

Policy Brief

May 2011

Workforce Investment Act, Title I

(Workforce Services for Adults, Dislocated Workers and Youth)

What is WIA?

Title I of the Workforce Investment Act (WIA) is a collection of three programs that serve adult, dislocated and youth workers. WIA is the largest single source of federal dollars allocated for workforce development. Established in 1998, WIA consolidated previous employment and training-related programs and made several important changes to how employment and training programs were administered, delivered and accessed. Indiana was an “early implementation” state and its WIA program was in place beginning in 1999, though the full law did not take effect until 2000.

Under WIA, workers have “universal access” to a variety of employment and training services through a One-Stop system of local offices. WIA outlines a “sequence of services” that workers move through as they access WIA services, including core, intensive and training. For example, if a worker can not find a job after accessing core services, the worker may then access intensive services and so on. WIA is carried out at a local level with planning done on a regional and state level. WIA has been in reauthorization limbo since 2003 and has been operating under a series of continuing resolutions by Congress.

Who is Eligible for WIA?

WIA divides its program into three target populations. These include:

- Adults, 18 or older.
- Dislocated workers, such as workers who have been laid off, are eligible for or have exhausted unemployment insurance benefits, are self-employed but unemployed as a result of general economic conditions, and displaced homemakers.
- Youth, 14-21 years of age, low-income and who meet at least one of the following criteria: low basic literacy skills, homeless or a runaway, a school dropout, a foster child, pregnant or a parent, an offender, or a youth requiring additional assistance to complete an educational program or to secure and hold down a job.

When funds are limited, intensive and training services are prioritized for low-income individuals and veterans.

How is WIA Administered?

WIA is administered at the federal level by the Department of Labor’s Employment and Training Administration (ETA) and at the state level by Indiana’s State Workforce Innovation Council

(SWIC). The SWIC strives to develop opportunities for Hoosiers to gain employment and earn wages that are competitive. SWIC works with regional workforce boards across the state to develop and implement workforce strategies that foster employment opportunities and higher wages.

WIA Services can be accessed at WorkOne (i.e., One Stop) centers and WorkOne Express sites which provide many “core and intensive” services. Functional staff units for each WorkOne consist of; 1) welcome unit, 2) skills/employment unit and 3) an employer services unit. Additional services are provided by a network of eligible training providers, as approved by the regional boards. In December 2010, the SWIC passed an integrated service delivery policy that will ensure that workers are co-enrolled in the various employment and training programs they are eligible for that are available at WorkOne sites, WIA and otherwise. As stated in the 2010 State WIA Plan, *“Under this model, all WorkOne offices are integrated into functional units and not separated by program or funding stream. DWD’s goal is to provide true, one-stop service delivery for all Hoosiers independent of funding streams and artificial service delivery barriers.”*

Each year, the SWIC is required by the ETA to report on state and regional progress vis-à-vis WIA and submit its annual WIA plan. In late 2010, the SWIC – in coordination with regional workforce boards – established seven new workforce service areas and reconstituted what had previously been the “balance of state” to include four economic growth regions. These new areas will be establishing local boards and plans by July 1, 2011. The end result will be 9 local workforce service areas, each governed by a local WIB, the Marion County WIB and four economic growth regions, which will remain partnered with the state as a part of the “balance of state.”¹

How is WIA Funded?

WIA is funded through a formula to states. States, in turn, allocate WIA funds to local areas via a formula. Up to 15 percent of a state’s WIA allocation can be used for special statewide workforce initiatives. In PY 2010, Indiana received \$64.4 million in Title I WIA funding. This is a 7.35 percent increase from its PY 2009 allotment of \$59.8 million.²

In addition, Indiana received ARRA funding in FY 2010 that went toward WIA and was used, specifically, to create employment opportunities for youth and training opportunities for adults through the form of Individual Training Accounts (ITAs) of up to \$3,000 for training leading to a degree to certificate.³

What are the Benefits of WIA to Businesses and Individuals?

According to Indiana’s 2010 State WIA Plan, the program has two main drivers as related to economic development: 1) Jobs and Employment Growth and 2) Personal Income Growth.

