

CAPITOL RESEARCH

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WIOA 101: A BIRD'S-EYE VIEW OF THE STATE IMPLEMENTATION OF THE WORKFORCE INNOVATION AND OPPORTUNITY ACT

The Workforce Innovation and Opportunity Act, also known as WIOA¹, received bipartisan congressional support and was signed into law in July 2014. WIOA is the first major reform of the public workforce system since the Workforce Investment Act, or WIA, of 1998. The program has an ambitious goal to coordinate up to 19 different federal programs administered by four different federal departments.

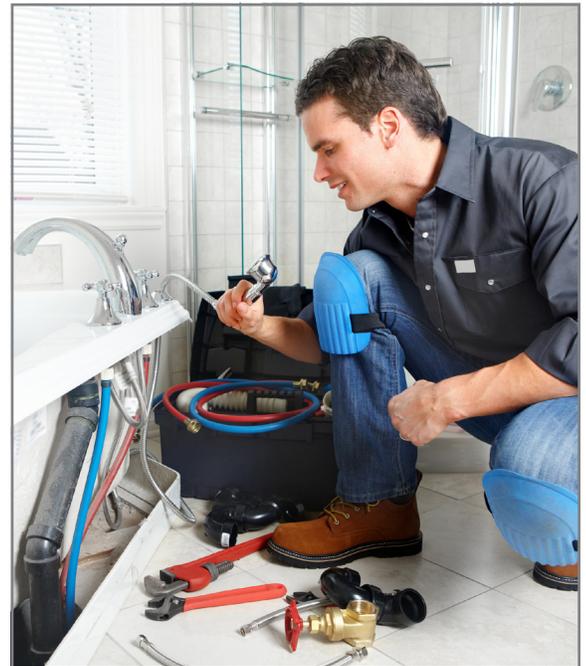
WIOA seeks to ensure that federally funded state employment and training programs provide job seekers the skill sets needed by businesses and to ensure that employment programs effectively link job seekers to employers. In addition to workforce program coordination, WIOA requires states and localities to develop workforce system strategic plans and to coordinate and align local and state plans. Finally, WIOA requires the submission of performance reports to provide accountability of program effectiveness.

While the federal legislation was passed in July 2014, final regulations were not released until August 2016, and the U.S. departments of Labor and Education continue to issue guidance on program implementation. State workforce officials have been transitioning WIOA during the intervening two-and-a-half years. The final WIOA deadlines related to local boards and job center operations are expected in June 2017, and the first full performance accountability report is anticipated to be available in October 2018.

The first WIOA state strategic plans were published on the U.S. Department of Education website in December 2016. A review of those plans shows wide variation in state planning and implementation approaches. Following is an overview of major provisions of WIOA including the workforce service delivery system, the WIOA programs, the state planning process and the performance reporting requirements. A high-level summary of the approved state plans is also provided.

Workforce Program Delivery and State and Local Governance

WIOA establishes a one-stop delivery system for workforce programs, known as the American Job Center System. The job centers bring together training and education programs and job placement services in



one physical location. While one-stop centers were a cornerstone of the WIA program, WIOA expands the requirements for program coordination, planning and accountability. Nearly 2,500 job centers are located throughout the United States.²

Job center staff assist job seekers by providing career counseling, identifying and assisting in enrollment in education and training programs, and aiding in the job application process. The educational and training program options include secondary and postsecondary education programs, vocational programs, and apprenticeships programs. Job centers also provide services to businesses by assisting in identifying qualified employees for available positions.

Under WIOA, the governor of a state must establish a state workforce development board, or WDB, to carry out the functions of WIOA and oversee the job center network in the state. In addition, local WDBs must be established to oversee the local job center programs. WIOA expands the strategic and oversight role of state and local WDBs,³ however, ultimate responsibil-

ity for the effective management and performance of the WIOA system and programs lie with the state WDB.

The state WDBs are responsible for developing state strategic plans, identifying local areas for coordinated service delivery and developing a comprehensive performance accountability system. Local WDBs are responsible for engaging local stakeholders in the workforce system, developing local and regional strategic plans, competitive selection of the job center service providers, and oversight of the job center programs.⁴

The general composition of the state and local WDBs is set by WIOA. At least 50 percent of the membership of both state and local WDBs must come from businesses and at least 20 percent of the board membership must include workforce representatives, including labor organizations and registered apprenticeship programs. Other state WDB members include the governor, a member from each chamber of the state legislature, state government officials and local elected officials. The legislative members are appointed by the presiding officer of each chamber and the remaining members are appointed by the governor. While local WDB members are appointed by local elected officials, they must be appointed in accordance with the criteria established by the governor and the state WDB. Local WDBs members must also include representatives from local government, economic development organizations, adult education and literacy providers, higher education representatives, and vocational rehabilitation representatives.

