

Introduction

In July 2014, President Obama signed the Workforce Innovation and Opportunity Act (WIOA)—after it passed with virtually unanimous bipartisan support in Congress — the first update to the nation’s core workforce training programs in the 16 years since the passage of the Workforce Investment Act (WIA). A lot has changed since 1998—and our workforce system hasn’t kept up. Low-skilled and low-income workers face more barriers than ever to securing an education and getting a good job.

The new law recognizes the need for a new game plan and reauthorizes the nation’s employment, training, adult education, and vocational rehabilitation programs created under WIA. WIOA improves connections to employment and training opportunities that lead to economic prosperity for workers and their families. It strengthens existing workforce development and adult education programs in four ways that can benefit adults and youth with barriers to economic success. The law:

- I. Increases the focus on serving the most vulnerable workers**—low-income adults and youth who have limited skills, lack work experience, and face other barriers to economic success;
- II. Expands education and training options** to help participants access good jobs and advance in their careers;
- III. Helps disadvantaged and unemployed adults and youth earn while they learn** through support services and effective employment-based activities; and
- IV. Aligns planning and accountability policies across core programs** to support more unified approaches to serving low-income, low-skilled individuals.

These positive policy developments create an opportunity for leaders and advocates in states and local communities to rethink, reshape, and expand workforce systems, policies, and practices that are grounded in research and experience to improve the education and employability of low-income people. To bring these opportunities to fruition, policymakers, advocates, and practitioners must seize the opportunities available through WIOA; the changes won’t happen automatically. WIOA both establishes new activities and requirements and codifies federal guidance and regulations that already exist. Taken together, these changes create an opportunity to leverage systemic change across the currently disconnected education and training systems. WIOA better enables states and local communities to seed and propel cross-systems approaches to tackle unemployment, low literacy, and low educational attainment among disconnected youth and low-skilled, low-income adults and parents.

This summary of key provisions focuses on opportunities to improve services in select WIOA core programs¹: Title I, the primary source of federal workforce development funding to prepare low-income adults, youth, and dislocated workers for employment and to help them continue to build skills once they are employed; and Title II, the main source of federal adult education and literacy funding, including English language services. Though they are critical components of the workforce development system, this summary does not address reforms to Title I – General Workforce Provisions (including Jobs Corps and National Programs), Title III – Wagner-Peyser, or Title IV – Vocational Rehabilitation. (References to specific provisions under each title that achieve the above goals can be found in the Appendix.)

Why Low-Income Adults and Youth and the National Economy Need an Updated Workforce and Adult Education System

In the last decade, socioeconomic, demographic, and labor market trends have created an urgent need to update our workforce and adult education system.

Education and training can lift families out of poverty. For millions of low-skilled and disadvantaged youth and adults, improved economic opportunity depends on their ability to access education and training that prepares them for college and career success. Research and evaluations of job training programs for adults find that “a postsecondary education, particularly a degree or industry-recognized credential related to jobs in demand, is the most important determinant of differences in workers’ lifetime earnings and incomes.”ⁱⁱ Education and training also increases a family’s financial resources and helps parents stay employed and maximize their wages.ⁱⁱⁱ In addition, there is evidence that workforce development and adult education programs can pay off not only for today’s participants, but also for the next generation. According to one synthesis of the research, “improving the educational and employment prospects for parents in the workforce today may also do the same for their children as they enter the workforce tomorrow.”^{iv} Indeed, there is a well-documented connection between a parent’s level of education and their children’s skills, academic outcomes, and health. Forty percent of children whose mothers have not completed high school do not graduate on time themselves, compared to just 2 percent of children whose mothers have a bachelor’s degree.

Today’s workers need a postsecondary education to be successful in the labor market.^v Since the enactment of the Workforce Investment Act of 1998 (the predecessor of WIOA), there has been a consistent shift toward a knowledge-based economy that was accelerated by the Great Recession. Employers increasingly require postsecondary credentials when hiring workers for good jobs that provide family-supporting wages and career advancement opportunities. It is estimated that by 2020, two-thirds of jobs will require a postsecondary education. Workers with higher levels of education consistently fare better in the labor market; they experience lower rates and shorter durations of unemployment and earn higher incomes. The economic divide between higher- and lower-educated workers has grown since the onset of the Great Recession and persisted into the recovery. The unemployment rate for adults with less than a high school diploma is 9.1 percent, compared to 5.4 percent among workers with some college and 3.2 percent for workers with a bachelor’s degree.^{vi} With good jobs becoming harder to find for people with a high school diploma or less, it is critical to help low-skilled workers transition into postsecondary education.

