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This publication provides an overview of the Workforce Investment Act (Public Law 105-220), which was signed into law August 7, 1998. It was produced by the U.S. Department of Labor to highlight the major features of the new legislation and to give State and local elected officials, program designers and operators, and the public quick information about the structure, funding, and target population groups to be served. *It is not intended to provide a detailed summary of the Act, nor is it intended to convey a legal opinion or interpretation of the legislation.* Material contained in this publication is in the public domain and may be reproduced, fully or partially, without permission of the Federal Government.



U.S. Department of Labor
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Office of Policy and Research
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– Contents –

	<i>Page</i>
Empowering the Nation’s Jobseekers.....	1
A Customer-Focused System.....	4
“One-Stop” Approach.....	4
Empowerment Through Training Accounts.....	5
Accountability.....	6
Eligibility and Service Requirements.....	7
Adults and Dislocated Workers.....	7
Youth.....	9
Designing and Managing the New System.....	10
State and Local Workforce Investment Boards.....	10
Youth Councils.....	11
Funding	12
Implementation.....	13
Legislative Comparison.....	Appendix

Empowering the Nation's Jobseekers

The **Workforce Investment Act of 1998** provides the framework for a unique national workforce preparation and employment system designed to meet both the needs of the nation's businesses *and* the needs of job seekers and those who want to further their careers. Title I of the legislation is based on the following elements:

- Training and employment programs must be designed and managed at the local level—where the needs of businesses and individuals are best understood.
- Customers must be able to conveniently access the employment, education, training, and information services they need at a single location in their neighborhoods.
- Customers should have choices in deciding the training program that best fits their needs and the organizations that will provide that service. They should have control over their own career development.
- Customers have a right to information about how well training providers succeed in preparing people for jobs. Training providers will provide information on their success rates.
- Businesses will provide information, leadership, and play an active role in ensuring that the system prepares people for current and future jobs.

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Further Assistance:

Updated information regarding the Workforce Investment Act of 1998 is available on the Internet at: <http://usworkforce.org>

TDD Phone:
1-800-326-2577

The Act builds on the most successful elements of previous Federal legislation. Just as important, its key components are based on local and State input and extensive research and evaluation studies of successful training and employment innovations over the past decade.

The new law makes changes to the current funding streams, target populations, system of delivery, accountability, long-term planning, labor market information system, and governance structure.

Title I authorizes the new Workforce Investment System. State workforce investment boards will be established and States will develop five-year strategic plans. Governors will designate local "workforce investment areas" and oversee local workforce investment boards. New youth councils will be set up as a subgroup of the local board to guide the development and operation of programs for youth. Customers will benefit from a "One-Stop" delivery system, with career centers in their neighborhoods where they can access core employment services and be referred directly to job training, education, or other services.

Title I requires that standards for success be established for organizations that provide training services and outlines a system for determining their initial eligibility to receive funds. It establishes the funding mechanism for States and local areas, specifies participant eligibility criteria, and authorizes a broad array of services for youth, adults, and dislocated workers. It also authorizes certain statewide activities and a system of *accountability* to ensure that customer needs are met.

Also authorized are a number of *national* programs—the Job Corps; Native American programs;

Migrant and Seasonal Farmworker programs; Veterans' Workforce Investment programs; Youth Opportunity grants for high-poverty areas; technical assistance efforts to States and local areas; demonstration, pilot, and other special national projects; program evaluations; and National Emergency grants.

Title II reauthorizes Adult Education and Literacy programs for Fiscal Years 1999-2003.

Title III amends the Wagner-Peyser Act to require that Employment Service/Job Service activities become part of the "One-Stop" system and establishes a national employment statistics initiative. It requires linkages between the Act's programs and Trade Adjustment Assistance and North American Free Trade Agreement Transitional Adjustment Assistance programs. It establishes a temporary "Twenty-First Century Workforce Commission" to study issues relating to the information technology workforce in the United States.

Title IV reauthorizes Rehabilitation Act programs through Fiscal Year 2003 and links these programs to State and local workforce development systems.

Title V contains general provisions that include authority for State unified plans relating to several workforce development programs, incentive grants for States exceeding negotiated performance levels under the Workforce Investment Act, Adult Education Act, and Perkins Vocational Education Act, and transition provisions.

Employment Service/Job Service activities will become part of the "One-Stop" system.

A Customer-Focused System

The most important aspect of the Act is its focus on meeting the needs of businesses for skilled workers *and* the training, education, and employment needs of individuals. Key components of the Act will enable customers to easily access the information and services they need through the “One-Stop” system; empower adults to obtain the training they find most appropriate through Individual Training Accounts, and ensure that all State and local programs meet customer expectations.

“One-Stop” Approach

The new system will be based on the “One-Stop” concept where information about and access to a wide array of job training, education, and employment services is available for customers at a single neighborhood location.

Customers will be able to easily:

- Receive a preliminary assessment of their skill levels, aptitudes, abilities, and support service needs.
- Obtain information on a full array of employment-related services, including information about local education and training service providers.
- Receive help filing claims for unemployment insurance and evaluating eligibility for job training and education programs or student financial aid.
- Obtain job search and placement assistance, and receive career counseling.
- Have access to up-to-date labor market information which identifies job vacancies, skills necessary for

The “One-Stop” concept will provide customers with information about and access to job training, education, and employment services at a single neighborhood location.

in-demand jobs, and provides information about local, regional and national employment trends.

Through the “One-Stop,” employers will have a single point of contact to provide information about current and future skills needed by their workers and to list job openings. They will benefit from a single system for finding job-ready skilled workers who meet their needs.