The state WDB also establishes the criteria and procedures to use in evaluating the effectiveness of the local WDBs and the job centers. The local WDB evaluation criteria and the competitive selection of the one-stop operator are to be in place by June 30, 2017. Local WDBs and their effectiveness at meeting program goals must be evaluated and recertified every two years. If the state WDB determines that the local area does not perform well, the state WDB may not recertify the local area and the local WDB.

WIOA Programs

WIOA requires states to coordinate six core programs and 11 partner programs and provide these program services through the job centers. The six core programs include:

- **U.S. Department of Labor Programs**
 - Workforce Development Programs (WIOA Title I)
 - Adult Services Program—The Adult Services program provides individualized career and training services to help job seekers who are at least 18 years old. Priority is given to low-income individuals, recipients of public assistance and to individuals who are low-skilled.
 - Dislocated Workers Program—The Dislocated Workers program provides training, job

search and other assistance for workers who have been laid off or are about to be laid off.

- Youth Services Program—The Youth Services program serves eligible youth, ages 14-24, who face barriers to education, training and employment. The WIOA focuses primarily on out-of-school youth or OSY—requiring local areas to expend a minimum of 75 percent of WIOA youth funds on OSY.
- Wagner-Peyser/Labor Exchange Program (WIOA Title III)—The Wagner-Peyser program is a nationwide labor-exchange program that provides services to both job seekers and employers free of charge. Job seekers are provided job search assistance and referrals to employment, and the services are available to anyone. Employers can post jobs and be referred to qualified applicants.
- **U.S. Department of Education Programs**
 - Adult Education and Literacy Programs (WIOA Title II)—These programs help adults learn basic skills needed to be productive workers including reading, writing, math, English language proficiency and problem-solving skills.
 - Rehabilitation Services Programs (WIOA Title IV)—These programs assist individuals with physical or mental disabilities to obtain employment and live more independently through provision of counseling, medical and psychological services, and job training.

The job centers must also include physical space for the following partner programs:

- Job Corps—Job Corps is a comprehensive, residential education and job-training program for at-risk youth, ages 16 - 24. Private companies, state agencies, federal agencies and unions recruit young people to participate in Job Corps, where they can train for and be placed in jobs.
- YouthBuild—YouthBuild is a community-based alternative education program that provides job training and educational opportunities for at-risk youth ages 16-24. Youth learn construction skills while building or rehabilitating affordable housing, and also earn their GED or high school diploma.
- Native American Programs—This program provides employment and training services to qualifying American Indians, Alaska Natives and Native Hawaiians.
- Migrant and Seasonal Farmworker Program—This program assists migrant and seasonal farmworkers and their dependents by providing employment and training services.
- Senior Community Service Employment—This program provides training for low-income, unemployed seniors. Participants must be at least age 55, unemployed and have a family income of no more than 125 percent of the federal poverty level.

- Carl D. Perkins Career and Technical Education Act of 2006 (Perkins IV)—Perkins is a principle source of federal funding to states for the improvement of secondary and postsecondary career and technical education programs.
- Trade Adjustment Assistance—This program assists U.S. workers who have lost their jobs as a result of foreign trade.
- Jobs for Veterans State Grants Program—This program provides job-training services for covered veterans and eligible spouses, including widows and widowers.
- Employment and Training programs carried out under the U.S. Department of Housing and Urban Development, or HUD—HUD offers the Job Plus program, which provides services to public housing residents to support employment including job placement, career counseling and educational services.
- Employment programs authorized under state Unemployment Insurance, or UI, programs—In order to continue to receive unemployment insurance payments, participants must participate in re-employment services that assist job seekers with finding a job, provide career counseling, and offer information on training opportunities.
- Employment and training activities carried out under the Community Development Block Grants, or CDBG—The CDBG program provides grant funds to states to ensure decent affordable housing, to provide services to the most vulnerable in communities, and to create jobs through the expansion and retention of businesses. CDBG funds may also be used to provide job services that help low-income persons seek and retain employment.
- Programs offered under the Second Chance Act of 2007—The Second Chance Act was enacted to break the cycle of criminal recidivism and to help formerly incarcerated people return to their communities. Re-entry programs provide employment and training services to individuals who have been released from jail or prison or who are preparing to be released.
- Employment-related programs for Temporary Assistance for Needy Families, or TANF, recipients—The TANF program provides grant funds to states to provide families with financial assistance and related support services. State-administered programs may also include childcare assistance, job preparation and employment assistance.

