Workforce Innovation and Opportunity Act (WIOA)

A bipartisan coalition of House and Senate members recently announced an agreement to update the Workforce Investment Act (WIA) of 1998. The legislation was not reauthorized in 2003 as originally intended and has languished in the years since. Recognizing the need to modernize the country’s workforce system, both chambers passed their own versions of reauthorizing legislation in the 113th Congress. However, until now, a compromise bill had not been reached. Since its original passage, funding levels have declined for several programs.

The Workforce Innovation and Opportunity Act (WIOA) represents a compromise between the House-passed SKILLS Act (H.R. 803) and the Senate’s Workforce Investment Act of 2013 (S. 1356) as reached by the relevant committees’ leaders. This new version of the bills would authorize an increase in funding for job-retraining programs, compared with current levels, over a six year period. It will also help ease the programs' administrative burden on states and allow for more flexibility in training programs. The bill is expected to be heard in both the Senate and the House and it appears to have enough bipartisan support at this time to pass in each chamber.

This summary highlights some of the major provisions of the bill that have state level implications and impacts.

Key points include:

- Composition of state workforce development boards (currently workforce investment boards): at least one member from each chamber of the state legislature will be appointed to the board by the governor; the governor him/herself is a member; a majority of the board, as well as its chairperson, will continue to come from the business community; at least 20 percent must be workforce representatives, including unions and community groups; the remainder consists of other elected and state officials; overall board size is pared down from current levels;

- Governors’ set-aside fund: the legislation maintains a 15 percent funding set-aside that governors may use to address specific, state-determined needs;

- Unified state plan and strategy: the bill calls for a 4-year statewide plan for all WIOA programs (under current law, separate 5-year plans) to be developed in each state that
addresses how it will meet the needs of its workforce, its larger strategy to address workforce development, and how one-stops will contribute to meeting these needs;

- **Standardized performance measures:** to reduce the large variation in performance indicators, WIOA outlines a set of six metrics (including numbers of participants in “unsubsidized” employment, median earnings, and credentials/degrees received) that would be used to measure program effectiveness, with different standards for adult and youth participants.

- **Workforce development areas:** the bill describes how states, in consultation with local board and elected officials, will identify areas and regions in which similar skills and workforce needs are required for the purposes of offering services through WIOA;

- **Elimination of programs:** under the new legislation, fifteen (15) current programs (14 from WIA and one from the Higher Education Act) would be eliminated;

- **“Career services”:** the legislation would replace the “sequence of services” (in which program participants must go through “core and intensive services” before their training eligibility can be determined) with a more streamlined “career services” process, intended to provide more flexibility to one-stops in how they classify and administer training to participants;

- **Training and other strategies:** WIOA places emphasis on continual worker training, including on-the-job training (with the state able to reimburse employers for up to 75 percent of costs) and incumbent worker training (for which up to 20 percent of local funds may be used); further encourages local boards to prioritize sector-based strategies which address the specific needs of local businesses;

As noted, the above-listed items do not constitute an exhaustive summary. Changes have also been made to strengthen the Job Corps program for youth through improved standards for program center operations and procurement, technical assistance from the U.S. Department of Labor, and better use of data and performance indicators. The bill seeks to improve adult education programs by better linking them to the workforce and improving services offered to those learning English. It further strengthens the standards for how both youth and adults with disabilities can be better integrated into the workforce system.

The full text of the bill can be found [here](#).

Also, the “statement of managers,” which is created by the lead sponsors to further explain the bill, can be found [here](#).

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