

An hourglass-shaped graphic with a globe inside. The top bulb is dark blue, and the bottom bulb is light blue. The globe is a darker shade of blue. The hourglass is centered on the page.

# WikiLeaks Document Release

<http://wikileaks.org/wiki/CRS-97-536>

February 2, 2009

Congressional Research Service

Report 97-536

*Job Training Under the Workforce Investment Act (WIA):  
An Overview*

Ann Lordeman, Domestic Social Policy Division

Updated March 14, 2003

**Abstract.** The President signed P.L. 105-220 (H.R. 1385), The Workforce Investment Act of 1998 (WIA), on August 7, 1998. The intent of this legislation is to consolidate, coordinate, and improve employment, training, literacy, and vocational rehabilitation programs. The focus of this report is on Title I of WIA, providing background information as the 108th Congress considers reauthorization legislation.

WikiLeaks

# CRS Report for Congress

Received through the CRS Web

## Job Training Under the Workforce Investment Act (WIA): An Overview

Ann Lordeman  
Specialist in Social Legislation  
Domestic Social Policy Division

### Summary

The President signed P.L. 105-220, the Workforce Investment Act of 1998 (WIA), on August 7, 1998. The intent of this legislation is to consolidate, coordinate, and improve employment, training, literacy, and vocational rehabilitation programs. Among other things, WIA repealed the Job Training Partnership Act (JTPA), the country's chief training legislation, on July 1, 2000, and replaced it with new training provisions under Title I of WIA. The funding authorization for WIA programs expires on September 30, 2003. The focus of this report is on Title I of WIA, and is intended to provide background information as Congress considers reauthorization legislation. This report will not be updated.

### Introduction

The 105<sup>th</sup> Congress passed the Workforce Investment Act of 1998 to respond to criticism that the United States does not have a coherent federal training system but rather a fragmented and duplicative array of programs. Both the House-passed Employment, Training, and Literacy Act of 1997 (H.R. 1385)<sup>1</sup> and the Senate-passed Workforce

---

<sup>1</sup> H.R. 1385, the Employment, Training, and Literacy Act of 1997, was introduced by Representatives McKeon, Goodling, and Kildee on April 30, 1997, and referred to the Committee on Education and the Workforce. The bill was reported on May 8, 1997 (H.Rept. 105-93), and passed the House (amended) on May 16, 1997 by a vote of 343 to 60. H.R. 1385 passed the Senate in lieu of S. 1186 May 5, 1998, by a vote of 91 to 7. The conference committee on H.R. 1385, the Workforce Investment Act of 1998, issued its report (H.Rept. 105-659) on July 29, 1998. The Senate agreed to the conference report on July 30, 1998 by unanimous consent, and the House agreed to it on July 31, 1998, without objection. The bill was signed into law on August 7, 1998 (P.L. 105-220).

Investment Partnership Act (S. 1186)<sup>2</sup> included programs on job training, adult education and literacy, vocational rehabilitation, and the employment service. The Senate bill also included vocational education, while the House bill and the bill as enacted did not. The Workforce Investment Act of 1998 (P.L. 105-220) was signed into law on August 7, 1998. Technical and conforming amendments were made to WIA by the Omnibus Consolidated and Emergency Supplemental Appropriations, 1999 (P.L. 105-277).

The Workforce Investment Act of 1998 does the following:

- repeals the Job Training Partnership Act (JTPA) and replaces it with Title I of the bill, Workforce Investment Systems;<sup>3</sup> and Title V, General Provisions;
- repeals the Adult Education Act and replaces it with Title II of the bill, Adult Education and Literacy Act;<sup>4</sup>
- amends the Wagner-Peyser Act (Employment Service) in Title III-A of the bill;<sup>5</sup> and
- amends the Rehabilitation Act of 1973 (vocation rehabilitation) in Title IV of the bill.<sup>6</sup>

The focus of this report is on Title I of WIA, the Act's job training provisions.