¹ 2010 Indiana WIA State Plan. Online: http://www.in.gov/dwd/files/Approved_2005-2011_State_Plan_Modification--Year_6--Dec2010_Mod.pdf

² Department of Labor, Employment and Training Administration TEGL 1909, a2,3 and 5.

³ See http://www.in.gov/gov/files/Summary_of_Sept_2010_ARRA_report.pdf, accessed online March 3, 2011.

Therefore, the state seeks to develop and pursue services and initiatives that meet these two goals.

Ideally, WIA benefits workers through enhancing their employment and earning potentials through the core, intensive and training services which are offered locally. Job listings, information about various careers and the local labor market and some assistance with job searches are available as “core” services through One Stop Centers. If unsuccessful at finding a job, intensive services become available including assessments leading to an individual employment plan, job and skills-related workshops and case management. If viable employment is still not secured after intensive services, workers may be eligible for training services. These include both employer-driven programs and occupational skills development through a classroom-based program. It is important to note that because of the “sequencing” requirement, the more meaningful training services are not accessible to many workers. It is well-documented that advanced training that leads to a degree or certificate is more likely to lead to secure employment and higher personal income. In this regard, WIA falls short of its potential to reach workers who may benefit from advanced training or education.

Employers benefit, in general, from a more prepared workforce. Special initiatives, funded through WIA state-wide funds, have been developed and implemented which match WIA training services with occupation and skills demanded by employers. These programs serve as a win-win – providing industry with skilled workers suited to their specific needs and workers with “tailor made” jobs. Many states are also using WIA funding to create “sector partnerships,” with promising results. Sector partnerships are industry-led and connect stakeholders from industry and from training to ensure that specific industry skill needs are being met at the local or regional level.

How can the WIA System be Strengthened?

- 1) Reauthorize the Workforce Investment Act. The reauthorization of WIA Title I provides an opportunity to ensure that our nation’s workers will continue to receive the services and supports they need to go back to work and begin rebuilding our economy. A comprehensive approach to the Workforce System is necessary to ensure that every U.S. worker has at least an industry certification, vocational degree or two years of college should be a national priority.
- 2) Eliminate the sequencing of services. This must be done at a federal level through the next reauthorization of WIA. Indiana has already made steps toward streamlining a users experience on the front end through a more integrated system on the back end by co-enrolling a worker in various programs he or she is eligible for. By eliminating the mandatory sequence of services, a worker who was ready and able to pursue advanced training could access this resource right away – saving time and funding by skipping the core and intensive services steps. In addition, there is more “bang for your buck” in spending money on training and credential programs. The worker is more likely to find and keep a higher paying job with more education and training, which is in direct alignment with Indiana’s goal of increasing the personal income of Hoosiers.
- 3) Improved public reporting including reporting on credential and training performance measures. Currently, there is no data being reported publicly by Indiana about the

numbers of workers receiving a credential/training through the WIA system. And subsequently, how those workers are faring economically after completion. Transparency in performance data reporting makes sense – both from a state and local level. It provides a mechanism to calculate return on investment and it also helps identify successful training programs – and those that are not cutting the grade.

- 4) Continue the ARRA-funded programs including the Young Hoosier Conservation Corps and \$3,000 ITAs (Individual Training Accounts) for training that leads to a credential. Indiana should continue to invest in innovative ways to connect workers with employment and provide easy access to training resources utilizing WIA funding dollars, even after ARRA funding is expended. Both the 15 percent WIA statewide workforce initiative funding and regular WIA Title I funding could be used for these purposes.

The National Skills Coalition has written a briefing document which lists their recommendations for improving the Workforce Investment Act, during the reauthorization process. The recommendations can be accessed from their website at:

http://www.nationalskillscoalition.org/pdf.html?file=http://www.nationalskillscoalition.org/federal-policies/workforce-investment-act/wia-documents/nsc_wia_recommendations_2010-02.pdf

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FOR MORE INFORMATION, PLEASE CONTACT:

Indiana Institute for Working Families

1845 W. 18th St.

Indianapolis, IN 46202

Phone: 317-638-4232

Web Site: <http://www.incap.org/iwfw.html>