Too many workers, particularly people of color, have low skills. According to a recent assessment of adult skill levels conducted across 24 developed countries, 36 million adults in the U.S. have low skills, threatening their ability to secure employment and earn a self-sufficient wage. Low levels of literacy are particularly persistent among individuals in communities of color, which will make up a majority of the U.S. population by 2043. These fast-growing segments of our labor force have some of the lowest levels of educational attainment. The rate of low literacy among black adults is two times higher than it is among all adults generally (35 percent v. 18 percent). This gap is even higher among Hispanic adults; 43 percent have low levels of literacy and 56 percent have low numeracy skills.^{vii}

Title II – Adult Education

- **Retains Title II’s (also known as the *Adult Education and Family Literacy Act*) focus on the provision of basic skills and English language services for adults with low basic skills. WIOA also includes new requirements for state and local adult education providers to ensure services are provided to individuals with the *lowest* skill levels.** Federal funding for adult education is required to be used for services to adults (16 and over) with limited basic skills. The law encourages the use of innovative instructional models that prepare adult learners for postsecondary education while also requiring states to consider how well providers will serve learners at the *lowest* skill levels prior to awarding local grants.
- **Requires the state to make funding decisions, in part, based on whether providers are serving and meeting the needs of the most vulnerable adult learners.** In funding adult education providers, the new law requires the state to consider whether local providers are responsive to the needs of individuals most in need of adult education services, including those with low literacy and English language learners.

PROVIDES NEW AND EXPANDED DEFINITIONS TO IMPROVE SERVICE DELIVERY TO LOW-INCOME INDIVIDUALS AND THOSE WHO HAVE “BARRIERS TO EMPLOYMENT”

Throughout WIOA, these definitions are used to identify the populations to whom services should be targeted and whose needs must be considered as part of state and local strategic planning processes. Specifically, WIOA:

- **Includes a new definition for “individuals with a barrier to employment”; amends the definition of “homeless individual”; amends the definition of “basic skills deficient,”; and expands the low-income criterion.** (See Appendices for definitions and statute citations.)

EXPANDS AND IMPROVES ELIGIBILITY REQUIREMENTS FOR YOUTH SERVICES

Title I – Youth Workforce Investment Activities

- **Raises the out-of-school youth eligibility age from 16 to 21 to 16 to 24.** There is no one system that serves out-of-school youth, who often fall through the cracks. While these same youth could be served through the adult workforce system, specific developmental needs often go unmet. Raising the eligibility age will help local areas better target their programming for this population.
- **Out-of-school youth in high-risk categories^{xiii} do not have to prove low-income status to receive services.** This includes individuals who have dropped out of high school, have not attended school for at least one calendar quarter of the most recent school year, or are subject to the juvenile or adult justice systems. It also includes homeless individuals, runaways, current or former foster care youth, and individuals who or are pregnant or parenting. *Youth who are not attending school, hold a secondary credential, and are either basic-skills deficient or an English language learner must be “low-income.”*
- **Expands in-school youth eligibility** to include low-income individuals ages 14 to 21 who are English language learners, as well as individuals with disabilities.
- **Adds youth “living in a high-poverty area”** to the low-income criterion for youth activities funding and services.

Title I – Youth Workforce Investment Activities

- Includes, within the **occupational skills training activity, a priority for training programs** that lead to postsecondary credentials and are aligned with in-demand industry sectors or occupations in a local area. Title I also allows **WIBs to use 10 percent of local funds to implement a pay-for-performance contract strategy** for administering youth activities.

