The Workforce Innovation and Opportunity Act and the One-Stop Delivery System

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Summary

The Workforce Innovation and Opportunity Act (WIOA; P.L. 113-128), which succeeded the Workforce Investment Act of 1998 (P.L. 105-220) as the primary federal workforce development legislation, was enacted in July 2014 to bring about increased coordination among federal workforce development and related programs. Most of WIOA’s provisions went into effect July 1, 2015. WIOA authorizes appropriations for each of FY2015 through FY2020 to carry out the programs and activities authorized in the legislation.

Workforce development programs provide a combination of education and training services to prepare individuals for work and to help them improve their prospects in the labor market. They may include activities such as job search assistance, career counseling, occupational skill training, classroom training, or on-the-job training. The federal government provides workforce development activities through WIOA’s programs and other programs designed to increase the employment and earnings of workers.

WIOA includes five titles: Workforce Development Activities (Title I), Adult Education and Literacy (Title II), Amendments to the Wagner-Peyser Act (Title III), Amendments to the Rehabilitation Act of 1973 (Title IV), and General Provisions (Title V). Title I, whose programs are primarily administered through the Employment and Training Administration (ETA) of the U.S. Department of Labor (DOL), includes three state formula grant programs, multiple national programs, and Job Corps. Title II, whose programs are administered by the U.S. Department of Education (ED), includes a state formula grant program and National Leadership activities. Title III amends the Wagner-Peyser Act of 1933, which authorizes the Employment Service (ES). Title IV amends the Rehabilitation Act of 1973, which authorizes vocational rehabilitation services to individuals with disabilities. Title V includes provisions for the administration of WIOA.

The WIOA system provides central points of service via its system of around 3,000 One-Stop centers nationwide, through which state and local WIOA employment and training activities are provided and certain partner programs must be coordinated. This system is supposed to provide employment and training services that are responsive to the demands of local area employers. Administration of the One-Stop system occurs through Workforce Development Boards (WDBs), a majority of whose members must be representatives of business and which are authorized to determine the mix of service provision, eligible providers, and types of training programs, among other decisions. WIOA provides universal access (i.e., an adult age 18 or older does not need to meet any qualifying characteristics) to its career services, including a priority of service for low-income adults. WIOA also requires Unified State Plans (USPs) that outline the workforce strategies for the six core WIOA programs—adult, dislocated worker, and youth programs (Title I of WIOA), the Adult Education and Family Literacy Act (AEFLA; Title II of WIOA), the Employment Service program (amended by Title III of WIOA), and the Vocational Rehabilitation State Grant Program (amended by Title IV of WIOA). Finally, WIOA adopts the same six “primary indicators of performance” across most of the programs authorized in the law.

This report provides details of WIOA Title I state formula program structure, services, allotment formulas, and performance accountability. In addition, it provides a program overview for national grant programs. It also offers a brief overview of the Employment Service (ES), which is authorized by separate legislation but is an integral part of the One-Stop system created by WIOA.
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Introduction

The Workforce Innovation and Opportunity Act (WIOA; P.L. 113-28), which succeeded the Workforce Investment Act of 1998 (P.L. 105-220), is the primary federal legislation that supports workforce development. WIOA was enacted to bring about increased coordination and alignment among federal workforce development and related programs.


WIOA includes five titles:

- Title I—Workforce Development Activities—authorizes job training and related services to unemployed or underemployed individuals and establishes the governance and performance accountability system for WIOA;
- Title II—Adult Education and Literacy—authorizes education services to assist adults in improving their basic skills, completing secondary education, and transitioning to postsecondary education;
- Title III—Amendments to the Wagner-Peyser Act—amends the Wagner-Peyser Act of 1933 to integrate the U.S. Employment Service (ES) into the One-Stop system authorized by WIOA;
- Title IV—Amendments to the Rehabilitation Act of 1973—authorizes employment-related vocational rehabilitation services to individuals with disabilities, to integrate vocational rehabilitation into the One-Stop system; and
- Title V—General Provisions—specifies transition provisions from WIA to WIOA.