To date, over 95 percent of the States are building these Centers, and over 800 Centers are operating across the country. Each local area will establish a “One-Stop” delivery system through which core services are provided and through which access is provided to other employment and training services funded under the Act and other Federal programs. There will be at least one Center in each local area, which may be supplemented by networks of affiliated sites. The operators of “One-Stop” Centers are to be selected by the local workforce investment boards through a competitive process or designation of a consortia that includes at least three of the Federal programs providing services at the “One-Stop.”

Empowerment Through Training Accounts

Provisions of the Act promote individual responsibility and personal decision-making through the use of “Individual Training Accounts” which allow adult customers to “purchase” the training they determine best for them. This market-driven system will enable customers to get the skills and credentials they need to succeed in their local labor markets.

Individual Training Accounts will allow adult customers to purchase the training they determine best for them.

Expected levels of performance for each measure are to be negotiated between the Secretary and each State and the State and each local area, respectively. Failure to meet the expected levels could lead to sanctions, while exceeding the levels could lead to the receipt of incentive funds.

Good customer choice requires quality information. The “One-Stop” system will provide customers with a list of eligible training providers and information about how well those providers perform. Payment for services will be arranged through the Individual Training Accounts. Only in exceptional cases may training be provided through a contract for services between the “One-Stop” Center and organizations providing the training.

Accountability

As individuals become empowered to choose the services they require, States, local areas, and providers of those services will become more accountable for meeting those needs.

For adults and “dislocated” workers (such as those who lose their jobs because of permanent layoffs or plant closings), measures for the rates of entry into unsubsidized employment, job retention, post-placement earnings, and acquired education and skill standards for those who obtain employment will be established. Measures for older youth (19-21) will also include the attainment of a high school diploma (or its equivalent) for those who enter postsecondary education or advanced training as well as for those who get jobs. Measures for younger youth (14-18) will include rates of basic skills and work readiness or occupational skills attainment, attainment of high school diplomas (or the equivalent), and placement and retention in postsecondary education, advanced occupational training, apprenticeships, the military or employment. These measures apply to both statewide and local performance.

Measures will also be established relating to customer satisfaction of *both* participants *and* employers.

The Act also requires that training providers must meet certain requirements in order to receive adult or dislocated worker funds. There are separate requirements for initial eligibility and for subsequently maintaining eligibility to receive funds. Training providers will be held accountable for completion rates, the percentage of participants who obtain unsubsidized jobs, and for their wages at placement. Training providers must also provide information about the cost of their programs.

This information will be available to clients at “One-Stop” Centers.

Eligibility and Service Requirements

The Act specifies three funding streams to the States and local areas: adults, dislocated workers, and youth.

Adults and Dislocated Workers

Most services for adults and dislocated workers will be provided through the “One-Stop” system and most customers will use their individual training accounts to determine which training program and training providers fit their needs.

The Act authorizes “core” services (which will be available to all adults *with no eligibility requirements*), and “intensive” services for unemployed individuals who are not

Training providers will submit annual information about how well they serve participants, including their completion rates, number placed and their earnings. This information will be made available to customers at “One-Stop” centers. To remain eligible to provide services, training providers must meet or exceed minimum levels of performance established by the State and local areas.

Core services for adults will be available to all who seek assistance. There will be no eligibility requirements.

able to find jobs through core services alone. In some cases the intensive services will also be available to employed workers who need more help to find or keep a job.

While the services for adults and dislocated workers may be the same, there is a separate funding stream for dislocated workers.

Core services will include job search and placement assistance (including career counseling); labor market information (which identifies job vacancies; skills needed for in-demand jobs; and local, regional and national employment trends); initial assessment of skills and needs; information about available services; and some follow-up services to help customers keep their jobs once they are placed.

Intensive services will include more comprehensive assessments, development of individual employment plans, group and individual counseling, case management, and short-term pre-vocational services.

In cases where qualified customers receive intensive services, and are still not able to find jobs, they may receive training services which are *directly linked to job opportunities in their local area*. These services may include occupational skills training, on-the-job training, entrepreneurial training, skill upgrading, job readiness training, and adult education and literacy activities in conjunction with other training.

If adult funds are limited in an area, recipients of public assistance and low-income clients will be given priority for services. The Act also authorizes the provision of supportive services (e.g., transportation) to assist participants receiving the other services and the provision of

temporary income support to enable participants to remain in training.

