

April 5, 2002
Discussion Guide
WIA Reauthorization Issues

I. Business Engagement

Background:

The Workforce Investment Act provides a strong role for the private sector in providing leadership and establishing policy for the workforce investment system. WIA requires that the private sector lead and represent the majority of members on state and local workforce investment boards. At the state level, WIA required that the workforce investment board assist the Governor in helping to set up the system, establish procedures and processes for ensuring accountability, and designate local workforce investment areas. At the local level, boards carry out the formal agreements developed between the boards and each partner, and oversee One-Stop operations. Private sector leadership and involvement on these boards was seen as critical to ensuring that the needs of the private sector are met by the workforce investment system and that the private sector “drives” the employment and training activities of the workforce investment system.

Implementation of WIA has raised issues that could limit private sector participation. Boards may be too large to effectively address the concerns of employers and present membership and logistical constraints. Boards may not always reflect employer views. This may happen because additional structures that have been developed to support day-to-day operation may not reflect an employer’s input into the system. An important consideration at the onset of the reauthorization process is to raise approaches for ensuring that the private sector continues to be an important resource on the workforce needs of the community and to be an active leader within the state and local governance structures.

Issues for Discussion:

- How can we better involve businesses in identifying the kinds of training programs needed to fill local areas’ workforce needs?
- How can we better encourage active employer involvement on state and local workforce investment boards?
- What are the most effective opportunities for sharing state and local best practices as they relate to private sector involvement on state and local boards?

II. Governance/State Flexibility

Background:

One of the key reforms embodied in the Workforce Investment Act is increased flexibility for states and local areas. The establishment of employer-led boards at the state and local level was another key reform element. States currently have broad authority to set policies for the state workforce investment system, which impact all aspects of the system from eligibility to use of funds. The Governor and the State Workforce Investment Board play key roles in the development of these policies. Yet a majority of WIA dollars flow from the states to the local Workforce Investment Boards. Meanwhile, funds from WIA partners may be state or locally-administered (e.g., TANF, UI, ES, Voc Rehab).

Issues for Discussion:

- Should states be provided more flexibility in the use of funds to meet local labor market needs, keeping the focus on connecting people with productive employment? How?
- What are the implications for people with disabilities when states design a generic training approach?
- Do the roles of the State Workforce Investment Board, the Governor and the State Workforce Agency need to be clarified? How?
- What is the appropriate balance between state and local administration of the system?
- Do the roles of the local Workforce Investment Board, Chief Elected Official, and One-Stop operator need to be clarified? How?
- Aside from board participation, what strategies are effective in maintaining employer engagement in the publicly funded workforce investment system?
- What is the proper role of the One-Stop partners in the governance of the workforce investment system?
- How can we encourage boards to move towards strategic planning and away from operational details?

III. Linking WIA with TANF and other Partner Programs

Background:

The Workforce Investment Act provided the vehicle whereby a number of related workforce initiatives were linked together to revitalize the nation's workforce and education delivery system. These programs – Adult Education and Literacy, Vocational Rehabilitation, Vocational and Technical Education - were brought together in the One-

Stop Career Center system to enrich the services available to the system's customers and to ensure seamless service delivery for those customers. In addition, while contained within WIA, the One-Stop Career Center system provides the service delivery mechanism for many workforce related programs. How workforce investment, education and TANF services can be better coordinated and integrated is a high priority for the Department of Labor. The reauthorization of TANF this year and of the remaining programs - title I of the Workforce Investment Act, Adult Education and Literacy, Vocational Rehabilitation, Perkins Vocational and Technical Education, and the Higher Education Act - in 2003 provides the Administration with an excellent opportunity to adjust all of the statutes in order to achieve a stronger and more effective "fit" between the systems. Moreover, the changes proposed in TANF reauthorization this year that impact workforce investment can be supported, refined and made stronger through the WIA and partner programs' reauthorizations that follow in 2003.

Issues for Discussion:

Partnership

- How can the workforce investment system, in partnership with TANF and education programs, increase flexibility and make resources available for better coordination and integration?
- Would TANF and WIA participants be better served if TANF were a mandatory partner in the One-Stop system?
- Should governors dedicate a portion of State TANF funds for service provision through the One-Stops?
- What waivers would states request in order to develop "commonalities," such as definitions, performance standards, information systems, etc. across programs?
- Should WIA be the presumptive deliverer of work and retention services?
- What technical assistance and other resources are needed by states and localities to bring together WIA, TANF, and education programs to achieve common goals?
- What additional linkages are needed at the state and local levels to ensure service provision to people with disabilities? Given the universality of services, can WIA, TANF, and education programs enhance services to hard-to-serve populations, particularly those with disabilities?
- How can the relationships and service delivery mechanisms developed under Welfare-to-Work help to better integrate the WIA and TANF systems?

Job Retention and Advancement

- How can the workforce investment and education system, in partnership with TANF, improve the job retention outcomes of new workers, particularly former TANF recipients?
- For the entry-level worker, career advancement is critical to achieving self-sufficiency. How can low-income workers access more education and training opportunities through WIA, the partner programs, and TANF in order to advance on the job?
- Are there specific training strategies or combined training and education strategies that work better for specific populations, including middle income and high skill workers?
- What is the role of the employer in welfare reform? What can be done to maintain employer engagement in welfare reform and workforce investment?

UI/ES Reform

- What is the connection between continued welfare reform and UI/ES reform?

Access to Other Supports

- What is the role of the workforce investment system, as part of a post-employment service strategy, to provide individuals access to critical support services such as Food Stamps, Medicaid, child care and housing?
- What is the role of WIA youth programs in helping families get off welfare?
- What is the role of earning supplements in lifting families out of poverty?