Workforce development programs provide a combination of education and training services to prepare individuals for work and to help them improve their prospects in the labor market. In the broadest sense, workforce development efforts include secondary and postsecondary education, on-the-job and employer-provided training, and the publicly funded system of job training and employment services.1 This report focuses on the workforce development activities that the federal government supports through WIOA, which are designed to increase the employment and

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1 It is possible to include numerous programs under the general label of “workforce development” or “job training.” For example, a recent GAO study reported that there are “47 employment and training programs administered across nine agencies” with a combined appropriation of $33.8 billion, of which $12.2 billion was spent on employment and training activities (in FY2010). See U.S. Government Accountability Office, Multiple Employment and Training Programs: Providing Information on Colocating Services and Consolidating Administrative Structures Could Promote Efficiencies, GAO-11-92, January 2011, p. 5, http://www.gao.gov/new.items/d1192.pdf. For many of the programs in the GAO study (e.g., Temporary Assistance for Needy Families, Food Stamps), however, the primary focus and the vast majority of funding are dedicated to activities other than training and employment. Likewise, Workforce Alliance identified 16 programs in six federal agencies as “key workforce development programs.” See Gwen Rubinstein and Andrea Mayo, Training Policy In Brief: An Overview of Federal Workforce Development Policies, The Workforce Alliance, 2nd Edition, Washington, DC, 2007. Although The Workforce Alliance (now known as the National Skills Coalition) report identified fewer workforce development programs than the GAO study, it also includes several programs (e.g., Pell Grants) that are primarily part of the education system, as opposed to the workforce development system.
earnings of workers. This includes activities such as job search assistance, career counseling, occupational skills training, classroom training, or on-the-job training.

The primary focus of this report is on Title I of WIOA, which authorizes programs to provide job search, education, and training activities for individuals seeking to gain or improve their employment prospects, and which establishes the One-Stop delivery system. In addition, Title I of WIOA establishes the governing structure and the performance accountability for all programs authorized under WIOA. The programs and services authorized under Title I are covered in detail in this report, while the programs and services authorized under Titles II and IV are not discussed in this report. Title III, which amends the Wagner-Peyser Act of 1933, is discussed briefly in this report because of the integral role that the Employment Service (ES) plays in the One-Stop system.

Title II of WIOA is the Adult Education and Family Literacy Act (AEFLA). AEFLA supports educational services, primarily through grants to states, to help adults become literate in English and develop other basic skills necessary for employment and postsecondary education, and to become full partners in the education of their children.2

Title III amends the Wagner-Peyser Act of 1933, which authorizes the Employment Service (ES), to make the ES an integral part of the One-Stop system amended by WIOA. Because the ES is a critical part of the One-Stop system, it is discussed briefly in this report even though it is authorized by separate legislation.

Title IV of WIOA amends the Rehabilitation Act of 1973 and authorizes funding for vocational rehabilitation services for individuals with disabilities. Most programs under the Rehabilitation Act are related to the employment and independent living of individuals with disabilities.3

Following a brief history of federal workforce development programs, this report provides a discussion of the provisions and characteristics of WIOA Title I programs and services. Next, there is a description of the One-Stop delivery system and Workforce Development Boards (WDBs), previously called Workforce Investment Boards (WIBs). This section includes an overview of the Employment Service. Following that, the report covers the services provided by the state formula grant programs and the national programs authorized under Title I of WIOA. The section on Title I concludes with a discussion of funding and performance accountability. Appendix A provides a glossary of selected key terms in WIOA. The tables in Appendix B provide future authorization levels for programs authorized under Titles I, II, III, and IV of WIOA.

**Brief History of Federal Workforce Development Programs**

The first substantial federal training programs in the postwar period were enacted in the Manpower Development Training Act (MDTA; P.L. 87-415) in 1962, although federal “employment policy,” broadly defined, had its origin in New Deal era programs such as Unemployment Insurance (UI) and public works employment. Starting with MDTA, there have been four main federal workforce development programs.4

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3 For more detailed information on programs and activities authorized under Title IV, see CRS Report R43855, *Rehabilitation Act: Vocational Rehabilitation State Grants*, by Benjamin Collins.

4 Except as noted, the material in this section draws on Christopher J. O'Leary, Robert A. Straits, and Stephen A. Wandner, “U.S. Job Training: Types, Participants, and History,” in *Job Training Policy in the United States* (continued...)

