

Better Solutions for Better Lives

**NCSL Presentation
Workforce Innovation Opportunity Act (WIOA)**

August 4, 2015

Company Confidential and Proprietary



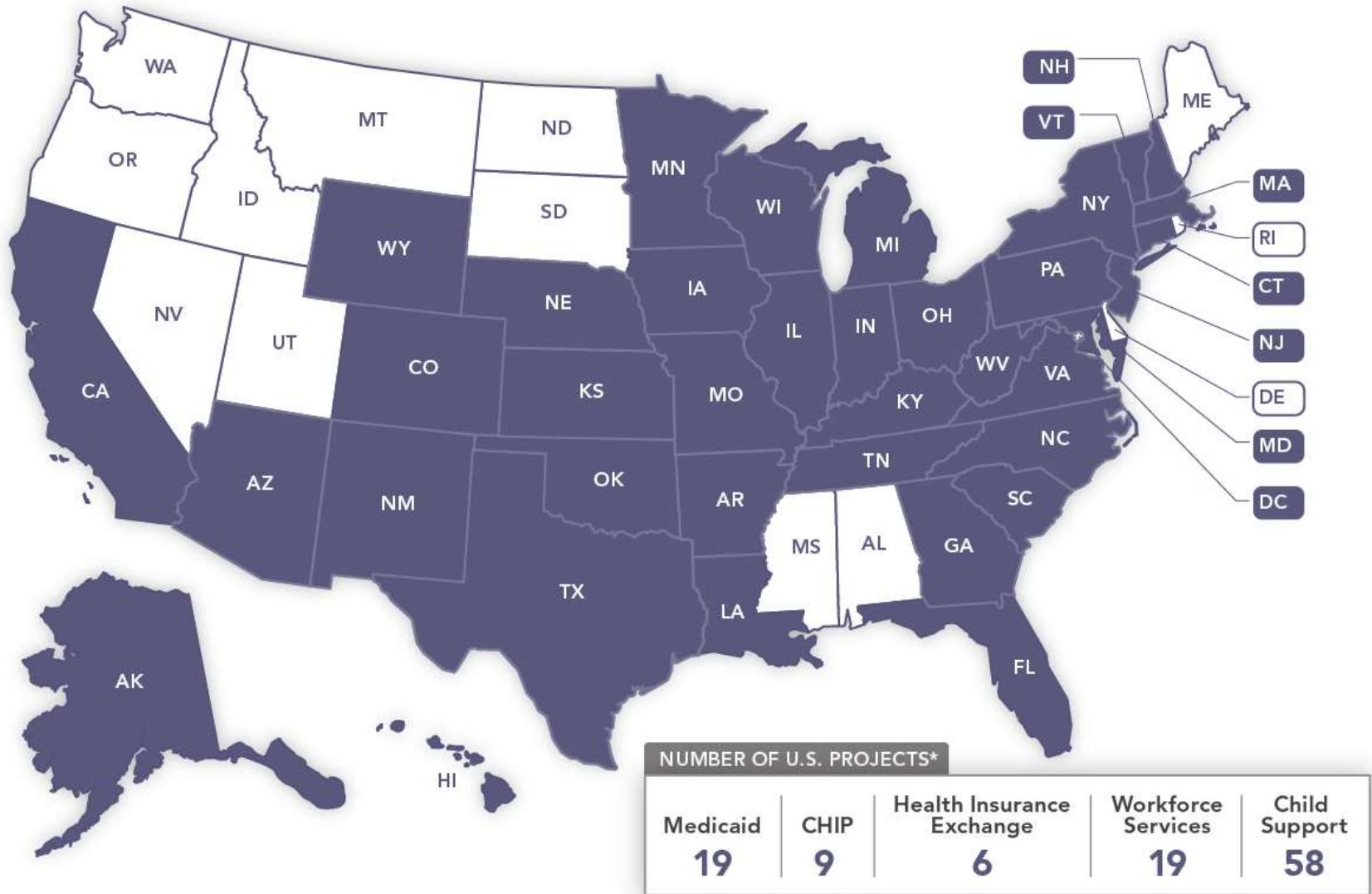
MAXIMUS Overview

Leading Provider of Government
Health and Human Services Worldwide

- Founded in 1975 and headquartered in Reston, Virginia
- Approximately 13,000 employees across the United States, Canada, the United Kingdom, Australia and Saudi Arabia
- History of serving more than 4,000 U.S. government clients:
 - All 50 states, the District of Columbia, several territories
 - Every major city and county
 - Multiple federal agencies and departments, including HHS (CMS), SSA, VA, DOJ and OPM
- Independent, publicly traded company (NYSE:MMS), with annual revenue of \$1.7 billion, healthy balance sheet, no long-term debt, and no conflict of interest



Core Focus on Health & Human Services Programs



* Does not include federal operations or consulting contracts.