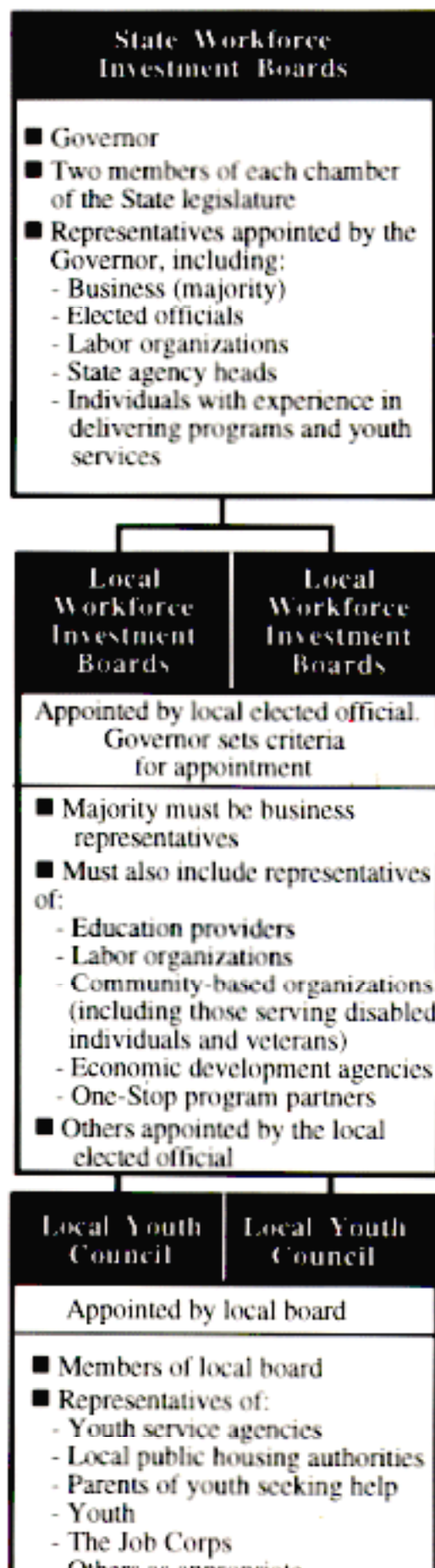
Youth

Eligible youth will be low-income, ages 14 through 21 (although up to five percent who are not low-income may receive services if they face certain barriers to school completion or employment). Young customers also must face one or more of the following challenges to successful workforce entry: (1) school dropout; (2) basic literacy skills deficiency; (3) homeless, runaway, or foster child; (4) pregnant or a parent; (5) an offender; or (6) need help completing an educational program or securing and holding a job. At least 30 percent of local youth funds must help those who are not in school.

Youth will be prepared for postsecondary educational opportunities or employment. Programs will link academic and occupational learning. Service providers will have strong ties to employers. Programs must also include tutoring, study skills training and instruction leading to completion of secondary school (including dropout prevention); alternative school services; mentoring by appropriate adults; paid and unpaid work experience (such as internships and job shadowing); occupational skills training; leadership development; and appropriate supportive services. Youth participants will also receive guidance and counseling, and follow-up services for at least one year, as appropriate.

Youth will be prepared for postsecondary educational opportunities or employment. Programs will link academic and occupational learning.

Planning & Oversight



Programs must provide *summer employment opportunities* linked to academic and occupational learning. (In contrast to the current legislation, a separate appropriation is not authorized for a “summer” program.) The mix of year-round and summer activities is left to local discretion.

Designing and Managing the New System

Several new features are included in the law to ensure the full involvement of business, labor, and community organizations in designing and ensuring the quality of the new workforce investment system. These include State and local workforce investment boards, local youth councils, and long-term State strategic planning.

State and Local Workforce Investment Boards

Each State will establish both State and local workforce investment boards. The State board will help the Governor develop a five-year strategic plan describing statewide workforce development activities, explaining how the requirements of the Act will be

implemented, and outlining how special population groups will be served. The plan—which must also include details about how local Employment Service/Job Service activities fit into the new service delivery structure—must be submitted to the Secretary of Labor. The state board will advise the Governor on ways to develop the statewide workforce investment system and a statewide labor market information system. The state board will also help the Governor monitor statewide activities and report to the Secretary of Labor.

Local workforce investment boards, in partnership with local elected officials, will plan and oversee the local system. Local plans will be submitted for the Governor’s approval. Local boards designate “One-Stop” operators and identify providers of training services, monitor system performance against established performance measures, negotiate local performance measures with the state board and the Governor, and help develop the labor market information system.

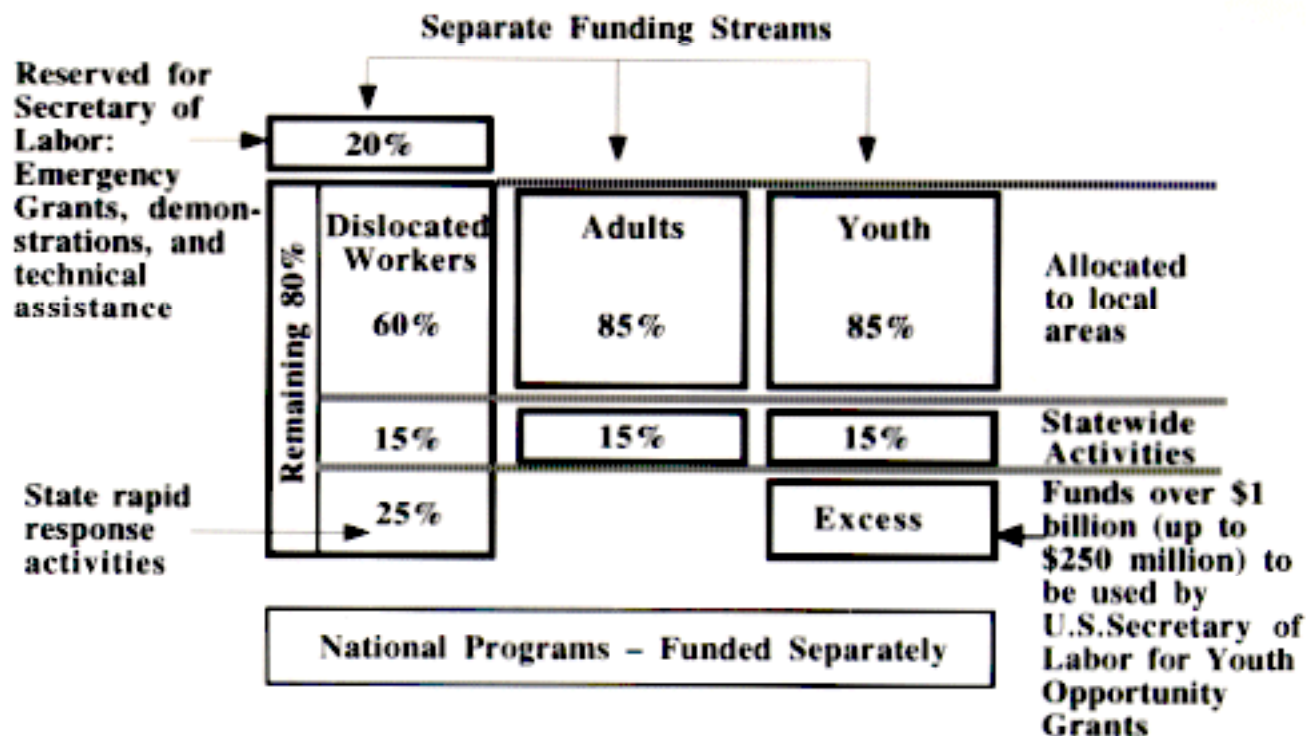
Youth Councils

Youth Councils will be established as a subgroup of the local board to develop parts of the local plan relating to youth, recommend providers of youth services, and coordinate local youth programs and initiatives.

