WHAT IS WIOA?

- The Workforce Innovation and Opportunity Act
- Legislation reauthorizing the public workforce system
- Replaces WIA – the Workforce Investment Act of 1998
- Signed into law July 2014, still being implemented
- The single largest source of federal funding for job training outside of higher ed and the GI Bill
- Also funds ‘career services’ – helping workers find jobs, counseling, basic job readiness
- Funding: $9.5 billion a year
  - Total for training and career services: $2 billion to $2.5 billion a year
Job training and career services funded by the federal government, delivered at local agencies often called ‘one-stop career centers’

System gives priority to veterans and low-income workers but is open to anyone seeking services

Federal, state and local government have input, also employers, unions, educators and community groups
  - Federal government sets parameters
  - States draft four-year plans
  - Employers and others have influence through local workforce boards
  - Local workforce boards oversee one-stop service centers (now formally renamed American Job Centers)

BOTTOM LINE: priorities, funding levels and quality of services vary enormously from state to state and local area to local area
Where the money goes

Federal funding for postsecondary education & training

- Trade Adjustment Assistance: $235.7 million
- GI Bill: $10 billion
- Perkins Act: $1.1 billion
- HEA Title IV: $128.7 billion
- WIOA: $2.5 billion

Community colleges vs. the workforce system

Students/trainees

- HEA Title IV: 5 million
- Workforce system training: 175,000

Spending

- Community college budgets: $100 billion
- Workforce system training & career services: $1.2 billion

Annual (millions)

Annual (billions)
There are two types of workforce investment boards, or WIBs: state boards and local boards.

The state WIB, appointed by the governor, makes state workforce policy and ensures local compliance with federal mandates.

A local WIB makes workforce policy for its region and oversees local one-stop centers that provide training and employment services.

Board members represent employers, unions, community-based service providers, educational institutions, government economic development agencies.

Local WIB decisions include who should get priority for service, how much money is available for training and what schools or other entities are qualified to receive funds for training.

This is where employers and employer associations can have the most input.

Chairman and 51% of members must come from the private sector.

Local boards streamlined by WIOA – from 51 members to 19 members.
WHAT IS A ONE-STOP CENTER?

- Local service centers, sometimes storefronts, sometimes in suburban office parks or government centers
- Some job seekers walk in, others are referred by social services or the state unemployment office
- Range of services offered
  - From access to electronic job listings to advanced technical training
- Overwhelming majority of clients get ‘career services’
  - Basic job skills, how to write a resume, what to say in an interview
- A minority get skills training or craft training
Nearly 550 local WIBs nationwide

Nearly 2,500 one-stop centers

System serves some 20 million Americans every year

12,000 to 13,000 employers and employer representatives serve on WIBs

8 million people in the system – available to hire or train

Just 10% to 20% of adults served receive training

Training vouchers called Individual Training Accounts cover up to $2,000 to $8,000 per person

*It can be hard to make sense of the system – it’s so complex and variable region to region*
CAN THE SYSTEM **WORK FOR EMPLOYERS?**

- **BENEFITS** for employers
  - A pool of workers for hire
  - Money for training
  - A chance to help set state and local policy on workforce training
  - Congress’ top goal for WIOA: to engage employers more actively, serve them better

- **CHALLENGES**
  - The system dates back to the War on Poverty
  - It serves two masters – employers and disadvantaged people in need of social services
  - WIA also aimed to serve employers better – record was mixed
  - Complexity and bureaucracy – like any government program

- **BOTTOM LINE** for employers: WIOA could be a great opportunity – but taking advantage of it may take work
REFORMS PROMISED BY WIOA

- ENGAGING EMPLOYERS
  - More accountability for states – now required to measure effectiveness in serving employers
  - Business representatives still dominate WIBs
  - The law promotes apprenticeship and industry credentials (e.g. NCCER)
  - More reimbursement for employer-driven, work-based training
  - State plans must describe strategies to engage employers

- Training for EXISTING, REAL-WORLD JOBS
  - In-demand industries get priority
  - Better aligned with economic planning – state, local and regional

- A MORE STREAMLINED system
  - Eliminates 15 redundant programs
  - Smaller workforce boards
HOW CAN AN EMPLOYER ENGAGE?

