

# Workforce Innovation and Opportunity Act

## Title I: Adult and Dislocated Worker

**Overview:** The Workforce Innovation and Opportunity Act of 2014 (WIOA) amends the Workforce Investment Act of 1998 to “strengthen the United States workforce development system through innovation in, and alignment and improvement of, employment, training, and education programs in the United States, and to promote individual and national economic growth...”<sup>9</sup> The nation’s federally funded workforce development system provides funding for “one-stop” career centers where employers and jobseekers can access a wide array of employment and training services. WIOA consists of Title I (adults, dislocated workers, and youth), Title II (adult education and family literacy), Title III (Wagner-Peyser employment services), Title IV (vocational rehabilitation), and Title V (general provisions). Title I includes three main funding streams distributed to states: adult, dislocated worker, and youth (see the next summary on WIOA Title I: Youth). WIOA makes career pathway development a function of state and local workforce boards and a permissible activity under all parts of the Act. The career pathway approach provides a framework for state and local unified planning that reorients existing education and workforce services (including those authorized under WIOA) from myriad disconnected programs to one system focused on individuals’ postsecondary and economic success.<sup>10</sup>

**Type of Program:** Formula grants allotted to states and then allocated to localities. A portion of funds from the adult and dislocated worker funding streams is reserved at the state level for statewide activities. An additional portion of the dislocated worker funds is reserved at the state level for rapid response activities that address large-scale layoffs and economic dislocation. The remaining funds are allocated to local areas by formula.

**Eligibility and Targeting:** Under WIOA Title I, “adults” are individuals age 18 and over. “Dislocated workers” include those who have been laid off or have received notice of termination from employment, are self-employed but unemployed due to general economic conditions, are the spouse of a member of the Armed Forces on active duty who is unemployed due to relocation for permanent duty reassignment, or are displaced homemakers. The adult funding stream includes a priority of service for public assistance recipients and other low-income individuals, as well as individuals who are basic skills deficient, for receipt of career and training services. Also, veterans are a priority population as a result of the Jobs for Veterans Act of 2002.

**Services and Program Support:** WIOA Title I Adult and Dislocated Worker funding streams pay for career services and training services. Career services cover a broad range of activities, including initial and comprehensive assessment of skills, providing information about careers and the local labor market, job search assistance, development of an individual employment plan, career counseling, internships and work experiences linked to careers, financial literacy, English language acquisition and Integrated Education and Training, information and assistance in filing for unemployment compensation, and assistance in establishing eligibility for federal and state financial aid. Training services include occupational skills training, on-the-job training, incumbent worker training, transitional jobs, and adult education and literacy provided concurrently or in combination with other training services. Local areas may also provide support services and needs-related payments to assist individuals participating in career and training services.

**Non-federal Funds:** There are no state matching requirements under WIOA Title I: Adult and Dislocated Worker.

#### HOW PROGRAM CAN SUPPORT CAREER PATHWAYS

WIOA Adult and Dislocated Worker funds support career pathways in both career service and training service activities. Under WIOA, an individual is permitted to receive training services without first receiving career services. There is no sequence of service between these two sets of activities.

In career services, the development of an individual employment plan includes career pathways “to attain career objectives,” promoting the use of career pathways within an individual’s plan. The other activities in career services—aligned assessment, career counseling, support services, work experiences, and more— can be employed within a career pathway system.

Training services explicitly name adult education and literacy activities, including English language acquisition and the use of Integrated Education and Training models to provide those with basic skills deficits access to career pathway programs. In addition to the Individual Training Account model, WIOA establishes training contracts that allow direct procurement of training services for cohorts of participants from training providers.

The Priority of Service requirement in the Title I adult program applies regardless of how much or how little state or local funding is available; it is not contingent upon limited funds. According to this provision, priority access to higher-intensity career services and training must be given to public assistance recipients, other low-income individuals, and individuals who are basic skills deficient. Previously, under WIA, local policies on priority of service varied widely.

#### FEDERAL FUNDS TO STATES

States reserve a portion of adult and dislocated worker funds for statewide activities; this allocation is typically referred to as the “governor’s reserve” or “state discretionary funds.” These are more flexible than local formula funds. States have used them to support the startup and implementation of career pathways.

#### FEDERAL FUNDS TO LOCAL PROVIDERS

At the local level, Workforce Development Boards are responsible for planning and oversight of WIOA funds. Local formula funds support the one-stop service delivery system that brings together multiple federally funded workforce development programs and services; they also pay for career and training services for eligible individuals.