Local workforce investment boards will plan and oversee the local system.

Youth Councils will be established as a subgroup of the local workforce investment board.

Funding



Funding

The Workforce Investment Act authorizes three funding streams: adults, dislocated workers, and youth.

Eighty-five percent of adult and youth funds will be allocated to local areas; the remainder will be reserved for statewide activities. For youth, funds appropriated in excess of \$1 billion (up to \$250 million) will be used by the U.S.

Department of Labor to fund Youth Opportunity grants.

For dislocated workers, 20 percent will be reserved by the Secretary of Labor for National Emergency Grants, dislocated worker demonstration efforts, and technical assistance. Of the remaining 80 percent, 60 percent will be allocated to local areas, 15 percent will be reserved for

statewide activities, and 25 will be reserved for State rapid response efforts.

States may merge the 15 percent set-asides for statewide activities from the three separate funding streams (dislocated workers, adults, and youth) if they choose to do so (for example, State set-aside funds from the adult stream may be used for statewide youth activities, etc.).

States may merge the set-asides for statewide activities.

Implementation

The Secretary of Labor is authorized to take appropriate actions to ensure an orderly transition from JTPA to the Workforce Investment Act. JTPA is repealed effective July 1, 2000.

Appendix

Current Law (Job Training Partnership Act)

Workforce Investment Act of 1998

Implementation Schedule

The Secretaries of Labor and Education are authorized to take appropriate actions to ensure an orderly transition to the new programs under their purview. The Act is effective on the date of enactment (except as otherwise provided in the Act).

Structure & Funding

Separate funding streams and authorizing legislation for Job Training Partnership Act (JTPA), Wagner Peyser, vocational education, adult education, and vocational rehabilitation.

Organized into five titles: (1) job training; (2) adult education; (3) amendments to Wagner-Peyser and related Acts; (4) amendments to the Vocational Rehabilitation Act; and (5) general provisions. Does not include vocational education (addressed in separate legislation).

Separate funding streams for disadvantaged adults, dislocated workers, disadvantaged youth, and summer youth.

Maintains separate funding streams for adults, dislocated workers, and youth.

Target Population Groups

Economically disadvantaged adults must be age 22 or older, economically disadvantaged (10 percent can be non-disadvantaged if they have serious barriers to employment). Sixty-five percent must be "hard-to-serve" in identified categories.

All adults are eligible for core services ages 18 older. Priority for intensive services must be given to recipients of public assistance and other low-income individuals in areas where funds are limited.

Dislocated Workers are defined to include four categories.

Dislocated workers—excludes long-term unemployed from definition of dislocated worker and adds displaced homemakers.

Youth are defined to include ages 16-21, although under certain cases, they may be 14 and 15. In the year-round program, they must be economically disadvantaged (10 percent may not be if they have serious barriers to employment). Sixty-five percent must be "hard-to-serve" in specific categories. At least half must be out-of-school youth. In summer programs, they must be economically disadvantaged.

Youth must be ages 14-21, low income, and meet at least one of six specific barriers to employment. Five percent may be non-low-income if they have one or more specified barriers to school completion or employment. At least 30 percent of the funds must be spent on out-of-school youth.

Current Law (Job Training Partnership Act)

Workforce Investment Act of 1998

“One-Stop” Service Delivery

“One-Stop” implementation grants are currently awarded with Wagner-Peyser funds, but there are no statutory requirements to provide services through the “One-Stop” system.

Establishes the “One-Stop” delivery system as the access point for employment-related and training services. All core services must be available at at least one site which may be supplemented by multiple additional sites and technological networks. Specifies designated “One-Stop” partners that are to provide services through the “One-Stop,” including programs authorized under this Act, Wagner-Peyser, Welfare-to-Work, vocational rehabilitation, etc. Provides for a memorandum of understanding between partners and local boards to address issues such as services to be provided, referrals, and operating costs. The local board selects the operator of a “One-Stop” center through a competitive process or may designate a consortia of not less than three partners to operate a center.

Summer Jobs

The summer jobs program is specifically authorized under Title IIB of JTPA.

Includes summer jobs as a required component of the youth program, but no separate appropriations are authorized for the program.

Youth Services

Requires individual assessment of skill levels and service needs; service strategy; availability of basic skills, occupational skills, and work maturity skills training; work experience and supportive services; and authorizes an array of training and training-related services.

Retains requirement for assessment and service strategy, adds as required elements: preparation for postsecondary educational opportunities or unsubsidized employment (as appropriate); strong linkages between academic and occupational training; and effective connections to intermediaries with strong links to the job market and employers. The other required elements of youth programs include: tutoring, study skills training and instruction leading to completion of secondary school, including dropout prevention; alternative school services; adult mentoring; paid and unpaid work experiences, including internships and job shadowing; occupational skills training; leadership development opportunities; supportive services; follow-up services for not less than 12 months as appropriate; and comprehensive guidance and counseling.

