



WIOA Reauthorization Recommendations Summary

The Minnesota Association of Workforce Boards (MAWB) recommends updates to reauthorization of the Workforce Innovation and Opportunity Act (WIOA), which reflect the priorities of local workforce development boards (LWDB) in Minnesota. Through both the opportunities and challenges faced in implementing WIOA since its passage in 2014, coupled with lessons learned from the COVID-19 pandemic, these recommendations* will result in a stronger and more agile public workforce system that better meets the needs of local economies and communities.

Locally Driven, Flexible Solutions: A pillar of the public workforce system is its emphasis on locally driven solutions to meet the needs of local economies. WIOA creates a federal workforce system based on federal, state, and local partnerships that identify and respond to market demand. Local communities will experience periods of economic boom and distress in different ways. We feel strongly that those situations are best addressed at the local level.

Strengthen the One-Stop System: The door to the public workforce system is through the one-stop centers. We must ensure staff and partners have the skills and tools necessary to be the most effective and that service design is centered with the customer in mind.

Program Integration/Alignment: WIOA-required partners include a multitude of programs and funding streams. Ensuring federal law allows for better integration between programs will be beneficial for participants and save crucial time and resources.

Managing Performance: The current methods for managing the program performance for the public workforce system need to be significantly streamlined, using modern capabilities and methods. Doing so will enhance our collective learning curve and ensure continuous improvement for programming, benefiting jobseekers and employers.

Full Funding: Workforce programming needs to be fully funded if we are to truly make the impact necessary to achieve economic recovery. Basing funding on unemployment rates is short-sighted and does not consider a major customer we are here to serve—the employer.

** The concepts are based on ideas from the United States Workforce Association (USWA) and Greater Lakes Employment and Training Association (GLETA) workforce organizations.*

WIOA Reauthorization Recommendations

LOCALLY DRIVEN, FLEXIBLE SOLUTIONS

Federal legislation should ensure that the local stakeholders have flexibility and accountability with respect to policy and funding. There are specific policy areas in WIOA that, while well-intentioned, have been implemented with greater influence from the federal and state stakeholders. These policies have led to increased administrative burden on local stakeholders and distracted from the overall mission of workforce boards related to employment and training services best suited for businesses and job seekers.

Mandatory Partners and Infrastructure Funding Agreements (IFA) (Sec. 121 (h))

WIOA mandates several federal and state program partners participate and contribute to the one stop delivery system (Section 121(h)). Subsequent guidance from the Department of Labor Training and Employment Guidance Letter (TEGL) WIOA 17-16 outlines an elaborate, bureaucratic process whereby the local workforce board negotiates these rates with each partner program as infrastructure funding agreements (IFA), often dictated by the state.

- Instead of encouraging partners to work more collaboratively, these requirements have created tension at a local level and have not resulted in the intended fiscal contributions to the workforce system. The local workforce board is tasked with educating and leading conversations with required federally funded partners who are not compelled to fund the system outside of WIOA.
- Required partners are “surprised” by the requirements and have questions regarding the authority of WIOA to require them to contribute. Their respective program authorizing legislation does not contain such language.
- The development, negotiating, implementing, tracking, and reconciling the IFA costs significant administrative staff time. In large areas this could result in the need for an additional full-time employee (FTE) to meet and maintain the requirements. Federal regulations require ‘no less than quarterly reconciliation of costs,’ which adds to the ongoing burden and taking more resources from front line programming.

Recommendations:

- Flow federal training dollars through LWDBs, who are experts in training and career development, rather than splintering the funds across 15 or more small agencies – or large agencies with small training programs – and then trying to force those organizations to contribute to the One Stop system through IFAs; or
- Rather than the WIOA requirement of ‘negotiation,’ federal policy could mandate a percentage of federal program partner funds to support this process. In preparing a legislative fix, we suggest that the Department of Labor explore the benefits of more integrated models of service delivery.

One Stop Operator (Section 121 (d))

The one stop operator provision was a significant change from WIA to WIOA as it includes a requirement that the operator be selected only through a 'competitive process.' In many cases, cities and counties or a consortium of already existing partners serve as the one stop operator to streamline operations with the approval of the governor. The competitive process prescribed by WIOA led many areas to prepare and execute an RFP, taking administrative time, even while anticipating that there would be no outside entity to bid on the RFP.

Recommendation:

- Allow local workforce boards, in consultation with the Chief Local Elected Official, to serve as the one stop operator so long as they can justify the decision with approval from the governor. Ensure that the process considers local board performance (both programmatically and fiscally).

Recommendation:

- Allow local workforce development boards to determine the appropriate local funding allocation for incumbent workers. Ultimately, that flexibility will allow local boards to serve more customers, both job seekers and businesses. At a minimum, the 20% cap should be increased to allow for greater 'Earn & Learn' career pathway progression and movement out of poverty.

