THE WORKFORCE INVESTMENT IMPROVEMENT ACT OF 2009
SUMMARY AS INTRODUCED

The Workforce Investment Improvement Act of 2009 includes amendments to Title I of the Workforce Investment Act of 1998 (WIA), which provides for the nation's One-Stop workforce development system. The bill also contains the Adult Education and Family Literacy Act, which reauthorizes State programs for adult education, and the provision reauthorizing the Rehabilitation Act of 1973, which provides services to help individuals with disabilities become employable and achieve full integration into society. The bill extends the authorization of these programs, which expired on September 30, 2003, through fiscal year 2015.

WORKFORCE INVESTMENT

WIA provides workforce investment services and programs through Statewide and local One-Stop Career Center systems. The goals are to provide (1) enhanced employment, retention, and earnings of individuals, (2) increased occupational skills attainment, and (3) improved national economic growth through increased productivity and competitiveness. It is also the purpose of WIA to provide workforce investment activities in a manner that promotes the informed choice of participants and actively involves participants in obtaining training services that will increase their skills and improve their employment outcomes.

The Workforce Investment Improvement Act aims to reform and strengthen the workforce investment system of the nation to put Americans back to work and make the United States more competitive in the 21st century. It seeks to do this by streamlining current WIA funding in order to provide more efficient and results-oriented services and programs to strengthen the coordinating infrastructure, eliminate duplication, strengthen resource allocation, improve accountability, enhance the role of employers, and increase State and local flexibility. The upcoming reauthorization process provides an opportunity to build on and improve the current WIA system so that it can respond quickly and effectively to the changing needs of both workers and employers and further address the needs of special populations. The broad design is to promote productive workforce and youth development programs connected to the private sector, postsecondary education and training, supportive services, and economic development systems to enhance the career opportunities and skills of the 21st century workforce. The bill makes the following important changes in Title I of WIA:

State and Local Workforce Investment Boards

State Workforce Investment Boards

- The legislation enhances the membership requirements and role of the State Workforce Investment Board (State Board).
- The bill continues to require a business majority on the board, and a member of the business community must chair the board. Under the proposal, the required membership includes: (1) State agencies responsible for administering the One-Stop partner programs; (2) the State economic development agency; (3) business representatives; (4) local elected officials; (5) worker advocates; and (6) State legislators. Additionally, the bill requires a quorum, consisting of a majority of the business representatives, to be present in order for decisions to be made during a State Board meeting.

- The State Board will develop Statewide policies related to the appropriate roles and contributions of One-Stop partner programs within the One-Stop delivery system, strategies for providing effective outreach to individuals and employers who could benefit from services provided through the One-Stop delivery system, and strategies for technology improvements to facilitate access to services provided through the One-Stop delivery system in remote areas and for individuals with disabilities.
- The State Board will establish criteria for certification of One-Stop Career Centers for the purpose of awarding infrastructure funds and be responsible for identifying and disseminating information on best practices for effective operation of One-Stop Centers. This will result in increased support for partner usage and a more coordinated approach to addressing the workforce needs of each community.

Local Workforce Investment Boards

- Local Workforce Investment Board (Local Board) members will represent leading industry sectors and geographical areas within the local community.
- Local Board membership is streamlined to ensure greater responsiveness to local area needs by removing the requirement that One-Stop partner programs have a seat on the local boards. This will provide greater representation and influence by local business representatives, education officials (including community colleges), community groups, and representatives of employees who are frequently frustrated that they are not able to connect with or access resources from the local boards. The bill requires that a majority of the local business representatives be present at a local board meeting in order for decisions to be made.
- One-Stop partner officials will retain involvement in the local system through the local One-Stop memorandum of understanding process (MOU).
- Local boards will further have the option of creating advisory committees comprised of One-Stop partners and other key parties to provide advice on operational issues.

State and Local Plans

- States and local boards will submit strategic plans every two years, instead of every five years under current law, to ensure the plans reflect changing economic conditions or State/local priorities.

Youth Councils

- The bill eliminates the requirement for local Youth Councils. In many areas, local Youth Councils have proven inefficient and ineffective in enhancing local system efforts.
- Local boards will retain the authority to create Youth Councils if it is believed the Councils are needed in their particular area.

One-Stop Career Center System

- The legislation streamlines the operational costs of the One-Stop system through One-Stop infrastructure funding to alleviate current local negotiation issues. Each mandatory partner program will contribute a portion of their funds toward One-Stop infrastructure funding, as determined by the Governor in consultation with the State board. Partner programs' contributions must be proportional to the programs' participation in the

system, and they must come from programs' administrative funds and not program service dollars.
- The State Board will develop a formula for the distribution of infrastructure funding to local areas. Only certified One-Stop centers will receive infrastructure funds.
- The MOU process will remain in place for State and local partners to augment funding as needed.
- Local areas will be authorized to provide an enhanced range of services to unemployed and low-wage workers and employers to increase career advancement opportunities.