Current Law (Job Training Partnership Act)

Workforce Investment Act of 1998

Youth Opportunity Area Grants for Out-of-School Youth

Administration proposal calls for saturation grants to increase employment rates among youth ages 16-24 in high poverty areas in Empowerment Zones/Enterprise Communities. The Department of Labor's Fiscal Year 1998 Appropriations Act provides an advance Fiscal 1999 appropriation of \$250 million for this program.

Reserves amounts appropriated for youth in excess of \$1 billion (up to \$250 million) for Youth Opportunity grants, which the Secretary of Labor may provide to help youth ages 14-21 in high poverty areas located in Empowerment Zones/Enterprise Communities, high poverty areas located on Indian reservations, or other high poverty areas designated by the States.

Adult and Dislocated Worker Services

Title II provides stand-alone employment services (e.g., job search assistance). Title III authorizes readjustment retraining services.

Funds will be used at the local level to pay for core "One-Stop" system, as well as for intensive training services for program participants. *Core services funded by the adult stream would be available universally with no eligibility requirements.* Funds for dislocated workers would be used exclusively for services to dislocated workers. Intensive services (e.g., counseling and prevocational services) will be available for unemployed individuals who have been unable to obtain jobs through core services and those who are employed but need additional services to reach self-sufficiency. Training is available for those who meet intensive services eligibility but were unable to find employment through those services.

Skill Grants for Training

Most training is provided through contracts with training providers. Vouchers are only used on a limited basis.

For adult and dislocated worker training, requires the use of Individual Training Accounts (ITAs), through which a participant chooses among qualified providers. The three exceptions where a contract for training may be used in lieu of ITAs are: on-the-job training and customized training; an insufficient number of providers; and programs provided by Community-Based Organizations or other private organizations serving special participant groups that face multiple barriers to employment.

Current Law (Job Training Partnership Act)

Workforce Investment Act of 1998

Accountability

Performance standards applicable to local areas are established by the Secretary of Labor which are to include factors identified in the law. States adjust the standards based on economic, demographic, and other factors within parameters established by the Secretary. States may award incentive funds or impose sanctions based on local performance.

Establishes indicators of performance for all adult, dislocated worker, and youth programs to be applied to States as well as local areas. There are four core indicators relating to adults, dislocated worker programs, and youth ages 19-21 (placement, retention, earnings, and skill attainment), and three core indicators relating to youth ages 14-18 (basic skills attainment and, as appropriate, occupational skills; high school diplomas; and placement and retention in postsecondary education, advanced training, or employment). The Secretary of Labor is to negotiate the expected levels of performance for each indicator with each State, and the State, in turn, is to negotiate expected levels of performance with each local area. Negotiations are to take into account special economic and demographic factors. Technical assistance, sanctions, and Federal incentive funds are tied to whether States meet the expected levels of performance.

Training Provider Eligibility

Other than general procurement requirements, there are no eligibility requirements for training providers.

Eligibility to receive adult and dislocated worker funds requires a provider to be certified under the HEA, the National Apprenticeship Act, or an alternative procedure established by the Governor. All providers must submit annual specified performance-based information relating to outcomes of their students (completion rates, placement and earnings, etc.). To remain eligible, providers must meet or exceed minimum levels of performance established by the State and localities.

Current Law (Job Training Partnership Act)

Workforce Investment Act of 1998

Service Provider Reports for Clients

No requirement for reports on how successful training providers are for client consideration.

Information for clients relating to each provider is to be disseminated to "One-Stop" centers and available to help clients select providers who meet their needs. The information is the performance-based information relating to outcomes described above.

State and Substate Shares of Funding and State Reserves

Disadvantaged Adults: Title II-A

77 percent allocated to local areas.

23 percent reserved by State, of which:

- Five percent - State administration.
- Five percent - State incentives.
- Eight percent - Education and coordination grants.
- Five percent - Older worker programs.

Adults:

85 percent allocated to local areas.

15 percent reserved for statewide activities which must include incentive grants, technical assistance, management information systems, evaluation, and "One-Stop" system building. Permissible statewide activities include incumbent worker projects, authorized youth and adult activities, and additional system building. Not more than five percent may be used for administration.

Dislocated Workers: Title III

60 percent allocated to local areas.

40 percent reserved by the State to carry out administration, rapid response, and special projects.

Dislocated Workers

60 percent allocated to local areas.

40 percent reserved by State, of which:

- 15 percent reserved for statewide activities as described above.
- 25 percent reserved for rapid response activities.

Disadvantaged Youth

Summer - Title II-B

100 percent allocated to local areas.

Youth

85 percent allocated to local areas.

15 percent reserved for statewide activities as described above.

Year-Round Youth - Title II-C

82 percent allocated to local areas.

18 percent reserved by the State. Same State reserves as II-A except does not include older worker program.

[Note: State 15 percent reserve amounts from each stream may be merged by States to increase services to one of the three groups (adults, dislocated workers, or youth)]

Current Law (Job Training Partnership Act)

Workforce Investment Act of 1998

Interstate Allocation Formulas

Adults

- 1/3 number of unemployed residing in areas of substantial unemployment (greater than or equal to 6.5 percent).
- 1/3 excess unemployment (greater than 4.5 percent).
- 1/3 economically disadvantaged adults.
- 0.25 percent small State minimum.
- 90 percent hold harmless.

Dislocated Workers

- 1/3 unemployed.
- 1/3 excess unemployment (greater than 4.5 percent).
- 1/3 long-term unemployed (15 weeks or longer).

Youth

- 1/3 number of unemployed in areas of substantial unemployment (greater than or equal to 6.5 percent).
- 1/3 excess unemployment (greater than 4.5 percent).
- 1/3 economically disadvantaged youth.
- 0.25 percent small State minimum.
- 90 percent hold harmless.