Title II – Adult Education

- **Broadens the focus of adult education, literacy, and English language services to include transition to postsecondary education and employment.** While it is still designed to serve *all* adult learners, the law reflects the changing needs of the nation’s workforce and the goals of its workers. It amends the stated statutory purpose of adult education and subtly modifies the definitions of key terms to reflect this new emphasis (e.g. “Adult Education,” “Adult Education and Literacy Activities,” “Family Literacy Programs,” and “English Language Acquisition Program”). The law is also explicit that Title II funds may be used for adult education activities that “help eligible individuals transition to postsecondary education and training or employment, or for concurrent enrollment activities,” so long as other Title II eligibility and requirements are met.
- **Defines and encourages the use of new models, such as integrated education and training^{xiv} and workforce preparation activities.** IET “provides adult education and literacy activities concurrently and contextually with workforce preparation activities and workforce training for a specific occupation or occupational cluster for the purpose of educational and career advancement.” This model has been shown to help adult learners obtain college credits and achieve basic skill gains more quickly than when they are enrolled in traditional adult education programs.^{xv}
- **Codifies the Integrated English Literacy and Civics Education (EL/Civics) program** and explicitly allows the use of EL/Civics funds for workforce training. Prior to WIOA, the EL/Civics program—one of the only federally funded programs focused on ESL—was only funded through annual appropriations, which put the program at risk.

ENCOURAGES IMPLEMENTATION OF CAREER PATHWAY APPROACHES THAT SUPPORT POSTSECONDARY EDUCATION AND TRAINING FOR YOUTH AND ADULTS

The career pathway approach connects progressive levels of education, training, credentials, and support services for specific occupations in a way that optimizes the progress and success of individuals with varying levels of abilities and needs. This approach helps individuals with different levels of skills and experiences earn marketable credentials, engage in further education and employment, and achieve economic success. Specifically, WIOA:

Defines career pathways broadly to include the organization of rigorous and high-quality education, training, and other services (such as counseling) to align with state or regional needs and help individuals with different needs accelerate their educational and career advancement.

- The career pathway approach is important for underprepared students, because it incorporates and integrates best-practice service models, such as: participant-focused education and training; consistent and non-duplicative assessments of participants’ education, skills, and assets/needs; support services and career navigation assistance; and employment services and work experiences that have been shown to help

- **Includes Registered Apprenticeship programs on the state eligible training provider list.**
- **Allows up to 10 percent of Adult and Dislocated Worker funds to be used for transitional jobs for individuals with barriers to employment.** Transitional jobs are defined as time-limited subsidized work experiences that help individuals who are chronically unemployed and have barriers to employment establish a work history and develop skills to access unsubsidized employment and progress in the workplace. The transitional jobs strategy was not a clearly allowable use of funds under the previous law. The explicit inclusion of transitional jobs in WIOA provides an opportunity for local areas that do not use the model currently to add it to their portfolio of services.
- **Explicitly allows local areas through the One-Stop system to provide work support activities.** Local areas can partner to coordinate services or develop programming to assist low-wage workers in retaining and enhancing employment. This includes making child care available if activities are delivered during non-traditional hours.
- **Maintains support services and need-related payment provisions for workers who need them to participate in workforce investment and training services.** WIOA also allows local areas to provide low-wage workers with work support activities.

Title I – Youth Workforce Investment Activities

- **Requires that at least 20 percent of Youth formula funds be spent on paid and unpaid work experiences that incorporate academic and occupational education for out-of-school and in-school youth.** Such work experiences can include summer and year-round employment opportunities, pre-apprenticeship programs, internships and job shadowing, and on-the-job training opportunities. Previously, these activities were allowed but not required.
- **Expands the required youth program elements.** The youth program elements now include additional activities and services: dropout recovery services and strategies; financial literacy education; entrepreneurial skills training; postsecondary preparation and transition activities; integrated education and training for a specific occupation or cluster; and services that provide labor market information about in-demand industry sectors and occupations.

Title II – Adult Education

- **Encourages states and the federal government to support activities that promote basic skills instruction delivered in the workplace.** This is supported by the introduction of a new allowable program model, "workplace adult education" and allowing states to use state discretionary funding to support adult education in collaboration with employers. Further, the U.S. Department of Education is encouraged to support innovative workplace education models by disseminating best practices.
- **Expands the range of providers to include partnerships with employers.** A new category of eligible providers is included in WIOA, allowing entities or organizations that partner with employers to receive grant funding for adult education and literacy activities.

IV. Aligns planning and accountability policies across core programs to support more unified approaches for serving low-income, low-skilled individuals.