Workforce Innovation Opportunity Act (WIOA)

- WIOA is the first statutory authority enabling states and Workforce Investment Boards (WIBs) to **pay service providers for results achieved** and **includes provisions that States can use to refine or transform their workforce programs**
- Provides additional funding by increasing each governor's formula funds to 15 percent for state activities across all three WIA funding streams (adult, youth and dislocated workers)
- Gives state leaders permanent authority to use pay-for-performance strategies across all WIA funding streams.
- Requires that one-stop operators are selected through a competitive process.
- Authorizes use of pay-for-performance to drive local performance. WIOA encourages and authorizes local boards to use up to 10 percent of their total funding to create, administer and support pay-for-performance contracting

Closer Look at Key Changes in WIOA

Unified planning

- Requires a state unified plan for the core programs starting PY 16
- Tentative due date: March 3, 2016
- No need to wait – states may submit unified plans earlier
- The state may incorporate one or more of the following programs in the unified plan — Perkins Act, TANF E&T, TAA, UI, SNAP E&T, SCSEP, CDBG, CSBG, VETS

Authorizes

- Career-pathways approaches that are already underway in many states
 - Combines occupational training and postsecondary education to earn industry recognized credentials
- Transitional jobs strategies
- Pay-for-performance contracting strategies

Promotes regionalism

- Requires strong regional planning and coordination
- Encourages states to work with locals to identify regions
 - Takes into consideration labor markets and regional economic development areas
- Requires strong local performance with fiscal integrity or states may realign WIBs

Strengthens relationships with employers

- Board size reductions to allow for stronger business engagement
- Enhanced employer engagement strategies

Requires common performance measurements across all core programs

WIOA Provides the Opportunity to Innovate

- The outcomes-based pay-for-performance model unleashes the experience, tools and processes available from the private sector
- Provides Governors with a unique and timely new tool to drive economic development within their States
- Authority to pilot demonstrations of pay- for-performance solutions is a mechanism for modernizing a State's workforce system
- In performance-based contracting, some or all the payments you pay your workforce providers are contingent upon the provider delivering the outcomes that matter most to you as a government leader — and to those who are seeking jobs
- **Performance outcomes or milestone measures** include outreach, participation, placement, retention and wage rate
- Government leaders can partner with workforce providers more effectively by **aligning financial payments to those supporting outcomes rather than activities**

Challenges for States in Using WIOA

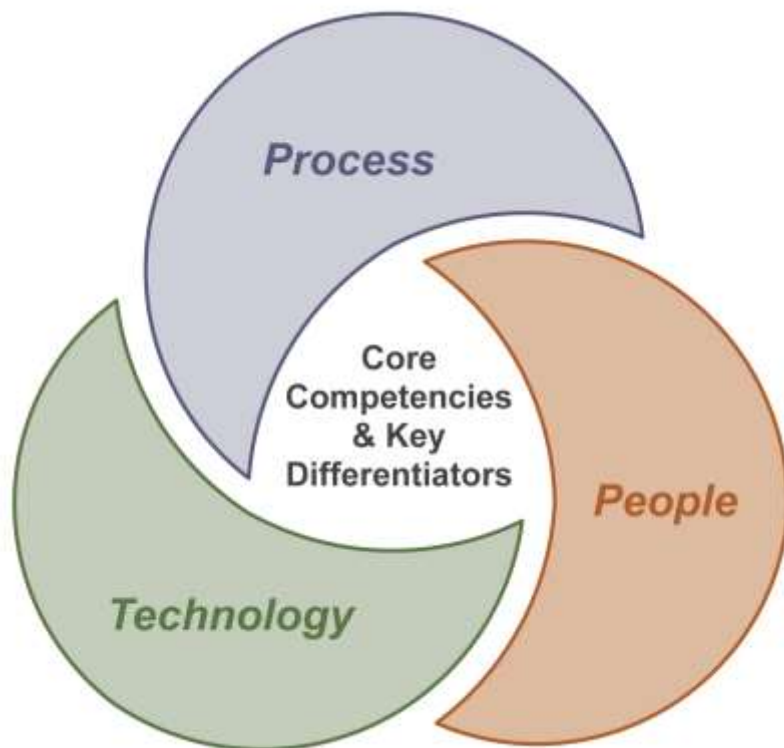
- Workforce systems in Australian, United Kingdom, and Saudi Arabia have successfully changed their workforce models by focusing on outcomes
- **Changing the workforce model is a challenge for state governments in the US**
 - Agencies tend to focus on processes which translates to “how services are performed, not outcomes achieved”
 - Outcomes must be measured, baselines determined, and goals defined
 - Procurements define “**what**” providers are to achieve not “**how**”
 - Workforce providers must the ability to perform and the cash-flow to achieve outcomes
- If states want to innovate their workforce system.....

Possible Next Steps

- Commonwealth of Virginia – Senate Bill 1002 (State Senator Adam Ebbin) – 2015 model legislation
 - *legislation encouraged local workforce investment boards to implement pay-for-performance contract strategy incentives for training services as an alternative model to traditional programs*
 - *The bill also authorizes local workforce investment boards to allocate funds to the maximum extent permissible under WIOA for pay-for-performance partnerships*
- Focus on outcomes important to your own State or “**what you want achieved**”
- Use funds across all three funding streams (adult, youth and dislocated workers) and consider augmenting with non-federal funds to better target local and regional needs
 - Funds are available until expended and can be used for bonus payments for reaching high achievement goals
 - Measure and pay for results – workforce service provider is paid on outcomes
 - What to look for in a workforce service provider....

Workforce Service Provider in WIOA Model

Using continuous process improvements and internal resources to achieve better outcomes



- Provides a blend of people, process and technology to operate efficient and effective public programs for government partners
- Provides a more streamlined back-office support and technology innovations
- Operates multi-lingual, multi-channel customer contact centers to meet the diverse needs of program beneficiaries

Workforce Service Provider in WIOA Model (continued)

- ✓ Core focus on providing health and human services through public-private partnerships
- ✓ Excellent reputation as prime integrator and strategic partner
- ✓ Extensive program knowledge and operational vision to help governments achieve new efficiencies and enhanced outcomes
- ✓ Strong history of building and successfully operating project management offices
- ✓ Relationships with local community-based and non-governmental organizations
- ✓ Successful operation of performance-driven programs
 - Local hiring and workforce development
 - Policy implementation, as determined by the client
 - Rapid deployment of flexible and scalable operations
 - Achievement of critical program outcomes

Questions & Discussion

