

	<p align="center">U.S. Senate and House <i>Workforce Innovation and Opportunity Act</i> <i>H.R. 803</i></p>	<p align="center">NGA Principles and Statements</p>	<p align="center">Current Law <i>Workforce Investment Act of 1998</i></p>
	TITLE I		
State Workforce Boards	<p>State Workforce Development Board Membership: The State board requires:</p> <ul style="list-style-type: none"> - The Governor - <u>One</u> member of each chamber of the state legislature - Business representatives <ul style="list-style-type: none"> o Requires that a simple majority of board members be representatives of the business community - Twenty percent of the board must be representatives of the workforce, including labor organizations. - May include such other representatives and officials as the Governor may designate. - Requires the balance of the board to include state government officials responsible for core WIA programs and chief elected officials. - The Governor maintains the authority to appoint a business representative as chair of the board. <p>State Board Functions: The state board must assist the Governor in development of a state plan, review of statewide policies and programs, development and continuous improvement of state performance measures, dissemination of best practices, preparation of annual report, among other functions.</p> <p>Alternative Entity: Governors have broad authority to grandfather state boards that were in existence prior to WIA. The bill also permits the state WIB to hire staff, using a portion of state formula grant funds or other non-federal sources. State WIB responsible for establishing objective set of qualifications for the WIB director.</p> <p>Source: Pages 37-50</p>	<p>NGA Policy: <i>The Workforce Investment Act should provide governors with expanded authority to appoint State Workforce Investment Board members and direct the work of the State Board.</i></p> <p align="center">----</p> <p>February 2014 NGA Letter: <i>Any reauthorization must preserve current flexibility for governors to continue operating grandfathered state workforce boards and create a state workforce board with a simple majority of business members and the authority to appoint a state board chair in order to align the board's efforts with the state's comprehensive economic agenda.</i></p>	<p>State Workforce Investment Board Membership: The State board requires:</p> <ul style="list-style-type: none"> - The Governor - <u>Two</u> members of each chamber of the state legislature - Business representatives <ul style="list-style-type: none"> o Requires that a simple majority of board members be representatives of the business community - Chief elected officials (i.e. mayors, managers) - Labor representatives - Lead state agency officials responsible for one-stop partner programs - Representatives of organizations with experience in delivery of youth and workforce services - Others as the Governor may designate <p>The Governor appoints a business representative as chair of the board.</p> <p>State Board Responsibilities: The state board must assist the Governor in development of a state plan, designation of local areas, development and continuous improvement of state performance measures, preparation of annual report, among other functions.</p> <p>Alternative Entity: Governors have broad authority to grandfather state boards that were in existence prior to WIA.</p>

Performance Measures

Common Measures: Establishes performance accountability indicators at the state level that are common to each of the core programs for adults and performance accountability indicators for the youth formula program.

The proposed measures reflect the National Governors Association (NGA)/National Association of State Workforce Agencies (NASWA) performance measures proposal while adding an indicator of performance on the effectiveness of WIA programs serving employers.

Indicators for Adult and Dislocated Worker and WIA programs in Title I, Title II, Title III, and Title IV:

- The percentage of participants in unsubsidized employment during second quarter after exit
- Percentage of program participants in unsubsidized employment during the fourth quarter after exit
- Median earnings of participants in unsubsidized employment during second quarter after exit
- Percentage of participants who obtain a recognized postsecondary credential, secondary school diploma or equivalent during participation or within 1 year after program exit
- Percentage of participants who during a program year are in education that leads to a recognized postsecondary credential or employment and who are achieving measurable gains towards those goals
- Indicators of effectiveness in serving employers

Source: Pages 124-127

NGA Policy:
Enact state created common performance measures across federally funded workforce programs and streamline state data collection and reporting requirements.

July 2006 NGA Letter:
NGA proposes developing common measures to increase accountability, focus on customer outcomes and reduce administrative costs.

