

Workforce Investment Act Amendments Notice of Proposed Rulemaking (NPRM) Executive Summary

The regulatory changes proposed in this Notice of Proposed Rulemaking (NPRM) implement needed changes to the public workforce investment system and are consistent with the Administration's WIA reform principles of increased state and local flexibility, streamlined governance in order to gain efficiencies, and increased access to post-secondary education leading to skills attainment. Further reforms that require statutory changes are still needed through the WIA reauthorization process. The NPRM has a 60-day public comment period.

Increased State Flexibility

The regulatory package proposes changes to the Wagner-Peyser Act regulations to more fully integrate employment services authorized under the Wagner-Peyser Act with the WIA-authorized One-Stop Career Center system. In the interest of providing maximum flexibility to all states, and to encourage innovative and creative approaches to delivering employment services, the Department of Labor is now providing all governors with the option of using non-merit-staff employees to provide these employment services. Currently, "core" services authorized under WIA, which are the same as employment services under the Wagner-Peyser Act, are provided by both merit and non-merit staff at the discretion of state and local officials. This same flexibility should be extended to the provision of employment services so states and localities can design and operate the systems that make the most sense based on their regional economies.

Streamlined Governance

The NPRM proposes to streamline governance under WIA, providing states and local areas with additional flexibility to design workforce investment systems that are demand-driven and responsive to the skill needs of business and workers. The NPRM proposes the following changes:

- (1) The NPRM opens discussion on state and local workforce investment board membership requirements. Many boards have become so large and unwieldy that the boards' ability to perform their duties has become seriously constrained. This problem could be ameliorated by eliminating regulatory language requiring "two or more" representatives of certain groups on these boards. The NPRM invites comments on this suggested change, as well as suggestions for other changes to these regulatory requirements to address the issue of board membership.
- (2) The NPRM promotes a stronger policy role for state workforce investment boards, including responsibility for the development and issuance of certifications for One-Stop Career Centers.
- (3) The NPRM facilitates regional planning by providing Governors with enhanced authority to work on a more regional basis. When local areas are required to participate in regional planning, separate local planning activities are not necessary.

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- (4) To fully integrate Wagner-Peyser services into One-Stop Career Center systems, the NPRM more definitively mandates that employment service offices be fully integrated into comprehensive One-Stop Career Centers. Stand-alone employment services offices will no longer qualify as affiliated One-Stop Centers.

Given that Wagner-Peyser Act-funded employment services are also authorized as core services under WIA, better integrating employment services into the One-Stop Center system under these regulations will provide states and local areas with the opportunity to more efficiently manage the costs of such services and eliminate duplication in order to free up other funds for intensive and training services.

Increased Access to Education and Training

The NPRM contains several regulatory changes that would increase access to education and training in WIA programs. These include:

- (1) Allowing participants to move more quickly into education and training by making it unnecessary for a participant to go through layers of services in order to access intensive or training services.
- (2) Providing Governors with maximum flexibility within the law to establish methods of applying for and maintaining the eligibility of providers on a state-approved list of eligible training providers by removing a Department of Labor-imposed time limitation.
- (3) Allowing participants in the WIA Youth program to use Individual Training Accounts (ITAs), which is not allowed under the current regulations. The Department has approved waivers of the current regulatory prohibition against ITAs for youth, and such waiver requests would no longer be necessary under this proposed change.
- (4) Enhancing the use of Wagner-Peyser funds to provide the necessary core services under the One-Stop Career Center system, freeing WIA funds for use in providing additional intensive and training services.
- (5) Opening a discussion on the activities defined for purposes of the administrative cost limit. The current definition permits program funds to be used to ~~for~~ what would normally be considered administrative costs. The Department of Labor believes that the definition of administrative costs should be revised in order to increase the amount of funding being used for education and training and other direct services to individuals.