IV. One-Stop Career Centers

Background:

The Workforce Investment Act establishes the legal requirement for states and local areas to establish One-Stop Career Center systems, and contains a variety of baseline requirements relating to required partners, the establishment of local memoranda of understanding, and comprehensive centers. While Centers are flourishing in many areas, barriers to successful implementation of the system still remain such as cost allocation and confidentiality issues.

Issues for Discussion:

- How can we facilitate more highly functional One-Stop Career Centers and more seamless integration of employment and training services? What are the major challenges? How can we address them?
- How can we address issues of accessibility and barriers to services for people with disabilities under WIA?
- How can we address the major challenges partners still face in integrating services?
- How can we make the publicly funded workforce system the “single access point” for connecting workers with business, community-based organizations and faith-based organizations with employment and job training services?
- How can the federal partners better model the integration we seek in the One-Stop environment?

V. UI/ES Reform and the One-Stop System

Background:

Unemployment Insurance (UI) and Employment Service (ES) programs help unemployed workers find jobs and employers find new workers. UI acts as a stabilizer during economic downturns by being the primary source of temporary, partial wage replacement for laid off workers, and ES labor exchange functions, such as job search assistance and career counseling, help unemployed workers return to the employed ranks as soon as possible.

Over time, the major stakeholders involved with the UI and ES programs have expressed concerns with some aspects of the current system. In response to those concerns, the Administration proposed short-term reforms as a part of economic stimulus legislation and long-term reforms that would establish a new balance between the federal and state governments and would empower states to manage funds and direct policy with greater flexibility. An option for states is to more fully fund re-employment services provided through the One-Stop system, including career guidance information, job search assistance, assessment, counseling, job matching and referral, and self-service tools. Better employment services help businesses to obtain and retain a qualified, skilled workforce through better applicant screening, mass recruitments, targeted job fairs, and more.

The short-term reforms—an extension of unemployment benefits and distribution of excess federal unemployment trust funds to state unemployment trust fund accounts—have largely been accomplished. The President signed legislation on March 9, 2002, extending unemployment benefits and authorizing distribution of \$8 billion to states. These funds are now available to states for expansion of benefits, better re-employment services through the One-Stop system, shoring up state trust fund reserves, and/or reducing employer payroll taxes.

Issues for Discussion:

- How can we engage the partners in the One-Stop in the UI/ES discussion?
- What would states do to enhance re-employment services in the One-Stop within the context of UI/ES reform?
- How do we engage employers in this discussion? What would they want to see happen in the system that would help them obtain and retain qualified workers?
- How can employment services be better utilized to provide core services in the One-Stop Career Center system?

VI. Improved Opportunities for Training

Background:

A key goal of the Workforce Investment Act is individual customer choice in deciding training opportunities. Related to this goal is the belief that customers have a right to information about how well training providers succeed in preparing people for jobs, and that providers' performance would guide customers in their choice of training opportunities. To that end, under WIA, training providers are required to provide information on their success rates for inclusion in a system of consumer reports on the cost and effectiveness of training programs. Most WIA funded core, intensive, and training services for adults are provided through the One-Stop Career Center system. Most customers will use their Individual Training Accounts to select the training program and training providers to fit their needs based on the performance information provided in the consumer reports. WIA also places new attention on the needs of youth and calls for a comprehensive approach leading to improvement in educational achievement and preparation for employment. States and localities are required to meet a set of performance measures designed to ensure continuous improvement and course correction when necessary.

With the implementation of WIA a number of issues need to be addressed to ensure that the goals stated above are met.

Adult Programs: Training options for job seekers may be diminishing rather than improving, as training providers reduce the number of course offerings they make available to WIA job seekers. There is some concern that this may result from WIA's new data collection and reporting requirements. The counterbalance is that this information is important to ensure that training offered under WIA meets the needs of the labor market and leads to employment in demand occupations. This information also allows for customer choice.

Youth Programs: Recruiting and enrolling out-of-school youth in sufficient numbers to meet the 30% spending requirement for targeting enrollment of these youth continues to be a challenge. This may be exacerbated by WIA's more stringent eligibility requirements for youth than in JTPA.

The distinction between older and younger youth makes it difficult to plan effective service strategies geared to the needs of all youth. States and localities also report difficulties in implementing new reporting requirements and in measuring positive outcomes for younger youth. There are indications that the competitive selection of service providers has made it difficult to procure quality youth services. These requirements may also be a deterrent to effectively serving youth through One-Stops. Youth Councils are operational and frequently have a comprehensive vision for addressing the needs of youth in the community and include key partners. Nevertheless, some Councils are not able to secure the participation of key partners including the private sector, parents and young people.

Issues for Discussion:

- How can we improve opportunities for training and education for adults and youth?
- What additional strategies are needed to improve training and education opportunities for adults and youth with disabilities?
- How do we improve the current system of tiered service? Should we revise the criteria used to determine eligibility for each of the tiers; focus more on core and intensive services? How do we ensure that participants that need training have access to it?
- How can we balance expanded training opportunities with the need for greater accountability of WIA programs?
- How can we better ensure that training opportunities focus on occupations-in-demand? How do we balance this with the need for customer choice?
- How can we recruit and better serve out-of-school youth?
- How can we effectively engage the business community in tailoring training programs?

- Is there a role for the workforce investment system in fostering better linkages between secondary/postsecondary education and the business community?
- How we can develop better performance measurements for serving youth, particularly younger youth?