NGA-NASWA Common Measure Proposal (Summer 2009):
A critical element of Workforce Investment Act (WIA) reauthorization is the development and use of common measures to increase system-wide accountability, while significantly decreasing administrative costs and inefficiencies.

Core Indicators: States are subject to four core indicators (entered employment, retention, earnings and attainment of a credential).

Core indicators are applied to older youth and all adult and dislocated worker services.

Accountability measures are not applied to self-service and information activities.

The U.S. Department of Labor is currently utilizing the following measures for WIA programs in Title I, Title II, Title III, and Title IV:

- Number of adult participants who are employed in the 1st quarter after the exit quarter.
- Number of adult participants who are employed in both the 2nd and 3rd quarters after the exit quarter.
- Total earnings in the 2nd quarter plus the total earnings in the 3rd quarter after the exit quarter.

Based on these measures, the Department of Labor requires states to report on over 100 varying indicators.

Three additional indicators apply to youth (attainment of basic skills, attainment of diploma or equivalent and placement and retention).

Youth Indicators	<p>Primary Indicators for Youth:</p> <ul style="list-style-type: none"> - Percentage of program participants who are in education or training activities, or in unsubsidized employment during second quarter after exit - Percentage of participants who are in education or training activities or in unsubsidized employment during fourth quarter after exit - Median earnings of participants in unsubsidized employment during second quarter after exit - Percentage of participants who obtain a recognized postsecondary credential, secondary school diploma or equivalent during participation or within 1 year after program exit - Percentage of participants who during a program year are in education that leads to a recognized postsecondary credential or employment and who are achieving measurable gains towards those goals <p>Source: Pages 127-128</p>	<p>February 2014 NGA Letter: <i>Governors also encourage inclusion of performance accountability metrics that incorporate the governors' performance measures proposal developed in coordination with state workforce agency administrators.</i></p>	<p>The Department of Labor also administers three additional indicators that apply to youth (attainment of basic skills, attainment of diploma or equivalent and placement and retention):</p> <ul style="list-style-type: none"> - Number of youth participants who are employed or in the military or enrolled in postsecondary education and/or advanced training/occupational skills training in the 1st quarter after the exit quarter. - Number of youth participants who attain a diploma, GED, or certificate by the end of the 3rd quarter after the exit quarter. - Of those out-of-school youth who are basic skills deficient, the number who increase one or more educational functioning levels.
Other Indicators	<p>Employer Services Indicator: The U.S. Secretaries of Education and Labor are directed to work with states, business, educators and labor to create an additional measure to determine the effectiveness of state and local WIA funds to provide services to employers. States are permitted to identify additional measures determining effectiveness in serving employers.</p> <p>Indicator on Credential Attainment: Participants who have earned a credential shall only be included in the percentage counted as meeting the criteria if they have obtained or retained employment or are in an education or training program leading to a recognized credential within one year of exit.</p> <p>State-Determined Indicators: Governors may identify other measures or indicators to measure the effectiveness of local workforce systems in their states. Source: Pages 128-129</p>	<p>July 2007 NGA House Testimony: <i>WIA needs to provide states with the tools to respond to changing needs of workers and businesses.</i></p> <p>----</p> <p>NGA Policy: <i>Support state-led efforts to raise credential attainment rates, increase college completion, improve productivity and ensure college access and affordability.</i></p>	<p>Customer satisfaction indicators for individuals and employers are administered by the Department of Labor</p>

State Plan

Basic Requirements and Term. For a state to be eligible to receive allotments for the core programs, the Governor must submit to the Secretary of Labor and the Secretary of Education for consideration by the Secretaries, a unified state plan. The unified state plan shall outline a 4-year strategy for the core programs of the State and meet the requirements set forth in the bill. State and local plans must include a description of how the one-stop system in the state will comply with the applicable requirements of section 188 and the Americans with Disabilities Act regarding the accessibility of programs and facilities for people with disabilities.