Comprehensive Services for Adults

Consolidated Funding Stream

- Under current law, the WIA Adult, WIA Dislocated Worker and Wagner-Peyser (Employment Services) funding streams support similar services targeted to similar populations. The bill would combine the three funding streams into one, which provides for streamlined program administration at the State and local levels and the reduction of current duplication and inefficiency.
- The bill reserves 5 percent of the funds for the Secretary for national activities.
- The bill authorizes such sums as may be necessary to operate the programs from fiscal year 2011 to 2015.

State Allotments

- Due to the consolidation of the three funding streams into one, a new formula is needed.
- The formula will be two-part. Part one, 26 percent of the funds, is intended to create a base amount of funding for each State that reflects each State's relative share of funds currently received under the Wagner-Peyser Act for employment services in 2010. If funds available exceed the required base amount, such excess funds would be distributed based on a State's relative share of the civilian labor force.
- Part two of the formula would dictate the distribution of the remaining 74 percent of the consolidated adult grant to States. Sixty percent of these remaining funds would be distributed on the basis of the relative number of unemployed individuals in each State, 25 percent would be distributed on the basis of relative excess number of unemployed individuals in each State, and 15 percent would be distributed on the basis of the relative number of disadvantaged adults in each State. These factors are similar to the current formula factors for adult and dislocated workers, but minimize the most volatile factors.
- The bill also contains a provision that holds States harmless against what they would have received under the current law formulas for the three separate programs. For States that would receive an increase in 2011 under the new formula as compared to what they would have received under the old formulas, their increases will be capped at three percent. Any funding that would have supported a gain above three percent is redistributed to States that come out worse under the new formula than under current law, so no State will lose funds.
- In an effort to minimize winners and losers, the bill includes both a minimum and maximum change in States' and local areas' allotment percentages and a small State minimum allotment.

Within-State Allocations

- The bill includes a new formula (based on same factors as above) that allocates 60 percent to the local areas and 40 percent to the States. Of the State portion, 60 percent is required to go to the local areas for the delivery of work ready services and could be used to support the delivery of One-Stop services. The funding could also be used to support State staff to provide work ready services.

Increased Opportunities for Training

- Under current law, at the One-Stop centers, job seekers may access three levels of services, referred to as core, intensive, and training services provided primarily through individual training accounts.
- Many States and local areas have misinterpreted the “sequence of service” strategy, often requiring individuals to spend a specific amount of time in one tier of service before moving to the next.
- The legislation provides for greater flexibility by combining the “core services” and “intensive services” tiers into a new “work ready services” tier, thereby allowing individuals to to receive the services that are most appropriate for their needs.
- A priority is placed on unemployed workers and low-income individuals.
- States and local areas will address the needs of individuals with barriers to employment, including individuals with disabilities.

Eligible Training Provider Provisions

- The current eligible training provider requirements are overly burdensome, and as a result, many training providers are deciding not to participate in the system. The bill gives States the authority to determine what standards, information, and data will be required for eligible training providers. Such criteria must comply with the Family Educational Rights and Privacy Act (FERPA).

System Expenditures

- The bill addresses the problem of determining system expenditures. The bill defines “accrued expenditures” and bases the re-allotment of funds on expenditures, minus accrued expenditures, rather than obligations to accurately reflect the amount of funds carried over per year. This will provide States with greater flexibility and accuracy in redistributing unspent, available funds between local areas with greater needs.

Youth Program

State Allotments

- The bill includes a new formula that will be used to distribute funds for the Youth program. The new formula better reflects the youth population to be served, under which 1/3 of the funds are distributed based on the number of high school dropouts, 1/3 on the number of jobless out-of-school youth, and 1/3 on the number of disadvantaged youth.
- In an effort to minimize winners and losers, the bill includes both a minimum and maximum change in States’ and local areas’ allotment percentages and a small State minimum allotment.

- Formula funds are allocated to the States and local areas, and, as under current law, the local boards would be responsible for setting policies and strategies to guide the use of the funds at the local level.
- The bill authorizes such sums as may be necessary to operate the programs from fiscal year 2011 to 2015.

Youth Challenge Grants

- Twenty-five percent of the youth funding stream, up to a maximum of $250 million, is available to the Secretary to award challenge grants.
- Cities and rural areas with programs that incorporate proven strategies will be able to compete for challenge grant targeted funding.
- Grantees will need to demonstrate partnerships with education, business and community-based organizations, and inclusion of "best practices" as part of the program design.
- These challenge grants are open to programs that target both in-school and out-of-school youth.

Faith-Based Providers

- The bill allows faith-based providers to engage fully as service providers in the One-Stop Career Centers without relinquishing their religious identities by restoring the civil liberties these organizations enjoy under Title VII of the Civil Rights Act, including the ability to hire on a religious basis. Such practices have been upheld by the United States Supreme Court. As a result, quality providers that otherwise may have rejected participation may now seek to offer their services.

