

# Workforce Innovation and Opportunity Act

*Preparing for Implementation*

# **What do we want to accomplish with these town halls?**

1. Provide opportunity for dialogue
2. Set context for deeper discussion of WIOA's impact in months to come
3. Provide input to the WIOA workgroups as they identify policy issues and make recommendations

# What is WIOA?

- 1<sup>st</sup> update to federal workforce law in 16 years
  - Replaces Workforce Investment Act
  - Bicameral, bipartisan support – nearly unanimous vote
  - Six year life – 2015-2020
- Includes (as did WIA) 4 major parts
  - Education and employment for at risk adults and youth
  - Adult Education
  - Employment services
  - Vocational Rehabilitation

# Big Themes

- Stronger strategic roles for state and local WIBs
- Consistent quality of services
- Better use of data
- Work-based learning
- Integration of services

# Big Themes

## ➤ Proven Practices

- Career pathways
  - State and local Workforce Boards responsible for strategy
  - Pathways work can be funded with all titles of WIOA

## ➤ Partnerships

- Industry/sector partnerships: WIBs required to work through/with sector partnerships
- Partnerships at all levels, with all types of partners: partnerships between regions, between states; with education, with labor, with registered apprenticeships, with adult education, with CBOs

# Big Themes

- Sharpens the focus: serve most vulnerable workers
  - Low income adults and youth with limited skills, limited work experience, and facing other barriers
  - Promotes achieving self-sufficiency

# Big Themes

- Increases integration of adult ed & workforce
  - Adult Ed emphasis on career pathways
  - Encourages integrating adult ed and occupational training
  - Credential attainment linked to in-demand occupations

# Big Themes

- Sustainable communities and regional strategies
  - Requires regional plans, services strategies
  - Regions identified by states (consultation with locals)



# Big Opportunities

- Expands education and training options
  - More training options besides ITAs
  - Earn & Learn and Transitional Jobs can be funded
  - Up to 20% of local adult/dislocated worker funds can be used for incumbent worker training

# Big Changes

- New performance measures
  - Common across all core programs
  - Adds metrics for “skills gain” & credential attainment
  - Longer term look at employment, educational attainment
  - Performance expectations adjusted for economic conditions and participant characteristics
- Prioritizes serving out of school youth
  - 75% of funds must go to serving them (was 30%)
  - Expands age range from 16-21 to 16-24

# The Detail: LWIBS

- Retains business majority
- Eliminates requirement for non-core mandatory partners
- Minimum 20% workforce representatives – including: labor, apprenticeships, CBOs, youth serving organizations
- Shall include reps of adult ed, higher ed, economic development, state employment services and vocational rehabilitation programs
- Eliminates requirement for youth council.

# The Detail - LWIBS

## ➤ Functions:

- Employer engagement
- Leveraging resources
- Leading efforts to develop and implement career pathways
- Promote other proven practices

# Discussion - LWIBs

- What impacts and opportunities do you see from changes to LWIB structure, leadership responsibilities, and functions?
- What policy guidance or technical assistance might be needed?



# The Detail – Local Areas

- Initial designation requires the governor to approve a request and designate any local area that had been in existence for at least two years before WIOA, performed successfully and sustained fiscal integrity. Initial designation will be in effect for the first two program years.
- Subsequent designation will be based on whether that area performed successfully, sustained fiscal integrity, and engaged in regional planning.

# The Detail – Regional Planning

- States will identify workforce/economic development regions within their state, and local areas will have coordinated planning and service delivery strategies.
- States must identify economic regions before the second full program year after the date of enactment.

# The Details – Regional Planning

- Local boards/CEOs will jointly:
  - Develop regional plan
  - Coordinate with economic development entities
  - Analyze regional labor market data
  - Develop sector strategies for in-demand occupations
  - Coordinate supportive services, such as transportation
  - Establish administrative cost arrangements
  - Collectively negotiate performance.



# Discussion – Local and Regional Planning

- With what intra- or interstate areas do you think you share an economy?
- How do you share planning with them now?
- What policy clarifications, guidance or technical assistance might be needed?