New Strategic Planning Elements. The unified state plan must now incorporate strategic planning elements that include an analysis of the economic conditions in the state, an analysis of the knowledge and skills needed to meet the employment needs of the employers in the programs that will address the needs of the region, an analysis of the workforce in the state, an analysis of the workforce development activities (including education and training) in the state and a description of the state's strategic vision and goals for preparing an educated and skilled workforce.

Greater Workforce Coordination. Establishes a process for the state to submit combined state plans for core WIA programs WITH other workforce-related federal programs such as the Carl D. Perkins Career and Technical Education Act, Trade Adjustment Assistance and Temporary Assistance for Needy Families.

Operations. The unified state plan also must describe how the lead state agency with responsibility for the administration of a core program will implement the strategic plan and how state systems and policies will support the implementation of the strategy.

Source: Pages 50-73

State Impact:

This new process replaces the previous process under which states submitted individual state plans for each WIA program. This new requirements will reduce administrative costs for many states.

NGA Chair's Initiative – America Works:

Articulate and implement a strong vision connecting education and the workforce to have more Americans achieve the "new minimum;"

Governors' Principles on Perkins Career and Technical Education:

Governors support alignment of federal education and workforce training programs and believe that a reauthorized Perkins should facilitate collaboration across programs in other key federal legislation, such as the Workforce Investment Act.

Plan Term. States and local areas must submit a plan that outlines a 5-year strategy. The plan describes workforce investment activities, how key requirements will be met and how special populations (dislocated workers, low-income individuals and others) will be served.

Basic Components. As part of the plan, states must describe the basic structure of their state workforce system, including the make-up of the state workforce investment board, state-imposed workforce requirements on locals, a description of the state performance accountability system, state measures to ensure coordination among WIA programs, description of adult, youth and dislocated worker training activities to be provided and methods states will use to distribute funds to locals.

Dislocated Worker

For dislocated workers, the bill utilizes existing formulas with one change—the **inclusion of a minimum and maximum allotment percentage (hold harmless/stop-gain) for the dislocated worker formula beginning in fiscal year 2016** (this is aimed at reducing funding volatility for States year to year). The bill also continues the small state minimum.

National Reserve/Emergency Grants: The bill retains the Secretary’s ability to reserve 20 percent of the appropriated amount for dislocated workers and uses it for national emergency grants, dislocated worker projects and other projects.

The bill preserves the governor’s 15 percent set aside for statewide activities. For within state allocations for dislocated workers, the bill retains the Governors’ ability to reserve 25 percent for statewide rapid response activities.

Provides local boards with the authority to transfer 100 percent of funds between adult and dislocated worker programs at the local level, with approval from the governor.

States may allow local boards to reserve up to 20 percent of funds for incumbent worker training programs. The Governor or State Workforce Board may make recommendations to local boards providing incumbent worker training that has state impact.

Source: Pages 242-252

March 2005 NGA Letter:
Congress should provide governors with the option and authority to coordinate WIA funding and include a hold harmless provision to ensure that the federal investment in workforce and related programs is not diminished.

2014 NGA-NASWA WIA Set-Aside Report:
Many of the most innovative, nimble and effective workforce system strategies in effect today were created and implemented with WIA set-aside funding for statewide activities.

Memo to Vice President Biden on Comprehensive Review of Federal Workforce Programs:
Recommendation #3 - Allow states to use [more] WIA Dislocated Worker funds for incumbent worker training.

A fraction of the WIA dislocated worker allotment to states is reserved for outlying areas. The remainder is distributed to states using the following formula factors:

- One-third based on the relative number of unemployed individuals
- One-third based on the relative excess number (above 4.5 percent) of unemployed individuals
- One-third based on the relative number of people unemployed for 15 weeks or longer

National Reserve/Emergency Grants: The Secretary retains 20 percent of the appropriated amount for dislocated workers and uses it for national emergency grants, dislocated worker projects and other projects.

The Governor reserves up to 15 percent of the WIA adult for statewide activities (appropriations language had reduced this to 5 percent; it is currently 8.75 percent). In addition, the Governor may reserve up to 25 percent of the dislocated worker funding stream for statewide rapid response activities.