Adults

Factors are the same as JTPA:

- If appropriation is less than \$960 million, JTPA hold harmless and small State minimums apply.
- If the appropriation is \$960 million or more:
 - The hold harmless for each State is the greater of 100 percent at the State's actual allotment under JTPA in FY 1998 or 90 percent of the allotment percentage of the State in the preceding year.
 - Subject to the hold harmless for all States, the minimum for small States would be 0.3 percent up to \$960 million plus 0.4 percent of any amount in excess of \$960 million.
 - Stop gain of 130 percent.

Dislocated Workers

Same as JTPA

Same as JTPA

Same as JTPA

Youth

Factors same as JTPA

- If appropriation is less than \$1 billion, JTPA hold harmless and small State minimums apply.
- If appropriation is \$1 billion or more:
 - The hold harmless for each State is the greater of 100 percent of the State's actual allotment under JTPA in FY 1998 or 90 percent of the allotment percentage of the State in the preceding year.
 - Subject to the hold harmless for all States, the minimum for small States would be 0.3 percent up to \$1 billion plus 0.4 percent of any amount in excess of \$1 billion.
 - Stop gain of 130 percent.

**Current Law
(Job Training Partnership Act)**

**Workforce Investment
Act of 1998**

Substate Allocation Formulas

Adults

Same as interstate factors.

Adults

State may allocate all (but not less than 70 percent of) substate funds in accordance with interstate factors or may, for up to 30 percent of funds, use an alternate formula that incorporates additional factors developed by the State board relating to excess poverty or excess unemployment.

Dislocated Workers

Governor prescribes; must include at least six specified factors.

Dislocated Workers

Same as current law.

Youth

Same as interstate factors.

Youth

State may allocate all (but not less than 70 percent of) substate funds in accordance with interstate factors or may, for up to 30 percent of funds, use an alternate formula that incorporates factors developed by the State board relating to youth poverty or excess unemployment.

Transfer of Funds

With the approval of the Governor, local areas may transfer up to 10 percent between adult and year-round youth and may transfer 20 percent from summer to year-round youth. Appropriations Acts have recently allowed 20 percent transfer between adult and dislocated workers, and 100 percent between summer and year-round youth.

With the approval of the Governor, local areas may transfer 20 percent between adult and dislocated workers funding streams.

Current Law (Job Training Partnership Act)

Workforce Investment Act of 1998

Local Governance

JTPA is administered at the local level by Private Industry Councils (PICs) in partnership with local elected officials. PICS and local elected officials are responsible for developing local plans and for oversight.

Local workforce investment boards, in partnership with local elected officials, are responsible for planning and overseeing the local program. The board is responsible for developing the local plan to be submitted to the Governor for approval, designating local "One-Stop" operators, designating eligible providers of training services, negotiating local performance measures, and assisting in developing an employment statistics program.

A youth council is to be established in each local area as a subgroup of the local board. The youth council develops portions of the local plan relating to youth, recommends the providers of youth activities to be awarded grants by the local board, and coordinates youth activities in the area.

Members of Private Industry Councils are appointed by local elected officials

Members of local workforce investment boards are appointed by local elected officials in accordance with criteria established by the Governor.

Composition of PICs: majority to be representatives of business; not less than 15 percent representatives of organized labor and community-based organizations; and representatives from other specified public agencies (Employment Service, Vocational Rehabilitation, public assistance, and economic development).

Composition of workforce investment boards: Must have a majority of business representatives and include representatives of education providers, labor organizations, community-based organizations (including those representing disabled veterans), economic development agencies, and each of the "One-Stop" partners. It may include other representatives determined appropriated by local elected officials

PICS may operate programs.

The board is prohibited from directly providing training services unless the Governor waives the prohibition based on a determination that another entity is not available to meet local demand for such training. The board may not directly provide non-training services unless the local elected official and the Governor agree to allow the board to provide such services.

Current Law (Job Training Partnership Act)

Workforce Investment Act of 1998

Designation of Sub-State Areas

Governor is to take into account specified factors, including consistency with labor market areas, in designating local areas. The Governor must approve any request from any unit of general local government or consortia of such units with a population of 200,000 or more to be a Service Delivery Area.

The Governor is to take into account similar factors as current law (labor market areas) in designating areas. The Governor must approve a request for designation from units of general local government with a population of 500,000 or more. Pursuant to their request, units of local government (or combination of units) with a population of 200,000 or more that were Service Delivery Areas under JTPA are to receive temporary designation if they meet JTPA performance measures during the preceding two years and had sustained fiscal integrity. If such areas substantially meet local performance measures for up to two subsequent years, the designation extends through the end of the State plan. Local areas designated pursuant to previously enacted State laws are grandfathered.

State Governance

States are to establish State Job Training Coordinating Councils or State Human Resource Investment Councils to advise the Governor on coordination of workforce programs and to carry out other activities.

States are to establish a State workforce investment board to develop the State plan and to carry out other activities.

Under JTPA Title II, the Governor submits a biennial Coordination and Special Services Plan describing how programs within the State will be coordinated and the use of certain State reserve funds. Under Title III, the State submits a biennial plan providing assurances and relating to the services to be provided to dislocated workers and the activity of the State dislocated worker unit.

The state board develops a five-year strategic plan to be submitted to the Secretary of Labor, advises the Governor on developing the statewide workforce investment system and the statewide labor market information system, and assists the Governor in reporting to the Secretary of Labor and monitoring the statewide system. The comprehensive state plan developed by the board describes the workforce development activities to be undertaken in the State, how the State will implement the key requirements of the Act, and how special populations will be served. The plan is also to incorporate the detailed state plans under the Wagner-Peyser Act relating to the delivery of employment services.

State approves local plans and is responsible for oversight of local programs.