## Major Job Training Features

**Structure of State and Locally Administered Programs.** WIA establishes a state workforce investment board (WIB) to assist the Governor in developing a 5-year state plan and in other activities related to developing a statewide workforce investment system. This board is somewhat similar to the State Job Training Coordinating Council (SJTCC) under JTPA. Under both WIA and JTPA, participants include the Governor, members of the state legislature, representatives of business, chief elected officials, and representatives of labor organizations, among others. Since WIA, however, has more specific membership requirements than JTPA had, WIBs could be larger than SJTCCs. Also, unlike the SJTCC, a majority of participants and the chairperson must be from the business sector.

---

<sup>2</sup> S. 1186, the Workforce Investment Partnership Act, was introduced by Senators DeWine, Jeffords, Kennedy, and Wellstone on September 17, 1997, and referred to the Committee on Labor and Human Resources. The bill was reported on October 15, 1997, (amended) (S.Rept. 105-109). The language of S. 1186, as amended, was inserted in H.R. 1385 by the Senate on May 5, 1998.

<sup>3</sup> For a brief summary of programs authorized under Title I of WIA, see CRS Report RS20244, *The Workforce Investment Act (WIA): Training Programs Under Title I at a Glance*, by Ann Lordeman.

<sup>4</sup> For information, see CRS Report RL30106, *Adult Education and Family Literacy Act, Title II of the Workforce Investment Act of 1998, P.L. 105-220*, by Paul M. Irwin.

<sup>5</sup> The intent of the amendments is to more fully integrate employment services into the state's workforce system.

<sup>6</sup> For information on the amendments to the Rehabilitation Act, see CRS Report RL31298, *Rehabilitation Act: Summary of 1998 Reauthorization Legislation*, by Carol O'Shaughnessy.

One function of the state board is to assist the Governor in the designation of local workforce investment areas. These areas are similar in structure to the service delivery areas established under JTPA. Under WIA, a request for designation from any unit of general local government with a population of 500,000 or more is automatically approved; under JTPA, the threshold for automatic designation was a population of 200,000. In addition, WIA requires the Governor to approve a request for temporary designation as a local area from any unit, or combination of units, of local government with a population of 200,000 or more that was a service delivery area under JTPA and performed successfully and sustained fiscal integrity in the use of JTPA funds.

Within each local area, a local WIB is certified by the Governor. These local boards are similar in function to the Private Industry Councils (PICs) established under JTPA, but have broader responsibility for developing a local workforce investment system. In addition, WIA has more specific membership requirements than JTPA had, so that WIBs might be larger than PICs. WIA also requires each local board to establish a youth council as a subgroup of the board to develop the youth portion of the local plan, to recommend eligible providers of youth activities, and to coordinate youth activities in the local area. Unlike PICs under JTPA, a local board is prohibited from providing training services, such as occupational training, unless it obtains a waiver from the Governor. A local board may provide “core services,” such as job search assistance, or “intensive services,” such as comprehensive assessments, with the agreement of the local elected official and the Governor.

**State Administered Programs.** Under JTPA, there were four state administered programs: adult training, summer youth employment and training, youth training, and economic dislocation and worker adjustment assistance, i.e., dislocated worker program, each with its own funding stream. Under the WIA, the summer youth program is eliminated as a separately funded program, but local areas are required to provide summer employment opportunities that are directly linked to academic and occupational learning. Separate funding streams remain for adult and dislocated worker activities.<sup>7</sup>

**State and Local Allocations.** WIA allocates funds to states<sup>8</sup> for **adult and youth activities** using the same JTPA formula<sup>9</sup> that allots one-third on the basis of the relative<sup>10</sup> number of unemployed individuals residing in areas of substantial unemployment (at least 6.5%), one-third on the basis of the relative “excess” number of unemployed individuals (more than 4.5% of the civilian labor force ), and one-third on

---

<sup>7</sup> Not more than 10% of funds allocated to local areas under each of the three funding streams can be used for administrative costs. The administrative funds from each of the funding streams can be pooled into one account for local administration. Under JTPA, not more than 20% could be used for administrative costs. Also, there was no provision for pooling administrative funds from various funding streams into one account. Under WIA, the Secretary of Labor shall define the term “administrative costs.”