Finally, other related workforce programs may be included at the job centers if approved by the local WDB. For example, WIOA specifically authorizes colocation of the training and employment services offered under the Supplemental Nutritional Assistance, or SNAP, programs at job centers.

State and Local Planning

Another significant requirement of WIOA is the requirement for state governors to prepare and submit a strategic four-year workforce system plan to the U.S. Department of Labor for approval. States were required to submit their plans in March 2016. States failing to comply with the requirement could face the withholding of federal program funding for the six core programs.

States could submit either a unified or combined state plan under the planning requirement. A unified plan outlines the strategy for the six core programs. A combined plan includes the workforce strategy for the core programs and any of 11 partner programs. The partner programs that could be included in the combined plans include nine required partner programs and two optional partner programs including:

In December 2016, the U.S. Department of Education provided a web link to each state's approved plan. A summary of the state plans are illustrated in Figures 1 and Figures 2.

State approaches vary and reflect the flexibility provided by WIOA. Twenty-two states and the District of Columbia submitted unified plans while the remaining 28 states submitted combined plans.

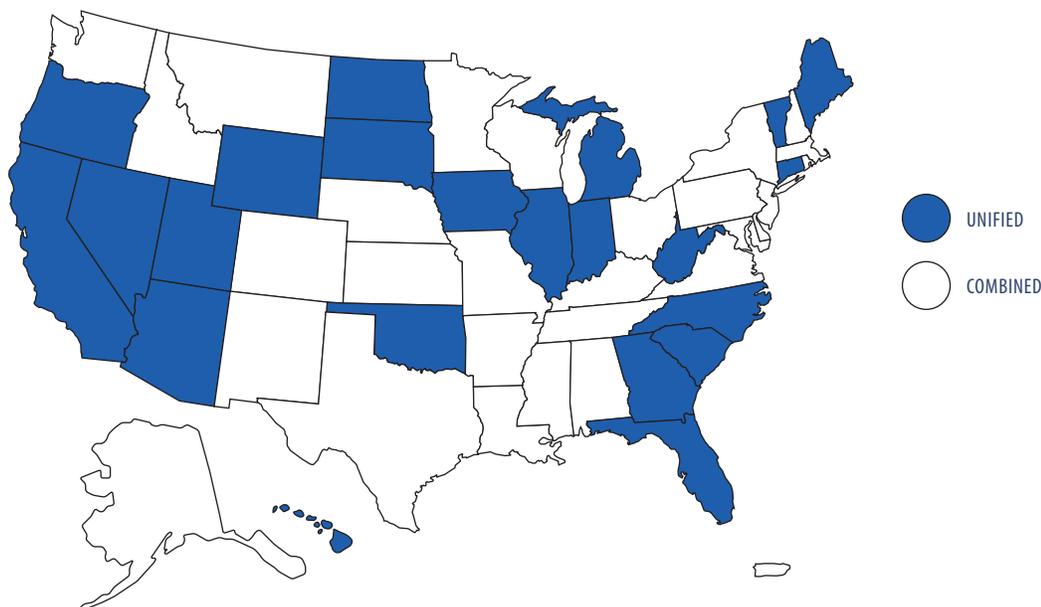
The number of local areas and regions designated in the plans also varies widely. Generally, states with large physical areas included more local areas and regions. For example, California identified 49 local areas and 15 planning regions and Texas identified 28 local areas and 28 regions. However, other large states including Alaska, North Dakota, South Dakota and Wyoming designated only one local area. In total, eight states and the District of Columbia designated a single local area, so for those states the state WDB assumes the responsibilities of the local WDB. A review of the state plans reveals that most states designated the pre-existing WIA local areas to continue for WIOA. Washington submitted a combined state plan with the most partner programs of any state, including nine of the 11 possible partner programs.

The partner programs most frequently included in the combined state plans were the Jobs for Veterans State Grants, the Trade Adjustment Act program, and the Senior Community Service Employment program. Fifteen states included employment programs under the TANF program, while 10 states included the optional partner program, SNAP.