Incumbent Worker Training (Section 134 (d)(4))

WIOA limits the availability of employment and training activities for incumbent worker training to 20%. This is a critical limitation in local workforce boards serving businesses and those individuals already working and underemployed. In many cases, an incumbent worker training is less expensive than training an unemployed worker as they already have a job and will likely need fewer support services. It also allows local workforce boards to create the 'talent pipeline' by moving entry-level positions holders into middle skill jobs, opening an entry-level opportunity for someone else. Local boards and their partners use incumbent worker training strategies as key pieces to sector and pathway initiatives. Importantly, incumbent worker training is a valuable tool no matter the current state of the economy.

Out-of-School Youth (Sec. 129)

Many states, including Minnesota, have received a waiver for the 75% requirement for Youth Activities funds to serve 'out-of-school' youth. This is empirical evidence that this requirement, while intended to ensure WIOA is serving the most at-risk populations, does not work when practically implemented. Since this waiver has been implemented, local Boards have continued to collaborate with school districts on in-school youth programs to provide services and reduce school dropouts.

Recommendation:

- Allow local workforce development boards to determine the right mix of youth funds in their respective area. Imposing a federal cap has not worked. At a minimum, the cap should be lowered. Again, local boards can work with their community stakeholders to determine where there are gaps and use their funding intentionally to leverage and fill voids.

Recommendation:

- Though eligibility determinations remain with individuals, we should consider ways that eligibility can rest with families.

Two-Generation Approaches

Local workforce boards need more flexibility with serving families. For example, this is experienced in Dislocated Worker/Trade (where the family member boosts up their own employment/training efforts triggered by their spouse/partner/parent/child dislocation), and we also see it in with TANF and WIOA clients.

One-Stop System

Building on lessons learned from the COVID-19 pandemic, local boards have identified areas which could benefit from further support to ensure successful outcomes for locally driven strategies and for participants being served through the one stop system (known as CareerForce in Minnesota).

Professional Development

For the federal workforce system to continue to perform and respond to the growing workforce needs across the country, staff can always benefit from additional professional development and assistance. The under-investment in the workforce system has been well-documented but the staff carrying out these daily tasks need greater support. Additionally, CareerForce staff are working with customers with mental health and substance use disorders which create additional barriers for participants. A trauma-informed approach may lead to better outcomes for job seekers, employers, and staff.

Human-Centered Design

Even as more and more workforce services are provided virtually for those who have broadband access, there is an ever-present need to ensure services provided through the one-stops are delivered through a customer-centric versus program/bureaucracy-centric lens. Human-centered design is a framework and toolset first introduced to public workforce system leaders by the US Department of Labor in consultation with IDEO4, the company that pioneered this innovative design thinking methodology. Using these tools to enhance the customer experience in the post-COVID world needs to be an essential part of WIOA reauthorization.

Diversity, Equity & Inclusion

COVID-19 has disproportionately impacted women, BIPOC and other historically disadvantaged communities. All current workforce legislation and future WIOA reauthorization needs to have a particular focus on addressing these disproportionate impacts for these populations.

Personal Effectiveness Skills

Also historically known as 'soft skills,' personal effectiveness skills are at the foundational level of the US Department of Labor's Competency Model or skills pyramid. These soft skills have been asked for by employers for decades, but with little (if any) movement forward in our education or workforce systems' ability to better inculcate this skill development in students or job seekers. New strategies and innovations are needed, especially in the age of COVID, to create work-based learning experiences in which these personal effectiveness skills can be developed starting at the earliest possible ages.

Recommendation:

- All the recommendations in this section, taken together, can have a profound impact on serving historically underserved populations and those facing barriers to employment. They will also make our CareerForce system more effective by ensuring staff have the essential skills and tools they need to serve all customers.

Program Integration/Alignment

We support the concept of program alignment, starting with the federal authorizing legislation, because many workforce programs are even further diversified as we go down to the state and local levels.

Integration Across Other Federal Programs

In many cases, WIOA participants are receiving other forms of federal assistance through TANF, SNAP, HUD, or others. To the extent possible in WIOA, we recommend increasing as much coordination as possible between these related programs. The administrative burden of cross-checking multiple program eligibility and performance requirements takes effort and funding away from the desired outcomes of employment and training. For instance, the work participation rate requirement in TANF does not align with the outcome measures of WIOA.

Recommendations:

- Understanding that other authorizing legislation may need to be changed as well, make the WIOA statute as receptive as possible to increasing coordination.
- The Department of Labor should further explore the benefits of integrated system delivery in states using those strategies. This would allow for the seamless blending, braiding, and stacking of all workforce training funds including: WIOA Title IB, II, III, IV, V; RESEA, TANF, SNAP Training and Employment Program, etc.

