

# **The Workforce Innovation and Opportunity Act**

## Investing in America's Competitiveness

[http://edworkforce.house.gov/uploadedfiles/workforce\\_innovation\\_and\\_opportunity\\_act\\_-\\_one\\_pager.pdf](http://edworkforce.house.gov/uploadedfiles/workforce_innovation_and_opportunity_act_-_one_pager.pdf)

### **The Problem:**

- By 2022 the United States will fall short by 11 million the necessary number of workers with postsecondary education, including 6.8 million workers with bachelor's degrees, and 4.3 million workers with a postsecondary vocational certificate, some college credits or an associate's degree.
- Fifty-two percent of adults (16-65) in the United States lack the literacy skills necessary to identify, interpret, or evaluate one or more pieces of information; a critical requirement for success in postsecondary education and work.ii
- Individuals with disabilities have the highest rate of unemployment of any group, and more than two-thirds do not participate in the workforce at all.iii

### **The Workforce Innovation and Opportunity Act (WIOA):**

WIOA is bipartisan, bicameral legislation that will improve our nation's workforce development system and help put Americans back to work. Now more than ever, effective education and workforce development opportunities are critical to a stronger middle class. We need a system that prepares workers for the 21<sup>st</sup> century workforce, while helping businesses find the skilled employees they need to compete and create jobs in America.

### **WIOA creates:**

A streamlined workforce development system by:

- Eliminating 15 existing programs.
- Applying a single set of outcome metrics to every federal workforce program under the Act.
- Creating smaller, nimbler, and more strategic state and local workforce development boards.

- Integrating intake, case management and reporting systems while strengthening evaluations.
- Eliminating the “sequence of services” and allowing local areas to better meet the unique needs of individuals.

*Greater value by:*

- Maintaining the 15 percent funding reservation at the state level to allow states the flexibility to address specific needs.
- Empowering local boards to tailor services to their region’s employment and workforce needs.
- Supporting access to real-world education and workforce development opportunities through:
  - On-the-job, incumbent worker, and customized training;
  - Pay-for-performance contracts; and
  - Sector and pathway strategies.

*Better coordination by:*

- Aligning workforce development programs with economic development and education initiatives.
- Enabling businesses to identify in-demand skills and connect workers with the opportunities to build those skills.
- Supporting strategic planning and streamlining current governance and administration by requiring core workforce programs to develop a single, comprehensive state plan to break down silos, reduce administrative costs, and streamline reporting requirements.
- Ensuring individuals with disabilities have the skills necessary to be successful in businesses that provide competitive, integrated employment.

*Improved outreach to disconnected youth by:*

- Focusing youth program services on out-of-school youth, high school dropout recovery efforts, and attainment of recognized postsecondary credentials.
- Providing youth with disabilities the services and support they need to be successful in competitive, integrated employment.

ii Based on data from the Program for the International Assessment of Adult Competencies (PIAAC), 2012.

iii Based on data from the Current Population Survey, Bureau of Labor Statistics.

## KEY IMPROVEMENTS FROM CURRENT LAW

### **Changes to the Workforce Development System:**

- Eliminates 15 programs; 14 within WIA and one higher education program.
- Applies one set of accountability metrics to every federal workforce program under the bill.
- Requires states to produce one strategic plan describing how they will provide training, employment services, adult education and vocational rehabilitation through a coordinated, comprehensive system.
- Reduces the number of required members on state and local workforce boards.
- Strengthens alignment between local workforce areas and labor markets and economic development regions.
- Strengthens evaluation and data reporting requirements.
- Specifies authorized appropriation levels for each of the fiscal years 2015-2020.
- Adds a minimum and maximum funding level to the dislocated worker formula beginning in fiscal year 2016 to reduce volatility.

### **Changes to Training and Employment Services:**

- Eliminates the "sequence of services" and merges "core and intensive activities" into a combined "career services."
- Emphasizes access to real-world training opportunities through:
  - Increasing the ability to use on-the-job training (reimbursement rates up to 75 percent for eligible employers), incumbent worker training (may use up to 20 percent of local funds), and customized training;
  - New opportunities to utilize prior learning assessments;

- Pay-for-performance training contracts for adults and youth (local boards may use up to 10 percent of funds); and
- Requirements for implementation of industry or sector partnerships and career pathway strategies.
- Requires 75 percent of youth funding to support out-of-school youth, of which 20 percent is prioritized for work-based activities.

### **Changes to Job Corps:**

- Improves the procurement process for center operators to support high-quality services by:
  - Collecting information on key factors indicating the ability of an applicant to operate a center;
  - Providing the operator of a high-performing center the opportunity to compete for contract renewal; and
  - Placing limits on the ability of an operator of a chronically low-performing center to compete for a contract renewal, or to continue to operate that center.
- Allows the U.S. Department of Labor to provide technical assistance to Job Corps operators and centers to improve operations and outcomes.
- Collects more data on Job Corps operations and financial management to better inform Congress and the public about the program

### **Changes to Adult Education:**

- Strengthens the connection between adult education, postsecondary education, and the workforce.
- Improves services to English language learners.
- Requires evaluations and additional research on adult education activities.

### **Changes to State Vocational Rehabilitation Services:**

- Sets high expectations for individuals with disabilities with respect to employment.
- Provides youth with disabilities the services and supports necessary to be successful in competitive, integrated employment.