Performance Accountability

The last major requirement of WIOA is the required submission of quarterly and annual performance reports for program participation and outcomes. The U.S. departments of Labor and Education jointly developed an integrated system to report individual program participation and for quarterly and annual performance reports.⁵ The performance data submission and reporting system will be implemented over a two-year period and should be fully implemented

FIGURE 1: WORKFORCE INNOVATION AND OPPORTUNITY ACT SUMMARY OF STATE PLANS



by October 2019. Federal financial sanctions can be imposed on states based on two consecutive years of poor performance.

States must report the total number of program participants, the amount of funds spent on career services and training services, the average cost per participant, the percentage of a state’s annual allotment under WIOA, and the amount spent on administrative functions. The first quarterly program participation reports were submitted in November 2016, and annual participation reports will be submitted in October 2017.

States must also report six primary indicators of performance:

1. Participant employment/education for the second quarter after exit from the program.
2. Participant employment/education for the fourth quarter after exit from the program.
3. Median Earnings—Median earnings of participants who are in unsubsidized employment during the second quarter after exit from the program.
4. Credential Attainment Rate—The percentage of participants enrolled in an education or training program, or who attained a recognized postsecondary credential or secondary school diploma.
5. Measurable Skill Gains—The percentage of participants who are in an education or training program that leads to a recognized postsecondary credential or employment and who are achieving measurable skill gains.
6. Effectiveness in serving employers

Data for these performance measures will be available for submission on a quarterly basis in May 2018, and an annual performance report must be submitted in October 2018.

Local areas in a state must also report the six performance indicators for the WIOA Title I programs. If a local area fails to meet performance expectations the state must provide technical assistance to improve services. If the local area continues to fail to meet performance expectations, the governor is required to take corrective action that may include appointment of a new local WDB or prohibiting the use of poorly performing job center providers.

Conclusion

The WIOA provides significant opportunities for states to realign and improve overall workforce systems operations, improve state and local cooperation for workforce programs, provide for a successfully implemented strategic plan, and ultimately to enhance the state economic growth. The successful implementation of WIOA will depend on the continued commitment of state and local WDBs to coordinate efforts and follow-through with the strategic plans and performance requirements. It will also depend on the effectiveness and dedication of the staff at the local job centers charged with implementing the programs.

This is the first in a three-part series of Capitol Research briefs on WIOA. The second brief will review the federal appropriations and flow of funds to the states and the third brief will highlight the state planning process and specific state programs and initiatives.

FIGURE 2: SUMMARY OF STATE WIOA PLANS

PARTNER PROGRAMS INCLUDED IN COMBINED PLANS

STATE	PLAN TYPE	SCSEP	PERKINS IV	TAA	JVSG	ET-HUD	UI	CDBG	REO	TANF	ET-SNAP	W-SNAP	NUMBER OF LOCAL AREAS	NUMBER OF REGIONS
ALABAMA	COMBINED	X			X					X	X		6 TO 9	7 TO 8
ALASKA	COMBINED	X											1	1
ARIZONA	UNIFIED												12	12
ARKANSAS	COMBINED			X	X		X			X	X		10	9
CALIFORNIA	UNIFIED												48	14
COLORADO	COMBINED	X		X	X					X			10	4
CONNECTICUT	UNIFIED												5	5
DELAWARE	COMBINED		X	X	X								1	1
DISTRICT OF COLUMBIA	UNIFIED												1	1
FLORIDA	UNIFIED												24	24
GEORGIA	UNIFIED												19	12
HAWAII	UNIFIED												4	4
IDAHO	COMBINED	X		X	X								2	1
ILLINOIS	UNIFIED												22	10
INDIANA	UNIFIED												12	11
IOWA	UNIFIED												15	15
KANSAS	COMBINED	X		X	X								5	5
KENTUCKY	COMBINED				X		X						10	4
LOUISIANA	COMBINED			X	X			X		X	X		16	8
MAINE	UNIFIED												3	3
MARYLAND	COMBINED			X	X				X	X			12	5
MASSACHUSETTS	COMBINED	X		X	X		X			X	X		16	7
MICHIGAN	UNIFIED												19	10
MINNESOTA	COMBINED	X	X	X	X					X	X	X	16	6
MISSISSIPPI	COMBINED	X		X	X		X			X			4	4
MISSOURI	COMBINED							X		X	X		14	10
MONTANA	COMBINED	X		X									19	1
NEBRASKA	COMBINED	X		X	X		X			X			3	3
NEVADA	UNIFIED												21	2
NEW HAMPSHIRE	COMBINED	X	X	X	X		X						1	1
NEW JERSEY	COMBINED	X		X	X				X				18	3
NEW MEXICO	COMBINED	X											4	4
NEW YORK	COMBINED			X									33	10
NORTH CAROLINA	UNIFIED												23	8
NORTH DAKOTA	UNIFIED												1	1
OHIO	COMBINED	X	X		X								20	10
OKLAHOMA	UNIFIED												8	4
OREGON	UNIFIED												9	9
PENNSYLVANIA	COMBINED	X		X	X			X	X	X	X		23	10
RHODE ISLAND	COMBINED	X		X	X		X		X	X			2	NOT FINALIZED
SOUTH CAROLINA	UNIFIED												12	4
SOUTH DAKOTA	UNIFIED												1	1
TENNESSEE	COMBINED	X			X		X			X	X		13	3
TEXAS	COMBINED	X											28	28
UTAH	UNIFIED												1	1
VERMONT	UNIFIED												1	1
VIRGINIA	COMBINED		X	X	X		X			X	X		15	15
WASHINGTON	COMBINED	X		X	X	X	X	X		X	X	X	12	12
WEST VIRGINIA	UNIFIED												7	7
WISCONSIN	COMBINED			X	X								11	11
WYOMING	UNIFIED												1	1
NUMBER OF STATES INCLUDING IN PLAN		19	5	20	22	1	10	4	4	15	10	2		



