



The Workforce Innovation and Opportunity Act (WIOA)

National Governors Association Summary

In May, a bipartisan group of Senate and House members announced the Workforce Investment and Opportunity Act (WIOA), a bipartisan bill to reauthorize the Workforce Investment Act (WIA), due for reauthorization since 2003. The sponsors of the legislation include the Chairmen and Ranking Members of the Senate Health, Education, Labor and Pensions (HELP) Committee and the House Committee on Education and the Workforce. The agreement follows the House's passage of a partisan WIA bill in March 2013 and Senate HELP's passage of a bipartisan WIA reauthorization in July 2013.

The bipartisan proposal reaffirms the governors' 15 percent set-aside, applies a set of common accountability metrics measuring all federal workforce programs, reduces the number of required members on the state workforce investment board and provides greater clarity for coordination activities between the workforce system and education/economic development systems.

Major provisions of the bill aligned to key NGA policy areas:

- **WIA Set-Aside**
 - The bill reaffirms and preserves the ability of governors to reserve 15 percent of WIA funding allocated to the state for state-determined, statewide workforce investment activities.
 - Governors may continue to reserve 25 percent of WIA funding for statewide rapid response activities in cases of mass layoffs due to business closures or disasters leading to job dislocation.
- **State Workforce Investment Boards**
 - Governors continue to hold full appointment authority to state workforce boards.
 - Business leaders shall continue to make up a simple majority of state workforce boards.
 - The required membership of the state workforce board is reduced by no longer requiring, but allowing certain local partners to be appointed by the Governor as members.
 - Twenty percent of the state workforce board must represent the workforce, including labor organizations and the balance of the board must include state government officials responsible for core WIA programs.
 - States may continue to use grandfathered workforce boards established before the enactment of WIA in 1998.
- **NGA-NASWA Performance Measures**
 - WIA state performance accountability measures have been redesigned to streamline 100 varying and incomparable performance measures to a series of core measures that include common measures developed by the National Governors Association and the National Association of State Workforce Agencies (NASWA).
 - The NGA-NASWA proposal consists of four measures focused on workforce outcomes, including short-term and long-term employment rates, earnings and credential completion.
 - The U.S. Secretaries of Education and Labor are directed to work with states, business, educators and labor to create an additional measure to determine the effectiveness of state and local WIA funds to provide services to employers.
- **Funding Flexibility For Governors**

- Allows governors to reserve 20 percent of WIA Dislocated Worker funding for incumbent worker training.
- Allows states 100 percent funding transferability between WIA Adult and WIA Dislocated Worker Funds.
- Consolidation of Programs
 - Fifteen WIA programs are eliminated in the bill. Many have had limited or no funding for several years.
 - The Workforce Innovation Fund, a competitive grant funding local organizations providing job training services, is among the programs being eliminated. The program was created in 2011 and funded from dollars previously designated for the governors' 15 percent set aside.
- Governors and Local Boards
 - Governors shall now sanction locals after three years of poor performance which is a change from current law allowing governors to sanction local boards after two years.
 - If the state workforce board recommends designation of a local area, the governor may now have final approval of the designation.
- One-Stop Delivery System
 - Additional federal funds may now be made available to One-Stop partners to cover additional costs for operating the one-stop system that are not covered by federal infrastructure funds.
 - In order to be eligible for infrastructure funding, the state workforce board must establish objective criteria and processes to assess effectiveness of local workforce programs.
- Unified and Coordinated State Plan
 - The submission of state plans has been streamlined into a unified state plan to cover all core WIA programs to allow states to provide a more comprehensive strategic and operational plan. This new process replaces the previous process under which states submitted individual state plans for each WIA program. This change is expected to reduce administrative costs for many states.
 - States may also allow additional federal workforce development-related programs (Perkins, Community Services Block Grant, etc.) to participate in and submit plans through the WIA state plan submission process.
 - Governors will designate state agencies to coordinate submission of a unified plan.
- Employment and Training Services
 - Governors may reimburse employers for up to 75 percent of the wage rate for employees participating in on-the-job training.
 - States are required to disseminate a list of eligible providers of nontraditional training services and apprenticeship programs.
 - State workforce boards are now required to prioritize the development and expansion of sector strategies or partnerships in local and regional areas.
 - Generally, the bill has placed an emphasis on alignment of state workforce investment, education and economic development systems with WIA programs.

Please contact Stephen Parker at 202.624.5369 or sparker@nga.org for more information.