Recommendation:

- Allow states and regions to pilot and innovate new strategies to address this persistent and pernicious 'Benefits Cliff' issue.

Addressing the Benefits Cliff

Even after applying best practices to blend, braid, and stack federal workforce program funding, many job/career-seekers are faced with the looming 'Benefits Cliff' as they progress in their jobs and are offered career and wage advancement opportunities. The public assistance programs of TANF, SNAP, Child Care, Medicaid, Housing assistance all have abrupt eligibility cutoff limits once income thresholds are reached. These workers are faced with needing to refuse promotions or quit their jobs at the risk of losing these income subsidy benefits.

Managing Performance

The current methods for managing the program performance for the public workforce system need to be significantly streamlined, simplified, and updated. Modern capacities and methods need to be utilized so that we can enhance our collective learning curve and generate better ever-improving success for job/career-seekers. Over the past decade and more, the federal government has made significant investments with states to develop longitudinal data systems through the Statewide Longitudinal Data Systems Grant Program (SLDS) and the Workforce Data Quality Initiative (WDQI). Many of these are now online and able to generate the longitudinal data needed to manage workforce and educational system performance more effectively. This work needs to be done with strong focus on learning, best practice sharing, and managing ever-improving outcomes for different customer typologies.

Recommendations:

- **Data sharing:** Legislative language around data sharing needs to be much more explicit on customers and services across programs (Core & Partners). This will help avoid state agencies getting caught up in the legalities of interpreting federal statute. We recommend that the language be explicit that local workforce development boards can access unit-level data.
- **Applied Use of Longitudinal Data Training & Support:** Strong focus and leadership is needed from federal, state, and local policymakers and program managers to ensure training and best practice supports are provided so that the applied use of longitudinal data is done well and right. Learning how to use longitudinal data to generate ever-improving program results will require a significant up-skilling for local, state, and federal managers and staff. For many decades, the only information available has been point-in-time datasets which, by themselves, cannot paint an accurate picture of program effectiveness and performance over time. The applied use of longitudinal data for workforce, as well as education, healthcare, social service, corrections, and other public investment programs is a 'game-changing' moment.
- **Performance Management:** The current model of negotiated performance levels between USDOL and the states, and the states to LWDBs, is archaic, ineffective and should be eliminated. Instead, the federal framework for performance should be simplified to a focus on 'bottom line' performance outcomes such as job placement, job retention, skill/career/wage progression, and movement out of poverty and all forms of public assistance to ever-increasing self-sufficiency and career success. As longitudinal (not point-in-time) baselines are established, and more service integration and workforce systems alignment can take place, LWDBs can then set the 'stretch' objectives and key results they want to achieve for their regions. Federal and state partners can then perform their appropriate support in providing technical assistance, sharing best practices/learning experiences (ideally site-to-site/region-to-region), and oversight.

Funding

The authorized funding levels contained in WIOA have never been fully funded by Congress, further limiting the potential of the WIOA policies. Given the scale of the recovery ahead for the country, we request a 5% funding increase per year, per account, over the reauthorization period. The authorized level increases in WIOA were between 2-2.5% so this would show a commitment from Congress to address these workforce development funding issues as we venture into a critical economic recovery.

Governors' Reserve (Sec. 128)

Currently, governors may reserve up to 15% of the state allocation for the Adult and Youth accounts and up to 25% from the Dislocated Worker account for rapid response activities.

Recommendation:

- Congress should include direction to governors that use of Reserve funds shall be informed by local workforce development boards to achieve statewide workforce initiatives. This will allow the governor's flexibility to pursue needed innovations while ensuring a systemic approach which avoids duplicative silos.

Recommendation:

- The system needs adequate, stable, and reliable funding across economic periods to maintain the level of service delivery required in any climate.

Funding Tied to the Unemployment Rate

The system is currently designed to reduce funding levels when unemployment is low and increase when it rises. However, this results in gutting a system that is tasked with helping the people with the greatest barriers to employment in a tight labor market and making them ill-prepared to respond effectively and quickly when the economy inevitably encounters a downturn.

Business Services

One major shift from WIA to WIOA was the elevation of the importance of workforce boards in serving employers – making employers clients of the workforce system along with job seekers. As the unemployment rate has dropped significantly over the past 5-10 years, there has been a significant shift in the work required of workforce staff. What was job search/job seeker intensive has now become business services intensive. More businesses are asking for assistance in attraction, retention, and work-based learning models, while the number of job seekers visiting the one-stops has continued to decline. Despite this reality, funding formulas are generally created based on the number of potential job seekers that a state/local area might serve, and do not consider the number of employers/businesses that would need to be served in the state/local area.

Recommendation:

- Increase overall funding to allow local areas increased capacity to serve both businesses and jobseekers as local economies and needs demand.