WIOA requires unified planning at the state and local levels and improves accountability across the core programs to increase access to employment, education, training, and support services for individuals, particularly those with barriers to employment. State and local unified planning is important because it can align policies and funding streams to support comprehensive and integrated services that help low-skilled and low-income people—including disconnected youth, welfare recipients, formerly incarcerated individuals, and others with unique barriers to employment—get the education, training, employment services, and support services they need to enter and advance in the workforce. Coordination is essential to providing such services concurrently and over time as people’s needs and situations change. Unified planning is also needed to support career pathway and sector strategies. In addition, to encourage access to services for low-income individuals and those with barriers to employment, WIOA now requires Temporary Assistance for Needy Families (TANF)^{xvi} and programs under the Second Chance Act to be mandatory partners in the One-Stop system.

REQUIRES UNIFIED PLANNING AT THE STATE AND LOCAL LEVELS

- **Requires the development of a four-year unified state plan for the core programs.**
- **Allows a state to develop a combined plan that includes core programs and one or more additional programs.** These programs can include, but are not limited to, Career and Technical Education, TANF, Supplemental Nutrition Assistance Program Employment and Training (SNAP E&T), and programs under the Second Chance Act. Programs included in a combined plan retain the requirements from their authorizing legislation. Unified planning can help states develop and implement innovative two-generation approaches that address the social, educational, and economic needs of both low-income parents and their children.
- **Requires state and local plans to include youth and adults with barriers** in their analysis of the current workforce and their strategic vision and goals for preparing an educated and skilled workforce.
- **Requires local plans to describe how access to services will be expanded, particularly for eligible individuals with barriers, and how the local board will facilitate co-enrollment** of participants across core programs.
- **Requires the local workforce board to review applications for adult education funding through Title II from local providers, and requires adult education providers to coordinate with the local workforce board.**

IMPROVES ACCOUNTABILITY ACROSS THE CORE WIOA PROGRAMS TO INCREASE ACCESS TO EMPLOYMENT, EDUCATION, TRAINING, AND SUPPORT SERVICES FOR INDIVIDUALS, PARTICULARLY THOSE WITH BARRIERS TO EMPLOYMENT AND ECONOMIC SUCCESS

- **Establishes common performance measures for the core programs** (with variation for the Title I youth program) to support greater integration of services. This change signals Congress’ interest in promoting more integrated programming across WIOA-authorized programs at the state and local levels to better serve the needs of employers and participants, especially those with barriers to employment.

The common measures are an important step forward both for accountability and as the basis for engaging state and local partners in shared continuous efforts to improve participant results.

- **Creates a credential attainment measure** that includes recognized postsecondary credentials and secondary school diplomas or their recognized equivalent. Secondary credentials can only be counted for individuals who have obtained or retained employment or who are engaged in education or training leading to a postsecondary credential within one year after program exit. The new credential measure supports the renewed emphasis on education and training and acknowledges the growing importance of postsecondary credentials for accessing good jobs and advancing to better jobs. The U.S. Department of Labor's 2010 guidance on credentials provides a strong starting point for the development of regulations in this area.
- **Creates a new progress ("skill gains") measure** that identifies individuals who are making measurable skill gains while in an education and training program. Including an interim outcome measure is an important step forward in encouraging the workforce system to better serve low-skilled individuals. As stated by the Manager's Report that accompanied the WIOA bill's passage in Congress, the skills gain measure recognizes that for those youth and adults who have low levels of literacy or those who are English language learners, the acquisition of basic English literacy and numeracy skills are critical steps to obtaining employment and success in postsecondary education and training. The law's sponsors stated that this measure "is intended to encourage eligible providers under Title II to serve all undereducated, low-level, and underprepared adults." One important implementation challenge will be to ensure that the regulatory definition of the measure does not discourage services to these populations.
- **Requires state and local performance expectations and levels to be adjusted based on economic conditions and participant characteristics.** WIOA requires that this be done at the front end when negotiating local performance expectations, as well as the back end to take into account actual experience during the program year. The federal agencies must develop and use an objective statistical model to support this process. The U.S. Department of Labor has already developed and implemented such an adjustment model for Title I programs, but additional work will be required to develop an adjustment model for programs authorized under the other titles.
- **Establishes financial sanctions for performance failure at the state level.** As a step toward shared accountability, states are subject to a reduction in Title I discretionary funding (from 15 percent to 10 percent) for failing to meet performance goals in any of the core programs. While states are no longer authorized to receive federal incentive awards, they retain authority under Title I to impose sanctions and provide incentive awards to local areas to promote unified performance planning and shared accountability.