

CALIFORNIA SENATE OFFICE OF RESEARCH

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FEDERAL UPDATE

CHANGES TO THE WORKFORCE INVESTMENT ACT

President Obama Signs the New Workforce Innovation and Opportunity Act

On July 22, 2014, President Barack Obama signed the new Workforce Innovation and Opportunity Act (WIOA), a successor to the Workforce Investment Act (WIA) that had been in place since 1998. The law was passed by substantial majorities in both houses of Congress. The federal government has not specified yet exact WIOA formula grant allocations for states for fiscal year 2015, but the overall appropriation nationwide is expected to be the same as it was for fiscal year 2014. California expects to receive an allocation for 2015 that is similar to current funding levels.

WIOA is now the primary means of federal support and guidance for state workforce training, rehabilitation, and employment programs for adults, youths, workers with disabilities, and the unemployed. It provides significant workforce development funds to California: \$390 million in the current fiscal year.

WIOA includes the following key changes from current law:

- **Authorizes governors** to set aside up to 15 percent of their respective state's allocation—almost double the current allowance—for state-determined workforce development initiatives.
- **Adjusts the required membership** of state Workforce Investment Boards (WIB).¹
- **Eliminates 15 workforce programs** (two-thirds of them had been unfunded in recent years).²
- **Requires states to submit** a single unified plan to cover all WIOA programs.
- **Establishes standardized performance metrics** for all WIOA programs.³

- **Removes the 20 percent limit** on the allowable amount of funds that local Workforce Investment Boards may transfer between adult and dislocated-worker programs, if approved by the state’s governor.

LEARN MORE

- **U.S. Senate’s H.R. 803 (Workforce Innovation and Opportunity Act):** http://edworkforce.house.gov/uploadedfiles/wioa_sa_hr803.pdf
- **U.S. Congress’s summary, section-by-section analysis, and legislative history:** http://edworkforce.house.gov/uploadedfiles/wioa_managers_statement.pdf
- **U.S. House Education and the Workforce Committee’s brief summary of WIOA changes to existing workforce development programs:** http://edworkforce.house.gov/uploadedfiles/workforce_innovation_and_opportunity_act_-_key_improvements.pdf
- **California Employment Development Department’s Information Notice on California Workforce Investment Act formula allocations for program year 2014–15:** http://www.edd.ca.gov/jobs_and_training/pubs/wsin13-52.pdf
- **Center for Law and Social Policy, Inc. (CLASP), “The Workforce Innovation and Opportunity Act Becomes Law; CLASP Looks Toward Implementation,” July 22, 2014:** <http://www.clasp.org/issues/postsecondary/in-focus/the-workforce-innovation-and-opportunity-act-becomes-law-clasp-looks-toward-implementation>

Written by Susanna Cooper. The California Senate Office of Research is a nonpartisan office charged with serving the research needs of the California State Senate and assisting Senate members and committees with the development of effective public policy. It was established by the Senate Rules Committee in 1969. For more information, please visit www.sen.ca.gov/sor or call (916) 651-1500.

¹ WIOA specifies one representative each from the California Senate and Assembly to be appointed by the Senate President pro Tempore and Assembly Speaker, down from two each under prior law. However, a provision allowing states to keep current state boards intact if they are “substantially similar” to the new makeup may allow California to keep current legislative representation levels on the WIB. Existing state statute requires four legislative representatives.

² Of the 15 eliminated programs, five had been funded in fiscal year 2014: WIA Workforce Innovation Fund, WIA Incentive Grants, In-Service Training, Health Care Gap Coverage for Trade Adjustment Assistance Participants, and Migrant and Seasonal Farmworker Program.

³ Required metrics include: Unsubsidized employment after exiting a WIOA-funded program, median earnings, receipt of a secondary diploma or recognized postsecondary credential, measurable skill gains toward a credential or employment, and employer engagement. The state may identify additional performance metrics.