# The Detail – WorkOnes

- Continuous Improvement
  - State board must establish objective criteria for WorkOne center certification every three years
  - Requirements must be established in consultation with chief elected officials and local boards

# The Detail – WorkOnes

## ➤ WorkOnes are required to:

- Establish and develop relationships and networks with small employers and their intermediaries
- Develop, convene, or implement industry or sector partnerships

## ➤ WorkOnes are allowed to:

- Use for pay-for-performance contracts for training (not more than 10 percent of funds)
- Provide supportive services for low-wage workers
- Provide transitional jobs (not more than 10% of funds)

# The Detail – WorkOnes

- Specified Core Partners: Adult education, VR, WIOA and WP
- New required partners
  - TANF is now a required partner in WorkOne system. [WIOA priority for individuals on public assistance required]
  - Programs under Second Chance Act
- Requires a dedicated business services liaison for adult/dislocated workers
- WorkOne operator is selected through a competitive process and can be a consortium

# Discussion - WorkOne

- Suggestions for WorkOne certification criteria
- Impact of TANF partnership and priority for public assistance recipients?



# The Detail – Service Delivery

- Eliminates sequence of services
- Combines WIA “core” and “intensive” services into Career Services
- New requirements:
  - Business/Employer engagement as Career Service
  - Emphasis on career pathways
  - Provision of labor market data
- IEP – now requires career pathway

# Discussion – Service Delivery

- Opportunities and challenges of combining core and intensive
- Opportunities and challenges of career pathway emphasis
- Requirement for career pathways in IEP – need for TA and staff training?



# The Detail – Service Delivery

## ➤ Increased Flexibility

- Allows 100 percent funds transfer between the Adult and Dislocated Worker programs
- Increases on-the-job training reimbursement rates to 75 percent of the wage rate
- Allows local boards to reserve up to 20 percent of adult and dislocated worker funds for incumbent worker training



# Discussion – Service Delivery

- Opportunities and challenges in increased flexibility?



# The Detail – Service Delivery

## ➤ ITA Exceptions

- OJT, customized training, incumbent worker training, transitional employment; when board determines there are insufficient eligible providers of training; or the board determines there is an effective CBO training program; multiple individuals need same training; contract is pay for performance.

# Discussion – ITA and Non-ITA

- Opportunities and challenges for non-ITA training?



# The Detail – Service Delivery

## ➤ Eligible Training Providers

- More of a focus on performance, programs that lead to in-demand jobs, and completion rates
- Requires governor to develop range of criteria to determine eligibility, including:
  - Performance of providers
  - Whether the provider is in a partnership with business
  - Ability of provider to offer programs that lead to “industry recognized postsecondary credentials”
  - Program quality

# The Detail – Service Delivery

## ➤ ETP, continued:

- States must require training providers to report:
  - Information on performance with respect to the core accountability measures
  - information on recognized postsecondary credentials received by participants;
  - information on cost of attendance;
  - Information on program completion rates;
  - Percentage of participants who entered unsubsidized employment in an occupation related to training

# Discussion - ETP

- Impact of requirements on ETP list and consumer choice?



# The Detail - Funding

- Steady declines in funding—formula funding decreased by nearly 30 percent over the last decade, without factoring in inflation
- Since 2010, Congress has cut funding to employment and job training programs by over \$1B
- Increases the need for revenue generation (fee for service, philanthropy support); leveraging funds; pooling administrative costs; better use of technology; grant writing; being creative

# The Detail - Funding

- Eliminates 15 existing federal training programs—including WIA incentive grants, WIA Pilots and Demonstration Projects, and the Workforce Innovation Fund
- Formulas for adult, dislocated worker and youth funding remains unchanged.
- 80% obligation rate remains unchanged



# The Detail - Funding

- Infrastructure funding
  - Local boards/LCEOs and partners may fund infrastructure of WorkOne centers through local agreements
  - If no agreement, state infrastructure funding mechanism applies (beginning July 1, 2016)
    - Contributions are capped at:
      - Three percent of federal funds provided to a state for a fiscal year for WIOA youth, adult, and dislocated worker programs
      - 1.5 percent of federal funds for all other required partners

# The Detail - Funding

## ➤ Administrative Costs

- Means expenditures incurred by State boards and local boards... in the performance of administrative functions and in carrying out activities under title I that are not related to the direct provision of workforce investment services...
- Such costs include both personnel and non-personnel costs and both direct and indirect costs
- 10% local admin cost limit still applies

