

MEMORANDUM

Date: July 22, 2014

To: Legislative Program Committee

From: Raymond L. McDonald, Executive Director

Subject: Workforce Innovation and Opportunity Act



On July 22, 2014, President Obama signed the *Workforce Innovation and Opportunity Act (WIOA)*, a new bipartisan legislation that makes a number of improvements to the outdated *Workforce Investment Act of 1998 (WIA)* and modernizes the Federal workforce system.

The *Workforce Innovation and Opportunity Act*:

- Repeals WIA and replaces it with the *Workforce Innovation and Opportunity Act (WIOA)* and new authorization language for the workforce systems for the next six years – from 2015 through 2020.
- Streamlines programs, reporting, and administration.
- Eliminates 15 existing federal training programs.

The bill amends current law in a number of ways. Key changes fall into the following categories:

Governance and administration

- Reduces the number of required members on the local Workforce Investment Boards (WIBs).
- Requires a single, unified State plan with a comprehensive strategy to align workforce activities with labor market demands and economic development goals.
- Requires aligning local plans that describe how services provided will address regional labor market needs.
- Increases emphasis on physical and programmatic accessibility of one-stop centers and training providers.
- Supports the professional development of employment services staff.
- Supports the development of a State-Federal system for identifying labor market information.

Program and Service Delivery

- Creates a single set of common measures for adults across all core programs.
- Targets assistance to youth facing severe barriers to employment and education: at least 75% of youth funds must be spent on out-of-school youth.
- Eliminates sequence-of-services, allowing more flexibility to provide training to jobseekers upfront.
- Encourages states and local areas to adopt best practices, including: integrating adult education and occupational training; use of career pathways; industry/sector partnership; and an increased focus on the attainment of industry-recognized certificates and credentials linked to in-demand occupations.
- Prioritizes services and competitive, integrated employment for individuals with disabilities.

Fiscal

- Restores the state-wide set-aside to 15 percent.
- Enhances flexibility of funds for use at the local level between adult and dislocated worker programs.
- Specifies funding authorization levels for each fiscal year (FY) 2015 through 2020 for the WIA Youth, Adult, and Dislocated Worker programs. Programs will be funded at post-sequester levels.