- INFLUENCE WORKFORCE POLICY
  - Serve on or chair a workforce board – state or local

- HIRE WORKERS – trained and untrained

- Get REIMBURSED for WORK-BASED TRAINING
  - On-the-job training
  - Customized training
  - Incumbent training

- Get funding for an APPRENTICESHIP program

- PARTNER with an EDUCATIONAL INSTITUTION to provide training
  - High school
  - Community or technical college
  - Trade association training center
  - For-profit school or training center

- Participate in a REGIONAL PARTNERSHIP with educators and other employers
A ROADMAP FOR EMPLOYERS

INFLUENCE POLICY

LOCAL WIB

STATE WIB

GOVERNOR & STATE AGENCIES

HIRE WORKERS

UNTRAINED WORKERS

ONE-STOP CENTER

ELIGIBLE TRAINING PROVIDER WITH ITA

WITH TRAINING

COLLEGE OR TRAINING CENTER

PARTNER WITH EDUCATORS

SECTOR PARTNERSHIP

PROFICIENT WORKERS

ON-THE-JOB TRAINING

CUSTOMIZED TRAINING

GET REIMBURSED FOR TRAINING

INCUMBENT TRAINING

SPECIAL SKILLS

UPSKILLING
Private-sector representatives often come from employer associations

Some companies participate – often bigger companies with HR staff

A chance to make local workforce policy

A chance to hold the system accountable

Often a good place to network

If you’re interested in serving –

- Find your local board here
- Is there anyone from your industry on the board – they’ll have intel
- Approach the board’s executive director
- Or go through someone you know in local government
Serve on the *state* workforce board

- Also made up of employers, union reps, educators, community-based service providers
- Makes state workforce policy
- Priorities often driven by the governor
- Streamlined by WIOA – from 61 members to 33 members

States also required to get independent business input on four-year plans

Work through the governor’s office, the state workforce agency, lawmakers, others in state government

Your goals: more money for your industry, more money for training
Employers who use the system tend to rate it FAIR to GOOD

Some say it’s better at providing bodies for hire than training

Talk to your local board about job fairs, referral services, other opportunities for hiring

Don’t expect highly skilled workers – many boards give priority to disadvantaged people seeking social services

Some hires come with training vouchers they can use at a trade association training center or community college

Some boards offer classes open to your existing employees

Boards also offer stipends for training at the company

Still another opportunity: partner with a community college to get training for your workforce
TWO TYPES OF PAYMENT FOR TRAINING

- **REIMBURSEMENT**
  - For work-based training performed under contract
  - Most often paid directly to employers

- **VOUCHERS (Individual Training Accounts, or ITAs)**
  - More often paid to schools or training centers
  - Training providers must qualify with local workforce boards
  - Can involve a lot of reporting and paperwork
  - In the past, most training paid for by ITAs
  - Reimbursement to employers should increase under WIOA
Most money for training paid out in vouchers – individual training accounts, or ITAs, payable only to training providers registered with the system.

Every workforce system client who qualifies for training gets a voucher he or she can spend at any qualified training provider in the area.

Most eligible training providers are community colleges, vo-tech centers, for-profit training centers, trade associations or union training programs.

Registered apprenticeship programs are automatically eligible.

Vouchers range in value depending on your area – average value, $5,000.

A good opportunity for a trade association or a company with a registered apprenticeship program.
NEW EMPHASIS ON APPRENTICESHIP

- A core goal of WIOA is to spur the growth of apprenticeship
  - Only federal and state-approved ‘registered apprenticeships’ qualify for reserved spots and other preferences
  - Each state workforce board must include a representative of an apprenticeship program
  - 20% of the seats on local WIBs are reserved for union officials and representatives of apprenticeship programs
  - Apprenticeship programs automatically qualify as eligible training providers and can receive ITA vouchers to train workers
  - 20% of youth training funds are reserved for programs that provide work experience, including pre-apprenticeship
  - Apprenticeship completion certificates are recognized as postsecondary credentials
- BOTTOM LINE: companies and associations that run registered apprenticeship programs are likely to have a strong competitive edge in applying for WIOA funding and influencing state and local workforce policy
Three types of reimbursable work-based training