Performance Accountability

Core Indicators of Performance

- Since the implementation of WIA, States and local areas have raised concerns that statutory performance indicators are too numerous and burdensome.
- The bill creates three performance measures for adults: entry into unsubsidized employment; retention in employment; and average earnings received from unsubsidized employment.
- The bill creates three performance measures for youth: entry into employment, education, advanced training, or military service; attainment of secondary school diploma or GED; and attainment of literacy or numeracy skills.
- States are authorized to continue customer satisfaction measures, if they choose.
- As under current law, the performance indicators are negotiated between each State and the Department, with additional consideration for local labor markets and economic factors.
- Governors would have the authority to add additional measures for use within their State.
- In order for On-Stop Centers to be State certified, they must meet or exceed all performance measures.

Workforce Innovation in Regional Economic Development (or WIRED)

- The bill authorizes the Secretary of Labor to approve Workforce Innovation in Regional Economic Development or WIRED plans to support the development of regional economies in order to foster economic development, expand employment, and advancement opportunities for workers and to promote the creation of high-skill and high-wage opportunities.
- Under the authority, regional areas would be required to integrate their workforce investment activities for adults and may integrate workforce investment activities for youth and any of the other required One-Stop partner programs. The regional areas could also integrate a number of community and economic development funds into their workforce development system.
- Under the proposal, State or local workforce investment boards would submit plans identifying the multi-county region or regions that would be the focus of activities, a description of the assets, economic vision, talent development and related strategies to support an integrated workforce development system.
- The State or local workforce investment board would have to provide an assurance that each local workforce board included in the region has approved the plan and that the region will maintain a local workforce investment board or a regional workforce investment board and a One-Stop delivery system consistent with this Act. The State or local workforce investment board would also be required to assemble a broad-based partnership that includes representatives of the local workforce investment system, businesses and industry, local elected officials, and education systems in the region.

ADULT EDUCATION AND LITERACY

The Adult Education and Family Literacy Act is Title II of the Workforce Investment Act (WIA). The Adult Education program currently serves adults many of whom are immigrants, whose first language is not English, as well as those who are working towards a GED or its recognized equivalent, or are preparing for higher education. There are 5,000 Federally sponsored Adult Basic Education centers located in schools, community centers, libraries, public housing, community colleges, and volunteer organizations (both public and private, for-profit and non-profit).

The Workforce Investment Improvement Act makes the following important changes to Title II of WIA:

- Increases focus on delivery of the basic skills of reading, writing, speaking, and math;
- Ensures that instructional practices are based on scientific research;
- Increases accountability for States and local providers to have measurably improved results in basic skills, GED graduates, and those entering higher education;
- Refocuses the National Institute for Literacy's (NIFL) mission on the dissemination of scientifically based research in reading at all levels of instruction, identification of model programs in professional development for reading teachers, and assistance with State and local schools, adult education programs, and family literacy programs to improve their delivery of reading instruction;
- Includes Faith Based Organizations as eligible to become an ABE center;
- Improves delivery of services by using technology; and
- Coordinates with the business community and Department of Labor programs.

Adult education is a mandatory partner in the One-Stop system, and will contribute to the One-Stop delivery infrastructure based on the State's determination.

VOCATIONAL REHABILITATION

The Rehabilitation Act of 1973 was amended extensively as part of the Workforce Investment Act of 1998 in a continuing effort to help individuals with disabilities become employable and achieve full integration into society. The Act contains the vocational rehabilitation (VR) State grants program, which is the primary Federal program to assist individuals with disabilities prepare for, obtain, and retain employment. In addition, the Rehabilitation Act authorizes a variety of vocational rehabilitation services, research, training, and advocacy programs designed to assist individuals with disabilities obtain employment. The Act also authorizes special programs to encourage independent living for those unable to become employed.

The bill contains the following transition improvements to Title III of WIA:

- Includes in the State plan an assessment of the transition services provided through the VR system and how those services are coordinated with such services under the Individuals with Disabilities Education Act (IDEA).
- Includes in the State plan strategies the State will use to address the needs identified in the assessment of transition services described above.
- Once annual appropriations exceed $100 million over the FY 2004 funding level, the bill requires States to reserve a portion of their formula grant funds to provide transition services to students with disabilities served under IDEA as they prepare to move out of school to postsecondary education, employment, or independent living.

The bill also provides additional coordination with IDEA services by clarifying that rehabilitation counselors (under VR) may use alternative means of communication (such as video conferencing and conference calls) when participating in Individualized Education Program meetings under IDEA.

Vocational Rehabilitation is a mandatory partner in the One-Stop system, and will contribute to the One-Stop delivery infrastructure based on the State's determination.

The bill also extends the authorization of the Helen Keller National Center Act through 2015.