Similar to current law. In addition, the State can decertify a local board in cases of fiscal noncompliance or nonperformance.

Current Law (Job Training Partnership Act)

Workforce Investment Act of 1998

Unified State Plan

Separate plan required for each Federal program.

The law permits and encourages the submission of "unified" State plans to ensure coordination of, and to avoid duplication between workforce development activities. The plan continues to be subject to the requirements of the plan or application under the Federal statute authorizing the program. Fourteen programs are specified that may be included, including programs authorized under the Act, the Wagner-Peyser Act, the Food Stamp Act, etc. Plans are approved unless the appropriate Secretary indicates within 90 days of receipt that the plan is not consistent with the requirements of the Federal statute authorizing the activity. The State legislature must approve the inclusion of secondary vocational education in the unified plan.

Federal Government Role and Regulatory Authority

Federal Government responsibilities include reviewing and approving State plans, performance awards and sanctions, the Management Information System, oversight, administration and management of national activities and programs (e.g., the Job Corps, Native American programs, Veterans' Workforce Investment programs, etc.)

Similar to current law. The State plan is to be approved by the Secretary of Labor within 90 days unless the Secretary determines that the plan is inconsistent with the provisions of the Act or the Wagner-Peyser plan does not meet the approval standard of that Act.

General authorization for regulations as the Secretary of Labor deems necessary.

Authorizes rules and regulations only to the extent necessary to administer and ensure compliance with the specific requirements of the Act.

Labor Market Information

JTPA Title IV-B requires the Secretary of Labor to maintain a cooperative labor market/occupational information system. Governors must designate the State Occupational Information Coordinating Committee or other entity to oversee and manage a statewide comprehensive labor market and occupational supply and demand information system that meets BLS standards.

A national employment statistics system is established, which is to be planned, administered, overseen, and evaluated through a cooperative governance structure involving the Department of Labor and the States. It requires the Secretary of Labor, through the Bureau of Labor Statistics, and in cooperation with the States, to prepare an annual plan to manage the nationwide system.

**Current Law
(Job Training Partnership Act)**

Currently authorized under JTPA as a separate national program.

**Workforce Investment
Act of 1998**

Job Corps

The Job Corps is retained as a separate national program. Its provisions are amended to strengthen linkages between Job Corps centers and the State workforce development systems and the local communities in which they are located. Each center must establish an industry council to recommend appropriate vocational training for the center to meet local labor market needs. Applicants would be assigned to centers nearest to where they live (with some exceptions). Job Corps center performance indicators and expected levels of performance would be established for graduation, placement, retention, earnings, entry into postsecondary education or advanced training, and skill gains of graduates. Students would be provided with follow-up counseling for up to 12 months after graduation. The Act also codifies current administrative practices relating to a zero tolerance policy for the use of drugs or violence committed by an enrollee.

Current Law (Job Training Partnership Act)

Workforce Investment Act of 1998

National-Level Activities

National Reserve Account

JTPA Title III-B establishes a National Reserve Account through which the Secretary of Labor may award grants to help address mass layoffs and carry out other special dislocated worker projects. Disaster relief is currently funded through dislocated worker demonstration authority. Separate Defense Conversion Adjustment and Defense Diversification programs are authorized to help defense workers affected by base closings or downsizing.

Establishes National Emergency grants which would merge National Reserve Account Authority for dislocated workers and disaster relief assistance.

Indian and Native American Grants

JTPA section 401 authorizes a nationally-administered Indian and Native American Grant program. Grants are awarded competitively.

Similar to current law, but the Act adds the authority for the Secretary of Labor, with specified exceptions, to waive provisions of the Title that are inconsistent with the needs of the grantees pursuant to a plan submitted by the grantees to improve the program.

Migrant and Seasonal Farmworker Grants

JTPA section 402 authorizes a nationally-administered Migrant and Seasonal Farmworker Grant program. Grants are awarded competitively.

Similar to current law, but specifies eligibility criteria in the law.

Veterans Employment Program

JTPA section 441 authorizes the Secretary of Labor to conduct programs to meet the employment needs of veterans with service-connected disabilities, from the Vietnam era, and who are recently separated from service.

Broadens eligibility to add veterans with significant barriers to employment and veterans who served on active duty during a war or campaign which badges have been authorized.

Current Law (Job Training Partnership Act)

Workforce Investment Act of 1998

National Incentive Grants

Not authorized under current law.

Beginning July 1, 2000, the Secretary of Labor is required to award an incentive grant to each State that exceeds the State adjusted levels of performance for each of these: workforce investment; adult education; and vocational education, and submits an application for funds. The funds are to be used by the State for carrying out an innovative program consistent with the requirements of any one or more of the three programs. An incentive grant provided to a State shall be awarded in an amount that is not less than \$750,000 and not more than \$3 million. If the amount available for grants under this section for a fiscal year is insufficient to award a grant to each State or eligible agency that is eligible for a grant, the Secretary of Labor shall reduce the minimum and maximum grant amount by a uniform percentage.

Technical Assistance

The Secretary of Labor must establish a **Capacity Building and Information and Dissemination Network** to provide training and technical assistance and related activities. (Note: Congress has not approved funds for this activity in recent years.)

The law authorizes the Secretary of Labor to provide, coordinate, and support the development of appropriate technical assistance, staff development, and other activities, including assistance in replicating programs of demonstrated effectiveness. The Secretary is also authorized to help States make transitions from carrying out activities under provisions of law repealed by this law to carrying out activities under the new law.

Dislocated worker program technical assistance is authorized separately. Up to five percent of national reserve funds may be used for staff training and technical assistance.