# Discussion - Funding

- Questions and concerns regarding funding
- Challenges and opportunities



# The Detail – Performance

## ADULTS and DWs

WIA Common Measure	WIOA Measure	Difference?
Entered employment rate	<b>REVISED</b> Entered employment rate	Now employed Q-2 after exit
Employment retention rate	<b>REVISED</b> Entered employment rate	Now employed Q-4 after exit
Average earnings	<b>REVISED</b> Earnings	<b>Median</b> earnings Q-2
	<b>NEW</b> Credential Rate	
	<b>NEW</b> In program skills gain	

# The Detail – Performance

## ADULTS and DWs

### New Measure: Credential Rate

“The percentage of program participants who **obtain a recognized postsecondary credential, or a secondary school diploma** or its recognized equivalent during participation in or within one year after exit from the program”

- Only count high school or HSE credential if participant is placed in job or training program within 1 year of exit

# The Detail – Performance ADULTS and DWs

## New Measure: In-Program Skill Gain

“The percentage of program participants who, during a program year, are in an education or training program that leads to a recognized postsecondary credential or employment, and **who are achieving measurable skill gains toward a credential or employment.**”

- Real-time measure (not after exit)
- How to objectively measure “skill gains”?

# The Detail – Performance

- The primary indicators of performance apply to:
  - WIOA Title I adult and DW
  - Adult education and literacy under Title II
  - Wagner-Peyser (except for the credential attainment and skills gains)
  - Vocational Rehabilitation

# The Detail – Performance

## YOUTH

WIA Common Measure	WIOA Measure	Difference
Placement in Emp/Ed/Trng	<b>Revised</b> Placement in Emp/Ed/Trng	Now Q-2 after exit
Literacy and Numeracy gains	<b>Eliminated</b>	
	<b>New</b> Retention in Emp/Ed/Trng	Q-4 after exit.
	<b>New</b> Earnings	<b>Median</b> earnings after Q-2 only
Attain degree/certificate	<b>Revised</b> Credential rate	Similar measure
	<b>New</b> In program skills gain	



# The Detail – Performance EMPLOYERS

WIA Common Measure	WIOA Measure	Difference
	<b>NEW</b> At least one employer measure to be implemented in year 2	

“Prior to the commencement of the second full program year after the date of enactment of this Act [the Secretary shall develop] 1 or more primary indicators of performance that indicate the effectiveness of the core programs in serving employers.”

# The Detail – Performance

- State can establish additional measures
- Allows adjustments to be made for expected economic conditions and characteristics of participants to be served, using statistical adjustment models
- Requires negotiated levels of performance to be revised to reflect actual economic conditions and characteristics of populations served in local area during the program year
- Sanctions: If a local area fails to meet local performance accountability measures for the youth, adult, or dislocated worker programs
  - Technical assistance
  - Corrective action (if more than 3 years failure)

# The Detail – State Reporting

- States must report for each core program:
  - Performance on primary indicators
  - Disaggregated performance by race, ethnicity, age, and gender
  - Number receiving services in most recent and 3 preceding program years and funds spent on each type of service
  - Average cost per participant, most recent and 3 preceding
  - Percent who received training and obtained employment in training-related occupation
  - Number of participants enrolled in more than 1 core program
  - Performance of service providers under pay for performance contracts measured against the contracts
  - Evaluation of the design of pay for performance strategies

# Discussion - Performance

- Questions and concerns regarding performance accountability and reporting?



# When Will WIOA Take Effect?

- Planning starting now
  - Labor Department developing regulations – must publish proposed rules by January 18, 2015
- Transition year – 7/1/15 – 6/30/16
  - WIA state/local plans and current performance provisions remain in effect for the first full program year
- State Unified Plan deadline 3/3/16
- Full implementation – 7/16
  - One stop infrastructure cost requirements take effect
  - New Performance measures take effect

# How is Indiana Preparing?

- WIOA webpage
- WIOA Town Halls
- Assessing local readiness
- Establishing a Core Policy Team at DWD
- Establishing a Steering Committee
- Establishing workgroups

# Next Steps: Workgroups

- WorkOne Policy and Local/Regional Planning Guidelines
- WorkOne Operations
- Finance
- Performance Accountability and Data Collection
- Program and fiscal monitoring
- Staff Development and Training
- Local WIBs
- Integration of Career Pathways and Sector Strategies
- Work-based learning
- Eligible Training Providers and Non-ITA/ETP options
- Youth
- Rapid response/DW
- Adult Education
- Communications

# WRAP UP

Final parting thoughts, concerns, suggestions?