- ON-THE-JOB training
- CUSTOMIZED training
- INCUMBENT training

WIOA increases the amount of money available for all three

Pays for training workers hired through the workforce system, but also, in some cases, workers already on the job

Employers apply through their state or local workforce boards

Paperwork and reporting requirements said to be manageable
ON-THE-JOB TRAINING

- Goal: to give workers the knowledge and skills to do the job ‘proficiently’
- For newly hired workers
- For already employed workers if the company has introduced new technologies or procedures, or is upgrading workers to new jobs that require new skills
- Trainees must qualify for assistance – approval by one-stop center
- Training must be limited in duration – the time it takes to become ‘proficient’
- Employer reimbursed for 50% of trainee’s wages, in some cases 75%
- To qualify for 75% reimbursement: training for an in-demand occupation, training that leads to an industry credential (e.g. NCCER)
CUSTOMIZED TRAINING

- Training tailored to meet the specific requirements of a job
- For workers not yet on payroll and those already employed
- Trainees must qualify for assistance – approval by one-stop center
- Company commits to hiring worker on successful completion of training
- Training often provided by a third party – at a community college, by outside trainers who come to the worksite
- Employer expected to pay a ‘significant portion’ of the training costs
- Training must lead to an industry-recognized credential (e.g. NCCER)
Purpose: to help workers improve skills and move up on the job

For workers already on the company’s payroll – six months at least

Employer must show training will help workers ‘retain employment or avert layoffs’

Additional criteria: will training raise the worker’s wages, enhance company competitiveness, help the state economy?

Workers often more qualified than those in OJT or customized training

Government pays 50% to 90% of training costs, depending on the size of the company
WORKING WITH LOCAL EDUCATORS

- One of the most common and effective ways for employers to engage
- Many high schools and community colleges want to partner with employers
  - It makes them more competitive in applying for WIOA funding
  - It helps guarantee that training is up-to-date and leads to a job
- Most local workforce boards help connect employers and educators
- There are many different ways to structure a partnership
- Employer and educator work together to craft an arrangement that works for them
WAYS FOR EMPLOYERS TO PARTNER WITH EDUCATORS

- Help design curricula
- Vet training facilities and equipment
- Provide training equipment
- Help recruit instructors
- Loan an instructor – one of your current or former foremen
- Invite trainees to the worksite
- Provide opportunities for internships or other on-the-job learning
- Consider hiring trainees, commit to interviewing them
- Advise educators about coming changes in workforce demand
- Recommend industry credentials that trainees can work toward

BOTTOM LINE
The possibilities are endless – use your imagination!
A SECTOR PARTNERSHIP

- Taking partnership to the next level
- Employers from one industry come together as a group to build relationships with local educators
- Often a mix of large and small employers
  - Makes it easier for smaller contractors to engage
- Partnerships can apply for additional funding, including state and federal grants
- To qualify for WIOA funding, government and unions must be at the table too
- There are many ways to form a sector partnership
  - Convened by the local workforce board
  - Through a local employer association
  - Brokered by a nonprofit or other group
- Seen by many as the most effective form of employer engagement
HOW A TRADE ASSOCIATION CAN ENGAGE

- An indispensable link in the chain
  - Acting on behalf of members
  - Helping them engage directly

- Potential roles for an association:
  - Serve on a state or local workforce board
  - Qualify as an eligible training provider
  - Help individual employers partner with local educators
  - Convene employers in a sector partnership
  - Mobilize members to engage politically, working at the state level to get more money for the industry, more money for training
Significant improvement over past versions of the law

For the first time, programs must measure their effectiveness for employers

State pilot programs will experiment with three different yardsticks

- Retention of employees hired through the system
- Percent of regional employers who use the system
- Repeat business – employers who come back a second time
How much difference will WIOA make?

