

FACT SHEET - THE WORKFORCE INNOVATION AND OPPORTUNITY ACT

The Workforce Innovation and Opportunity Act (WIOA) is a bipartisan, bicameral bill that reauthorizes the Workforce Investment Act (WIA). The bill maintains the basic structure of workforce systems under Title I of WIA, as well as Title II, the Adult Education and Family Literacy Act.

Key provisions in the bill include:

Alignment – WIOA creates better coordination with the needs of employers by aligning workforce development programs with economic development and education initiatives.

Accountability – WIOA streamlines the accountability process by creating six core indicators that are common across programs. Indicators include the percentage of participants in unsubsidized employment during second and fourth quarters after exit, median earnings for those participants, as well as tracking of progress and attainment of a postsecondary credential, diploma or equivalent.

Workforce Investment Boards (WIBs) – Under WIOA, the basic structure of the state and local WIBs is maintained, however the number of mandatory slots has been reduced. While community colleges retain their slot on the local WIB, they are only optional members of the state WIB under WIOA.

State and Local Plans – WIOA requires that the state plan outline a 4-year strategy to improve alignment of workforce programs and accountability measures, as well as implement policies to better support the needs of the business sector. In developing the state workforce plan, the state board must outline how a state's strategy will engage community colleges as partners in the workforce development system. Local plans must align with the state plan, and incorporate support for regional workforce needs.

Infrastructure Costs – WIOA maintains the current structure that requires one-stop partners to come to a mandatory agreement over one-stop infrastructure funding; however, if local areas fail to come to an agreement, a State mandated funding mechanism may be imposed upon those local areas.

Contracting - WIOA allows local areas increased flexibility to contract with institutions of higher education.

State-Wide Set Aside – WIOA provides a 15 percent set-aside for the Governor to fund state-led job training initiatives.

Reforms Sequence of Services – WIOA eliminates the current sequence of services that stipulates individuals can only receive training services if they first complete core services.

Career Pathways – WIOA places a greater emphasis on career pathways, whereby individuals are often co-enrolled in developmental education and training programs.

Postsecondary Credentials - The bill places a greater emphasis on attainment of recognized postsecondary credentials, including the transition to postsecondary education in the Adult Education and Family Literacy Act

Funding Levels – Under WIOA, funding for employment and training activities for adults, dislocated workers, and youth are authorized at levels equal to current funding for FY 2015, and increase each year after that till FY 2020. For the Adult Education and Family Education Act (AEFLA), funding for FY 2015 is authorized at \$13.7 million higher than current levels, and also sees a yearly increase in authorization through 2020. However, AEFLA’s funding was reduced by \$30 million partly due to sequestration. Ultimately, appropriators will determine funding for FY 2015 and beyond, however an additional \$13.7 million increase in authorization may lead to a partial restoration for that program.

Consolidation - WIOA consolidates 15 authorized programs, however only three of these consolidated programs are currently funded. The bill does not create new authorizations of competitive or formula funding. It does permit Governors to use non-federal funds to establish incentives for local boards to implement pay-for-performance contract strategy for training service delivery. Community colleges had sought a separate funding stream, such as the Community-based Job Training Grants, to fill the gap left by the expiring Trade Adjustment Assistance Community College and Career Training Grant program. However, since the Community-based Job Training Grant program had not been funded since 2010, the negotiators opted not to renew it.