The Secretary of Labor may use not more than five percent of the dislocated worker funds reserved at the national level to provide technical assistance to States that do not meet the the State performance measures for dislocated workers. These funds may also be used to provide assistance to States, local areas, and other entities involved in providing assistance to dislocated workers to promote the continuous improvement of assistance provided to dislocated workers.

Current Law (Job Training Partnership Act)

Workforce Investment Act of 1998

National Partnership Grants

The Secretary of Labor is authorized to award grants to eligible entities to carry out programs that are most appropriately administered at the national level.

Multi-service projects and multi-state projects over \$100,000 must be funded competitively, selected pursuant to a peer review process (for grants over \$500,000), and are subject to three-year time limits.

Research, Pilot Programs, and Demonstration Grants

The Secretary of Labor is authorized to conduct continuing research.

The Secretary of Labor is required to award grants or contracts to carry out research projects. Awards over \$100,000 must be made on a competitive basis. However, a non-competitive award may be made in the case of a project that is funded jointly with other public or private sector entities that provide a substantial portion of assistance for the project. The Secretary is required to use a peer review process to review and evaluate all grants in excess of \$500,000.

The Secretary of Labor is authorized to conduct pilot and demonstration programs, through grants and contracts to develop and improve techniques and demonstrate the effectiveness of specialized methods in addressing employment and training needs. Demonstration programs may not be funded for more than seven years. Pilot programs may not be funded for more than three years.

Demonstration and pilot projects are to be awarded competitively, except that a noncompetitive award may be made in the case of a project that is funded jointly with other public or private sector entities that provide a portion of the funding for the project.

The dislocated worker program has separately-authorized demonstration programs. Not less than ten percent of national reserve funds must be expended on these programs.

The Secretary of Labor is to use not less than ten percent of dislocated funds reserved at the national level to carry out demonstration and pilot projects, multi-service projects, and multi-state projects relating to the training and employment needs of dislocated workers.

Evaluation

The Secretary of Labor is authorized to provide for the continuing evaluation of programs conducted under JTPA, as well as of federally-funded employment-related activities under other provisions of law.

Similar to the current law (JTPA).

**Current Law
(Job Training Partnership Act)**

**Workforce Investment
Act of 1998**

Wagner-Peyser

Currently, there is a separate authorization and funding stream for this Act.

Retains the separate authorization and funding stream. Public labor exchange activities are required to be part of the "One-Stop" system. The new law integrates Wagner-Peyser plans into State workforce development plans.

Twenty-First Century Workforce Commission

Not applicable to current law.

A "Twenty-First Century Workforce Commission" will be established to study matters relating to the information technology workforce in the U.S. Composed of 15 members, the Commission is required to submit to the President and the Congress its report within six months of its first meeting and terminate within 90 days after submitting its report.

Funding Authorization Level

No funding levels are specified in the current law, except "such sums only" for all but vocational rehabilitation.

No funding levels are included ("such sums only"). The law includes percentage earmarks for specific categories of national activities.

General Waiver of Statutory Requirements

Fiscal Year 1996, 1997, and 1998 appropriations acts have provided the Secretary of Labor with general waiver authority over JTPA provisions, except for specified provisions that may not be waived, pursuant to State requests. Waivers are for one year.

Includes waiver authority similar to current appropriations acts, except that waivers may be granted for the full five-year authorization period.

Current Law (Job Training Partnership Act)

Workforce Investment Act of 1998

Work-Flex

The Department of Labor Appropriations Act of 1997 authorized the Secretary of Labor to grant Work-Flex authority to provide workforce training and employment activities to a maximum of six States. Work -Flex States are authorized to waive certain statutory and regulatory provisions of Titles I-III of JTPA and section 8-10 of Wagner-Peyser.

Eligibility for "Work-Flex" (currently authorized for six States by appropriations law) is expanded to all States. Pursuant to an approved plan, Governors would be granted authority to approve requests for waivers of statutory or regulatory provisions of Title I submitted by their local workforce areas (except for labor standards and certain other provisions). Work-Flex States would be authorized to waive section 8-10 of the Wagner-Peyser Act and provisions of the Senior Community Service Employment Program.

Extended Transition/Grandfathering

Not applicable under current law.

Allows State law provisions, enacted prior to December 31, 1997 relating to the designation of service areas, and sanctioning of local areas for poor performance that are inconsistent with Title I requirements to continue in effect for the five-year authorization period. In addition, all States and localities may retain their existing State councils and local boards created under JTPA if they substantially meet the requirements of the new law.

Labor Standards

Requires participants to be paid at the same rates as similarly situated employees, prohibits displacement of employed workers or the use of funds to encourage employer relocation. Limits the use of funds for economic development, contains separate non-discrimination protections. Requires State and local grievance procedures.

Similar to the current law (JTPA)

**Current Law
(Job Training Partnership Act)**

**Workforce Investment
Act of 1998**

Miscellaneous Administrative Provisions

Office of Management and Budget circulars do not apply; the Secretary of Labor prescribes regulations relating to cost principles and administration of funds. States are responsible for repaying disallowed costs from non-Federal funds (including stand-in costs), although the Secretary may allow States to use future allotments as offset in certain cases. Programs are carried out on a "program year" cycle (July 1 - June 30). Funds are available for State and local expenditure during the year of obligation and two succeeding years. The law contains reporting, record keeping, administrative adjudication and judicial review provisions.

Applies Office of Management and Budget circulars to the administration of funds and cost principles. States receive authority to repay disallowed local costs by deducting future year local administrative costs. The Program Year cycle is retained, but youth funds are available April 1. The expenditure period is shortened for local areas to the year of obligation and the succeeding year. The new law is similar to the old one with respect to other administrative provisions.

Authorization Period

Unlimited authorization.

Authorizes appropriations for five years (Fiscal Years 1999-2003).