Local boards can transfer up to 20 percent of funds between adult and dislocated workers programs with approval from the governor.

Incumbent Worker Allowance: Allows local boards to reserve up to 15 percent of adult and dislocated worker funds for incumbent worker training.

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Adult</p>	<p>The bill utilizes the existing formula for WIA Adult, including the hold harmless and stop-gain provisions provided under current law.</p> <p>Allows Governors to reserve 15 percent of state allotments for state workforce investment activities.</p> <p>Permits incumbent worker and customized training, industry sector strategies, career pathway programs, layoff aversion activities, innovative services to individuals with barriers to employment, and coordination with other workforce-related programs from other agencies. Removes the current “sequence of services” between core, intensive and training services by streamlining core and intensive into “career services.” Maintains customer choice requirements and allows for the combined use of individual training accounts, cohort training, and pay-for-performance contracts. At the local level, the bill permits boards to utilize incumbent worker training; on-the-job training; customized training; and transitional jobs activities; and provide supportive services.</p> <p>Provides local boards with the authority to transfer <u>100 percent of funds between adult and dislocated worker programs at the local level, with approval from the governor.</u></p> <p>Source: Pages 234-242, 253-257</p>	<p>NGA Policy: <i>Champion state-led innovations and avoid unfunded mandates by maintaining the 15 percent set-aside for statewide activities.</i></p> <p style="text-align: center;">----</p> <p>Memo to Vice President Biden on Comprehensive Review of Federal Workforce Programs: <i>Recommendation #1- Provide all states with the 100 percent transferability authority between adult and dislocated worker programs.</i></p>	<p>A fraction of the WIA adult allotment to states is reserved for outlying areas and the remainder is distributed to states using the following formula factors:</p> <ul style="list-style-type: none"> - One-third based on the relative number of unemployed individuals in areas of substantial unemployment (above 6.5 percent unemployment rate) - One-third is based on relative excess number of unemployed individuals - One-third is based on relative number of disadvantaged adults <p>Allows Governors to reserve 15 percent of state allotments for state workforce investment activities (appropriations language had reduced this to 5 percent and in FY 2014 it was increased to 8.75 percent).</p> <p>Local Boards can transfer up to 20 percent of funds between adult and dislocated workers programs with approval from the governor.</p>
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<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Youth</p>	<p>For youth, the bill utilizes the existing formula to allot funds to States for youth services. For within state allotments, allows governors to reserve 15 percent of State allotments for State workforce investment activities. Maintains within-state formula and minimum allocation percentage. Includes a 10 percent limitation on local administrative costs. Describes reallocation procedures.</p> <p>As under current law, both in-school and out-of school youth are eligible (age 14-21), and the eligibility definitions are very similar to current law with a focus on low-income and youth with barriers). The main difference with current law is that the bill places a priority on out-of-school youth--75 percent of funding at the State and local level (with some exceptions).</p> <p>The bill focuses on career pathways for youth, drop-out recovery efforts, and education and training that lead to the attainment of a high school diploma and a recognized postsecondary credential. A priority is also included for work-based learning activities.</p> <p>Source: Pages 215-233</p>	<p>May 2013 Letter: <i>Governors need the flexibility of the 15 percent WIA set-aside to create jobs, spur economic growth, grow family incomes and get people back to work.</i></p> <p style="text-align: center;">----</p> <p>July 2007 NGA House Committee Testimony: <i>The focus of "youth funding" should be to serve high-risk, basic skill deficient youth to prepare them for future employment or education.</i></p>	<p>States receive 100 percent of the first \$1 billion in appropriations for youth.</p> <p>The formula for allocation to states incorporates the following factors:</p> <ul style="list-style-type: none"> - One-third based on the relative number of unemployed individuals in areas of substantial unemployment - One-third based on relative excess number of unemployed individuals - One-third based on relative number of 16-21 year old disadvantaged youth <p>No state shall receive an allotment that is less than 90 percent or greater than 130 percent of prior year's share of the total allotment to states. Small state minimum is applied.</p> <p>Both in-school and out-of-school youth are eligible. Thirty (30) percent of funds must be used to serve out-of-school youth unless the Secretary approves a request reducing the required percentage.</p> <p>Eligible youth must be 14-21 years old, low-income and have one or more barriers (such as basic skills deficiency or school dropout). There are no separate eligibility criteria for out-of-school and in-school youth.</p>
	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">One-Stops</p>	<p>Maintains Current Law. Identifies one-stop partners and their roles and responsibilities. Describes the MOUs that will be entered into between the local workforce development boards and the one stop partner organizations to operate the one-stop delivery system. Outlines the process for designating or certifying one-stop operators.</p> <p>Required One-Stop Partners: The bill eliminates the Senior Community Service Employment program and TANF as mandatory partner programs.</p>	<p>July 2006 NGA Letter: <i>Protect and enhance services for special populations, including people with disabilities by expanding their access to WIA one-stops.</i></p>