<sup>8</sup> For a more detailed description of how funds are allotted to states, see [<http://www.doleta.gov/budget/statfund.cfm>].

<sup>9</sup> The main differences from JTPA are in provisions related to allocations to outlying areas and to small state minimums.

<sup>10</sup> The word “relative” as used in this report means the number of individuals in a state compared to the total number in all states.

the basis of the relative number of “economically disadvantaged” adults. Of the funds allocated to the state for adult and youth programs, the Governor can reserve not more than 15% for state activities (e.g., technical assistance to local areas).<sup>11</sup> The remainder of the funds are allocated to the local areas.

JTPA mandated that states allocate adult and youth funds to local areas using the same formulas used to allocate funds to the states. Under WIA, this remains the case for not less than 70% of funds allocated to local areas. The remainder of the adult and youth funds allocated to local areas can be allocated based on formulas (developed by the State board and approved by the Secretary of Labor as part of the state plan) that take into account factors relating to excess poverty or excess unemployment above the state average in local areas.

Of funds appropriated for services to **dislocated workers**, the Secretary of Labor reserves 20% to provide technical assistance, demonstration projects, and national emergency grants to states or local boards (as was the case in JTPA). WIA also allocates funds to states for dislocated workers using the same JTPA formula that allots one-third on the basis of the relative number of unemployed individuals, one-third on the basis of the relative “excess” number of unemployed individuals, and one-third on the basis of the relative number of individuals who have been unemployed for 15 weeks or more.

At the state level, funds for dislocated workers are distributed in the same manner as they were under JTPA. The Governor can reserve not more than 15% for state level activities, and not more than 25% for “rapid response” activities. At least 60% must be allocated to local areas by a formula prescribed by the Governor based on the following data: insured unemployment, unemployment concentrations, plant closings and mass layoffs, declining industries, farmer-rancher economic hardship, and long-term unemployment.

**One-Stop Delivery System.** Under WIA, each local board (with the agreement of the chief elected official) develops a “one-stop” system to provide core services and access to intensive services and training through at least one physical center, which may be supplemented by electronic networks. The law mandates that certain “partners,” which are programs such as vocational education, welfare-to-work, and vocational rehabilitation, provide “applicable” services through the one-stop system.<sup>12</sup> Partners must enter into written agreements with the local boards regarding services to be provided, the funding of the services and operating costs of the system, and methods of referring individuals among partners. A one-stop operator, which could be a single entity or a consortium of entities, must be designated by the board through a competitive process or through an agreement between the board and a consortium of at least three partners.

**Youth Activities (Subtitle B, Chapter 4).** Under WIA, low-income youth receive services similar to those authorized under JTPA, such as tutoring and study skills

---

<sup>11</sup> Funds for state administrative costs come from the amounts reserved for state activities under each of the three state funding streams, and cannot be not more than 5% of the total state allotment. In addition, the administrative funds from each of the funding streams can be pooled into one account for state administration.

<sup>12</sup> In addition to the “mandatory” partners, WIA also specifies optional partners, which could included entities that administer Temporary Assistance for Needy Families (TANF).

training, alternative high school services, and summer youth opportunities. Services to youth must be provided through grants to providers made on a competitive basis (as they were under JTPA). At least 30% of the funds allocated to local areas have to be spent on youth activities for out-of-school youth.

**Adult and Dislocated Worker Activities (Subtitle B, Chapter 5).** Under WIA, one set of services and one delivery system is authorized for both “adults” and for “dislocated workers,” but funds are appropriated separately for the two groups. Under JTPA, there was one list of authorized services under the adult training program and another list under the dislocated worker program, and there could be separate delivery systems.

WIA funds three levels of services: core services, intensive services and training services. Anyone age 18 and older is eligible to receive **core services**, such as outreach, initial assessment of skills and needs, and job search and placement assistance. To be eligible to receive **intensive services**, such as comprehensive assessments and development of individual employment plans, an individual has to have received at least one core service.<sup>13</sup> To be eligible to receive training services, such as occupational skills training and on-the-job training, an individual has to have received at least one intensive service, have been unable to obtain or retain employment through such services, have the skills and qualifications to successfully participate in a selected training program, select training programs that are directly linked to employment opportunities in the local area and be unable to obtain other grant assistance, including Pell grants, or need assistance above the levels provided by such other grants.

