

No
worker
left
behind

Workforce Investment System

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EMPLOYMENT AND TRAINING ADMINISTRATION
UNITED STATES DEPARTMENT OF LABOR

Heartland Conference
April 9, 2003

Workforce System Reform: 3 Over-arching Goals

- Create a more responsive, demand-driven system
- Strengthen the effectiveness and flexibility of the One-Stop System
- Streamline and improve performance accountability

ETA Legislative Priorities

ETA has three legislative priorities:

- Reauthorization of WIA
- Individual Re-employment Accounts
- Unemployment Insurance reform

WIA Reauthorization - Governance

- State boards
 - Changes membership requirements
- Local boards
 - More strategic
- Youth councils
 - No longer required
- Workforce areas
 - Governor can designate based on recommendations from State Board

WIA Reauthorization – One-Stop Career Centers

- Infrastructure
 - Infrastructure line item
- Services to Low Wage Workers
 - Access to more services
- Bonus Points or Incentives
 - To serve those most in need
- Addresses Transfer of Federal Equity

WIA Reauthorization – Services for Adults

- Single funding stream
- Wagner-Peyser sections merged into WIA
- Eligible training providers
 - State determined
- ITAs changed to Career Change Scholarships
- Removes strict “sequence of service” requirement
- Expands Incumbent Worker Training

Personal Re-Employment Accounts

- \$3.6 Billion in new funding
- Targeting those most likely to exhaust UI benefits
- Available for training and supportive services e.g., child care & transportation
- State flexibility
- Remaining balances may be kept as bonuses (60/40)

How They Will Work

- Flexibility and choice
- Non-transferable; can only get once
- Will not interfere with or replace UI benefits
- One-Stop administers the account
- Pays account holder invoices up front or with documentation
- Reemployment Plan recommended but not mandatory
- One-Stop cannot overrule customer choice

- Provides assistance to 1.2 million more unemployed workers than the 726,000 adults and dislocated workers registered and served by WIA funding
- Provides additional tools and resources to the One-Stop system to serve workers

WIA Reauthorization Youth Services

WIA youth funds

- Targeted state formula program (75%)
- Challenge grants to cities and rural areas (25%)
- Out-of-school Youth

- Performance indicators
 - Reduce from 17 to 8
- Performance negotiation
 - More dynamic and tailored to local needs
- Fiscal controls
 - Data validation, monitoring and oversight emphasized

Unemployment Insurance Reform

- Builds upon reforms achieved in the Temporary Extended Unemployment Compensation Act
 - Extra weeks of benefits
 - \$8 Billion Reed Act Distribution

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Unemployment Insurance Reform

- Promotes job growth by cuts in FUTA taxes and simplified filing
- Strengthens/stabilizes the economy by reforms to Extended Benefits
- Allows states to determine administrative funding levels and provides new flexibility in program administration
- Continued Federal oversight role

Transition to State Administrative Financing

- Special Reed Act distributions in FY 2007 & FY 2008
- Federal and state governments share funding in FY 2007 & FY 2008
- States have primary responsibility for funding UI beginning FY 2009 with federal “hold harmless” funds available

Next Steps

- WIA & UI Proposed Legislation Finalized & Transmitted to Congress over next few weeks
- H.R. 1261 (WIA) passed by House
- WIA bill introduced in Senate
- UI bill introduced in House