	<p>Infrastructure Development Funding: Local workforce boards, with one-stop partners, must come to an agreement on infrastructure funding contribution levels, other shared costs and how the partners would deliver services under the system. If the local partners fail to reach an agreement, the Governor must determine the funding level for each local one-stop partner's individual contribution based on several factors. These contributions would be sent to the Governor to fund one-stop infrastructure enhancement in a local area.</p> <p>Source: Pages 153-172</p>	<p>April 2005 NGA Senate Testimony: <i>Governors recommend that federal partner agencies develop a joint initiative to align federal regulations and encourage support for and participation in one-stop centers.</i></p>	<ul style="list-style-type: none"> - WIA Title I programs - Wagner-Peyser programs - Adult Education and Literacy programs - Rehabilitation Act programs - Welfare-to-Work - Older Americans Act programs - Perkins postsecondary vocational education activities - Trade Adjustment Assistance and NAFTA-TAA programs - Veterans Employment and Training - Community Service Block Grant - HUD employment and training - Unemployment compensation programs
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Local Provisions</p>	<p>Local Area Designation: Very similar to current law, governors are required to consult with the State board, local boards, chief elected officials and the public in order to identify local areas and planning regions that are in alignment with labor markets and regional economic development areas and available resources, including whether the areas have the appropriate education and training providers, such as institutions of higher education and area career and technical education schools. The bill allows for initial and subsequent designations based on performance, fiscal integrity and participation in regional coordination activities, including regional planning, information sharing, pooling of administrative costs, and coordination of service delivery. For the first two years, Governors must approve a request for initial designation if it performed successfully and sustained fiscal integrity. Jurisdictions may appeal to the state board and to the Secretary of Labor.</p> <p>The Governor of any State that was a single state local areas in effect as of July 1, 2013 may be designated as single state local area under the new legislation.</p>	<p>NGA Policy: <i>Support statewide and regional based workforce systems to increase efficiencies, reduce administrative costs, and ultimately make available more training to more workers.</i></p>	<p>Local Area Designation: Governors designate local areas after taking into account a number of considerations, such as consistency with labor market areas and available resources. Governors must approve a request for designation from any single jurisdiction with a population of 500,000 or more, a rural concentrated employment program and local areas in Rhode Island. A jurisdiction with a population of 200,000 or more that was a service delivery area under JTPA could win 2-year designation and continued designation if it performed successfully and sustained fiscal integrity. Jurisdictions may appeal to the state board and to the Secretary of Labor.</p> <p>States that were single state areas under JTPA as of July 1, 1998 may be designated as single state local areas under WIA.</p> <p>States may require local boards in a region to participate in a regional planning process that results in regional performance measures.</p>