Additionally, WIOA local funds can be used for support services (including child care, dependent care, and transportation) and needs-related payments that help individuals succeed in career pathways. Under the previous law (WIA), the Portland Oregon Workforce Investment Board partnered with community colleges to develop career pathways that helped dislocated workers and low-income adults enter postsecondary education and acquire credentials for jobs in demand. At the outset of the initiative, the WIB provided funding for development, capacity building, and services for the first waves of students and continued to use WIA funds to pay the costs of training through Individualized Training Accounts and contracts for cohort training.<sup>11</sup>

Local areas can also use WIOA funds to support the employer engagement component of career pathways through the local requirement to develop and implement sector initiatives for in-demand industry sectors or occupations in the region. Many local workforce development boards have established business liaison positions at one-stop centers to help employers develop and institutionalize career pathway programs.

WIOA Title I performance metrics are the same as those in Title II (adult education and family literacy): the percent of participants employed at the second and fourth quarters after exit; median earnings; the percent of participants who obtain a secondary diploma or postsecondary credential during participation or within one year after exit; the percent of participants in education or training programs leading to work or a postsecondary credential who are making a measurable skill gain; and effectiveness in serving employers.

**PROGRAM LIMITATIONS**

- WIOA funds are not generally used for curriculum development.
- WIOA training services funds can only be spent on training programs on the state’s Eligible Training Provider List.
- WIOA training funds must be coordinated with other grant assistance. However, WIOA clarifies that these training funds can be used for individuals who are unable to obtain Pell Grant assistance or who need additional assistance beyond Pell Grants. Local one-stop operators may take into consideration the full cost of participating in training services, including dependent care, transportation, and other basic needs.
- WIOA support services are provided to enable individuals to participate in WIOA activities. However, individuals are only eligible if they cannot obtain such support through other programs.
- Up to 20 percent of allocated funds can be used for the federal share of incumbent worker training programs. This can also be seen as an opportunity to develop career pathway programs for incumbent workers.

**OPPORTUNITIES FOR PARTNERS**

WIOA establishes career pathways development as a function of the local board. It specifically cites the career pathway strategy for adults: “CAREER PATHWAYS DEVELOPMENT.—The local board, with representatives of secondary and postsecondary education programs, shall lead efforts in the local area to develop and implement career pathways within the local area by aligning the employment, training, education, and supportive services that are needed by adults and youth, particularly individuals with barriers to employment.”(WIOA, Sec.107(d)(5)).

Career pathway development and implementation is also a function of the state workforce board. Additionally,

WIOA introduces mandated unified planning across the four core WIOA programs.

WIOA includes common performance measures, or “primary indicators of performance,” for its six core programs (Title I Youth program, Title I Adult program, Title I Dislocated Worker program, Title II Adult Education and Family Literacy program, Title III Employment Service, and Title IV Rehabilitation Services program). While there are variations in the Title I Youth program and Employment Service, most measures are consistent across all six programs. This is the broadest application to date of common measures across the workforce system; it signals Congressional intent to promote more integrated programming and accountability at the state and local levels.<sup>12</sup> In particular, the addition of a credential attainment rate and a skill gains rate will help align objectives across the core programs. WIOA also requires the development of one or more measures of effectiveness in serving employers.<sup>13</sup>

WIOA has modified many of the prior WIA restrictions on how training can be paid for and delivered. Under the new law:

- Local administrators can fund training by providing Individual Training Accounts (ITAs) for participants to use with eligible providers.
- Local administrators can also contract for services in lieu of using individual training accounts (ITA) for on-the-job training, customized training, incumbent worker training, or transitional employment. The local administrators can also decide to award a training contract to an eligible provider “in order to facilitate the training of multiple individuals in in-demand industry sectors or occupations,” as long as such contract operates as a pay-for-performance contract and does not limit consumer choice.
- Local administrators may also combine the use of individual training accounts and contracts, allowing individuals using ITAs to participate in contracted services.

Other opportunities include:

- Co-enrolling between WIOA Title I and WIOA Title II to deliver Integrated Education and Training and literacy services.
- Using state WIOA discretionary funds to jump-start the development of career pathways.
- Building career pathway initiatives into state plans and into guidelines for local plans.
- Considering steps to increase the use of WIOA funds for training services and the attainment of postsecondary and industry-recognized credentials. Previously, under WIA, some states required local areas to spend a minimum percentage of funds on training to provide additional support for the educational components of pathway initiatives.
- Ensuring that career pathway programs are on the Eligible Training Provider List.
- Working with local areas to align training policies across local areas and ensure that ITAs, if capped, are capped at a high enough level to support training within career pathways programs.
- Working with local areas to orient programs toward longer-term outcomes, including employment that leads to self-sufficiency. To help participants set long-term employment goals, career counseling should include a focus on self-sufficiency.<sup>14</sup>
- Providing information and technical assistance on career pathway programs, as well as how WIOA can be leveraged to support participants.<sup>15</sup>