- Hard to predict
- Its 1998 predecessor, WIA, introduced broad changes
  - Few think WIA succeeded in making the system work better for employers
- New under WIOA: government will measure how effectively the system serves employers
- Other promising innovations:
  - Possibility of more reimbursement for employer-provided training
  - Incentives to train to industry credentials
- BOTTOM LINE: too much promise to ignore
  - Employers won’t know if it works unless they try it
Find your state or local workforce board using this web tool.

Follow the links on that site to find out who serves on your local WIB.

To find out about business services offered by a local WIB, contact the executive director.

Some boards also have staff devoted to building relationships with employers.

The executive director or staff can help you use the workforce system to hire workers, get reimbursed for training or partner with local educational institutions that provide training.

If you’re interested in joining the WIB, contact the executive director.

Look for board members from your industry – reach out to them for more information about the board’s priorities.

If you are interested in qualifying as a training provider, reach out the WIB director.

If you want to influence state workforce policy, reach out to the executive director of the state workforce board or look for someone from your industry who serves on the state board.

Find a one-stop center using this web tool.
**Apprenticeship.** Only federal- and state-approved ‘registered apprenticeships’ qualify for workforce-system funding and preferences.

**Career services.** Information, coaching and other services available through the public workforce system. Focus is basic job skills such as how to write a resume and what to say in an interview – not technical training or skills training.

**Customized training.** One of several different kinds of reimbursable employer-provided job training. Customized training is designed to meet employers’ specific needs and is often provided by a third party.

**Eligible training provider.** Educational institution, for-profit training academy or other instructor approved by the state to receive funding for training.

**Eligible training provider list.** Official state list of approved trainers, often referred to as the ETPL.

**Incumbent training.** One of several different kinds of reimbursable employer-provided job training. Incumbent training helps current employees improve skills and move up on the job.

**Individual training account.** A voucher a worker can use to pay for training provided by an educational institution, for-profit training academy or other instructor approved by the state as an ‘eligible training provider.’ Also referred to as an ITA.

**Industry-recognized credential.** A certification or other credential validated by an employer group such as the American Welding Society or NCCER.

**Local workforce board.** A group of stakeholders who make regional workforce policy and oversee local service centers. Members represent employers, unions, community groups, educational institutions and government agencies. Also known as a local workforce investment board, or WIB.
One-stop career center. A local service center that provides career services and issues vouchers for job training. New official name: American Job Center.

On-the-job training. One of several different kinds of reimbursable employer-provided job training. On-the-job training, or OJT, gives workers skills to do a job ‘proficiently.’

Regional partnership. Employers from one industry come together as a group to build relationships with local educators. To qualify for federal funding, partnerships must include union representatives and local government officials. Also called sector partnerships.

State plan. A four-year plan for workforce development crafted by state government with employer involvement.

State workforce board. A group of stakeholders who make state workforce policy. Members represent employers, unions, community groups, educational institutions and government agencies. Also known as a state workforce investment board, or WIB.

WIA. The 1998 Workforce Investment Act. Funded and set parameters for the public workforce system until it was replaced in 2014 by the Workforce Innovation and Opportunity Act.


Work-based training. Reimbursable employer-provided job training. Employers do not have to qualify as eligible training providers and receive direct reimbursement, not vouchers.
RESOURCES

Workforce Innovation and Opportunity Act bill text
WIOA regulations U.S. Departments of Education and Labor
White House report Ready to Work: Job-Driven Training and American Opportunity June 2014

DOL RESOURCES
Workforce system resources for employers
Business services toolkit
Find a local workforce board
WIOA - overview of legislation
WIOA final rules - the big picture
WIOA final rules - overview
WIOA final rules - detailed overview

ANALYSIS
National Association of Workforce Boards Policy brief August 2014
Lead Center Policy brief October 22, 2014
National Skills Coalition WIOA and WIA side-by-side comparison October 2014
OPPORTUNITY AMERICA

is grateful for
the generous support and input
provided by

Associated Builders and Contractors
Associated General Contractors
Cianbro
Fluor Corporation
Gaylor Electric, Inc.
TAMAR JACOBY
PRESIDENT AND CEO OPPORTUNITY AMERICA

tjacyby@opportunityamericaonline.org
202-506-4541

To view this PowerPoint online, please visit www.opportunityamericaonline.org/WIOAusersmanual

July 2016