requirement that training services be provided through ITAs, while expanding current list of exceptions where training may be provided through contracts for services to include: on-the-job training (current-law), customized training, incumbent worker training, or transitional employment.

COHORT TRAINING - The local board determines that it would be appropriate to award a contract to an institution of higher education or other eligible training provider to facilitate training of multiple individuals in in-demand industry sectors or occupations, so long as customer choice is not limited.

REIMBURSEMENT FOR ON-THE-JOB TRAINING – Would allow the governor or a local board to increase the reimbursement percentage for OJT to 75 percent of a participant’s wage rate based on the characteristics of the participants, employers, and other factors.
ELIMINATING THE “SEQUENCE OF SERVICES”

LIMIT ROADBLOCKS TO TRAINING - Would clarify that individuals may be enrolled in training, even if they have not yet received “intensive services.” Current law has been interpreted to limit training to only those who have already received intensive services, and to limit intensive services only to those who have already received “core services.”

ADULT EDUCATION
Would support transitions to post-secondary education and the workforce, and integrated education and training approaches. Would maintain focus on adult education and research by maintaining a national research center.

COLOCATION OF EMPLOYMENT SERVICES WITH ONE-STOP CENTERS

INCREASE EFFICIENCY – Would require Employment Service (ES) offices to be co-located with one-stop centers. Under current law, one-stops and Employment Services offices are encouraged but not required to be located in the same office or building.

PROFESSIONALIZE EMPLOYMENT SERVICES
Would enhance employment services by strengthening professional development opportunities for employment services staff through a pilot program.

LABOR MARKET INFORMATION
Would reform Workforce and Labor Market Information system by expanding representation on the workforce information council.

The current 2013 staff discussion draft of Title V reflects the changes proposed in the bipartisan staff discussion draft that we circulated in June 2011, and do not yet reflect the additional changes that Chairman Harkin and Ranking Member Alexander are discussing and expect to make public as soon as practicable. Positive conversations are ongoing, but work still has to be done.