<p>Requires local boards and chief local elected officials in a region to participate in a regional planning process and submit to the state a single regional plan.</p> <p>Source: Pages 74-82</p> <p>Local Workforce Boards: Governor, in consultation with State Board, establishes criteria for use by local elected officials for appointment to local boards. Criteria shall require, at a minimum that membership include:</p> <ul style="list-style-type: none"> - a majority of representatives of businesses in the local area and a business chairperson; - 20 percent of the board be representatives of the workforce, including labor organizations; - other representatives include education and training providers in the local area (such as community colleges), the core programs (WIA, Wagner-Peyser and Voc. Rehab) in the local area and economic and community development. - With the exception of core programs, required one-stop programs are not required to be represented on the board. <p>Describes permissible standing committees, including one-stop operations, youth services and services to individuals with disabilities. Local board may designate the existing youth council.</p> <p>Other provisions include the appointment, certification, and decertification requirements for local board. Continues to allow the State board of a single State to function as the local board for the State. Identifies the functions of the local board, permits the local board to hire staff and directs the local board to establish and apply objective qualifications for the director's position. Provides certain limitations for the local board concerning the delivery of career and training services.</p>	<p>NGA Policy: <i>Provide governors with increased flexibility to transfer federal funding between programs and eliminate eligibility requirements that restrict alignment and integration of programs.</i></p> <p>----</p> <p>April 2005 NGA Senate Testimony: <i>[WIA] programs must recognize the differences among states and communities, and thus provide governors, working with local government, business, and labor to design flexible ways to meet distinct needs.</i></p>	<p>Local Workforce Boards: Local boards must include representatives of business, labor, local education entities and community-based organizations. There must be a business majority and a business chair. Representatives of each of the one-stop partners also required to have seats on the local board.</p> <p>Local boards must establish a youth council to coordinate youth activities and develop youth portions of local plan among other tasks.</p>
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	<p>Source: Pages 82-112</p> <p>Local Plan: Requires each local board to develop and submit a local plan to the governor every four years, including a description of how services offered through the core programs at the local level will be coordinated and aligned to regional needs. Requires the strategy described in the local plan to align with the State strategy for workforce development. Local boards participating in a regional planning process are required to contribute to and submit a regional plan. Describes the process for plan submission, approval, and modifications.</p> <p>Source: Pages 112-123</p>		<p>Local Plan: Local areas must submit a plan that outlines a five-year strategy. The plan describes workforce investment activities, how key requirements will be met and how special populations (dislocated workers, low-income individuals and others) will be served.</p>
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TITLE III

<p>Wagner-Peyser Act</p>	<p>Authorizes the public employment services and the employment statistics system. Generally maintains current law but also reflect the need to align the statute with the other changes in the bill such as including the State employment services in the unified State plan; aligning performance accountability indicators with those indicators used for core programs - as described in section 116 of title I.</p> <p>Increases access to and improves the quality of workforce information. Promotes the use of best practices across the system and provides for staff professional development and career advancement opportunities for staff in order to strengthen the provision of career guidance services, identification of job openings and working with employers and technical assistance and training activities.</p> <p>Requires co-location of employment service offices with one-stop centers. Allows the Secretary, in consultation with the states, to assist States in the development of national electronic tools that may be used to improve access to workforce information for individuals in the one-stop career system.</p>	<p>States currently receive annual allotments to carry out labor exchange activities. 90 percent of the funds are for job search and placement services, appropriate recruitment services for employers and for other activities, such as labor market information and administering the work test for unemployment insurance. Ten percent of funds are reserved by the Governor for performance incentives, services for groups with special needs and exemplary service delivery models. In most states, state personnel deliver these services through a combination of employment services offices and one-stop centers.</p> <p>Established the employment statistics system and the Workforce Information Council to work with the Department of Labor and Bureau of Labor Statistics. The WIC includes state representatives from each of the Department of Labor regions.</p>
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<p>Renames "employment statistics" to the "workforce and labor market information system" and updates the Workforce Information Council, renaming it the Workforce Information Advisory Council. The Secretary is responsible for appointing members of the Council.</p> <p>Requires the Secretary of Labor to submit a two-year plan for the workforce and labor market information system to the House Committee on Education and the Workforce and the Senate Health, Education, Labor and Pensions Committee, the entities that take into consideration the state plans.</p> <p>Source: Pages 537-554</p>	
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