Unlike JTPA, income is not a criteria for any WIA service. However, if a local area determines that *adult* funds are limited, priority for intensive and training services must be given to recipients of public assistance and low-income individuals.

**Individual Training Accounts.** Adult and dislocated worker training is to be provided primarily through “individual training accounts.” The purpose of individual training accounts is to provide individuals with the opportunity to choose training courses and providers. The one-stop operator is responsible for arranging payment to the training provider.

**Eligible Training Providers.** Eligible providers are entities who meet minimum requirements established by the Governor. Initially, all institutions eligible to participate in the student aid program of Title IV of the Higher Education Act and those entities that carry out programs under the National Apprenticeship Act are automatically eligible to provide training services. Subsequent eligibility is contingent on meeting performance standards.<sup>14</sup> Local boards retain a list of eligible providers along with performance and cost information. Individuals who have individual training accounts may choose providers from this list in consultation with a case manager.

---

<sup>13</sup> There is no federally-required minimum time period for participation in core services before receiving intensive services or for participation in intensive services before receiving training, however the federal regulations for WIA do not preclude local workforce investment boards from establishing minimum time periods for each level of service.

<sup>14</sup> For some performance measures, such as program completion and wages at completion, WIA requires providers to collect data on all training participants, not just those funded under WIA.

**Performance Accountability.** Under WIA, there are 15 core indicators of performance for adults, dislocated workers, and youth and two indicators of customer satisfaction. The state levels of performance are negotiated with the Secretary of Labor and the local levels, in turn, are negotiated with the Governors. Technical assistance and sanctions in the form of reduced state allotments may be used by the Secretary in the case of poor performance. States may receive incentive grants if they exceed performance standards for adult, dislocated worker, youth, adult education and vocational education programs.

**Federally Administered Programs.** WIA continues most federally administered programs, including Job Corps (Subtitle C), Native Americans, migrant and seasonal farmworkers, and veterans' employment (Subtitle D, Sections 166, 167, and 168, respectively). WIA makes relatively minor changes to these programs, except for Job Corps where more extensive changes are made to help assure that youth are placed in centers closest to their homes; strengthen linkages between centers and local communities; and establish performance measures and expected performance levels.

**State Reforms.** Under WIA, a state that enacted a statute prior to December 31, 1997 that relates to the designation of service delivery areas, or sanctioning of local areas for poor performance is, in general, allowed to continue operating under the state statute. Further, the Secretary of Labor can waive a range of statutory and regulatory requirements upon request from the state.<sup>15</sup> WIA also permits states to request authority from the Secretary to waive certain statutory and regulatory requirements applicable to local areas. This authority is generally referred to as "work-flex."

**Unified State Plan.** Under Title V of WIA, states can submit "unified plans" that include up to 14 programs specified in the statute, such as employment and training programs authorized under the Wagner-Peyser Act, the Food Stamp Act, and the Rehabilitation Act, in order to promote coordination and avoid duplication of workforce development activities. States submitting unified plans are not required to submit any other plan to receive federal funds for the programs covered in the unified plan.

**Authorization.** Under WIA, the authorization level for most programs is for such sums as necessary for each of the fiscal years 1999 through 2003. As with JTPA, appropriations for any fiscal year will be available only on the basis of a program year that begins on July 1 in the fiscal year for which the appropriation is made, i.e., FY1999 funds are available from July 1, 1999 through June 30, 2000.

**Implementation.** WIA became effective when it was signed into law. States could implement the Act as early as July 1, 1999, if they had approved state plans by that time. All states were required to implement the Act by July 1, 2000.

---

<sup>15</sup> Requirements that cannot be waived are those related to wage and labor standards, including nondisplacement protections, worker rights, participation and protection of workers and participants, grievance procedures and judicial review, nondiscrimination, allocation of funds to local areas, eligibility of providers or participants, the establishment and functions of local areas and local boards, and procedures for review and approval of plans.