References:

1. Innovation and Opportunity Network, [WIOA Performance Accountability Part I – Core Programs](#), WIOA Wednesdays Webinar, October, 13, 2016.
2. Innovation and Opportunity Network, [WIOA Performance Accountability Part 2 – Core Programs](#), WIOA Wednesdays Webinar, November 2, 2016.
3. U.S. Department of Education, Office of Special Education and Rehabilitation Services (OSERS), [Workforce Innovation and Opportunity Act State Plans](#).
4. U.S. Department of Education, Office of Career, Technical, and Adult Education Program Memorandum OCTAE 17-4, January 18, 2017. [One-Stop Operations Guidance for the American Job Center Network](#).
5. U.S. Department of Labor, Employment and Training Administration, WIOA 101 Webinar Series, [State and Local Governance, The Workforce Innovation and Opportunity Act](#), March 30, 2016.
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11. U.S. Department of Labor, Employment and Training Administration, [Training and Employment Notice \(TEN\) 8-16, August 24, 2016, Implementation of an Integrated Performance Reporting System for Multiple Employment and Training Administration \(ETA\) and Veterans' Employment and Training Service \(VETS\) Administered Programs](#).
12. Wolsey, Lindsey, and Garret Groves, [State Sector Strategies Coming of Age: Implications for State Workforce Policymakers](#), National Governor's Association, 2013.
13. [Workforce Innovation Opportunity Act, Pub. L. 113-128, 128 Stat. 1425-1722, July 22, 2014](#).
14. [Workforce Innovation and Opportunity Act; Joint Rule for Unified and Combined State Plans, Performance Accountability, and the One-Stop System Joint Provisions; Final Rule](#), Fed. Reg. Vol 81, No. 161, Friday, August 19, 2016, Rules and Regulations. 55792-56470.
15. Wolsey, Lindsey, and Garret Groves, [State Sector Strategies Coming of Age: Implications for State Workforce Policymakers](#), National Governor's Association, 2013.

Endnotes

¹ Public Law 113-128-July 22, 2014.

² CareerOneStop website, <https://www.careeronestop.org/LocalHelp/AmericanJobCenters/american-job-centers.aspx>

³ WIOA 101 Webinar Series, [State and Local Governance, The Workforce Innovation and Opportunity Act](#), Employment and Training Administration, March 30, 2016.

⁴ The local WDBs enters into a memorandum of understanding with an entity or group of eligible entities to operate the one-stop centers through a competitive process. For an expanded discussion of one-stop centers and eligible entities see Public Law 113-128-July 22,2014, Subtitle B-Workforce Investment Activities and Providers, Sec. 121. Establishment of One-Stop Delivery Systems.

⁵ For a comprehensive list of performance reports, file layouts and timelines see the [U.S. Department of Labor Employment and Training WIOA performance reporting website](#).