The MDTA provided federal funding to retrain workers displaced because of technological change. Later in MDTA's existence, the majority of funding went to classroom and on-the-job training (OJT) that was targeted to low-income individuals and welfare recipients. Funding from the MDTA was allocated by formula to local communities based on factors of population and poverty. Grants under MDTA were administered through regional DOL offices and went directly to local service providers.5

The Comprehensive Employment and Training Act (CETA; P.L. 93-203), enacted in 1973, made substantial changes to federal workforce development programs. CETA transferred more decision-making authority from the federal government to local governments. Specifically, CETA provided funding to about 470 “prime sponsors” (sub-state political entities such as city or county governments, consortia of governments, etc.) to administer and monitor job training activities. Services under CETA—which included on-the-job training, classroom training, and public service employment (PSE)—were targeted to low-income populations, welfare recipients, and disadvantaged youth. At its peak in 1978, the PSE component of CETA supported about 755,000 jobs and accounted for nearly 60% of the CETA budget.6 CETA was amended in 1978 in part to create private industry councils (PIC) to expand the role of the private sector in developing, implementing, and evaluating CETA programs. The composition of PICs included representatives of business, labor, education, and other groups.

In 1982, changes to federal workforce development policy were made by enactment of the Job Training Partnership Act (JTPA, P.L. 97-300). Major changes implemented under JTPA, which provided classroom and on-the-job training to low-income and dislocated workers, included service delivery at the level of 640 “service delivery areas,” federal funding allocation first to state governors and then to PICs in each of the service delivery areas (unlike CETA, which provided allocations directly to prime sponsors), prohibition of the public service employment component, and a new emphasis on targeted job training and reemployment. With a new emphasis on training (rather than public employment), JTPA required that at least 70% of funding for service delivery areas be used for training. Although this percentage was dropped to 50% in the 1992 amendments to JTPA, the emphasis on training remained.

The Workforce Investment Act of 1998 (WIA; P.L. 105-220) replaced JTPA and continued the trend toward service coordination by establishing the One-Stop system through which state and local WIA training and employment activities were provided and in which certain partner programs were required to be colocated. WIA replaced PICs with Workforce Investment Boards (WIBs), which were responsible for the design of services for WIA participants. In addition to these changes, WIA enacted changes that included universal access to services (i.e., available to any individual regardless of age or employment status), a demand driven workforce system responsive to the demands of local area employers (e.g., the requirement that a majority of WIB members must be representatives of business), a work-first approach to workforce development

(...continued)

(Kalamazoo, MI: W.E. Upjohn Institute for Employment Research, 2004).

5 Although not considered one of the four main job training programs, Job Corps was established during this period. Created by the Economic Opportunity Act of 1964, the Job Corps program is a largely residential educational and job training program for disadvantaged youth.

6 The growth in employment supported by PSE reflects changes in eligibility criteria that expanded the eligible population, as amendments were made to CETA to make PSE more of a countercyclical program. Robert F. Cook, Charles F. Adams, Jr., and V. Lane Rawlins, “The Public Service Employment Program,” in Public Service Employment: The Experience of a Decade (Kalamazoo, MI: W.E. Upjohn Institute for Employment Research, 1985), p. 12; and Gordon Lafer, The Job Training Charade (Ithaca, NY: Cornell University Press, 2002), p. 163.
The Workforce Innovation and Opportunity Act and the One-Stop Delivery System

(i.e., placement in employment was the first goal of the services provided under Title I of WIA as embodied in the “sequence of services” provisions), and the establishment of consumer choice for participants who were provided with Individual Training Accounts (ITAs) to choose a type of training and the particular provider from which to receive training.

Title I—Workforce Development Activities

Title I of WIOA authorizes programs and activities that support job training and related services to unemployed and underemployed individuals. Title I programs are administered by the U.S. Department of Labor (DOL), primarily through its Employment and Training Administration (ETA). WIOA authorizes appropriations for WIOA programs from FY2015 through FY2020.

In FY2015, programs and activities authorized under Title I of WIOA were funded at $4.8 billion, comprising 53% of all WIOA appropriations. Title I funding includes

- $2.6 billion for state formula grants for youth, adult, and dislocated worker training and employment activities;
- $1.7 billion for the Job Corps program; and
- $500 million for national programs.

Characteristics of WIOA Title I Programs

Title I of WIOA authorizes several state and national programs to provide employment and training services and continues the One-Stop system as a means of delivering and coordinating workforce development activities. This section of the report provides details of the WIOA Title I state formula grant program’s structure, services supported, allotment formulas, and performance accountability provisions. In addition, it provides a program overview for national grant programs. At the outset it is worth highlighting elements of WIOA that collectively are intended to comprise a “workforce development system.”

- WIOA is designed to be a demand driven workforce development system. This system is supposed to provide employment and training services that are responsive to the demands of local area employers. The demand driven nature of WIOA is manifested in elements such as Workforce Development Boards (WDBs), a majority of whose members must be representatives of business, and in the requirement for local plans to identify existing and emerging in-demand industry sectors and occupations.
- WIOA emphasizes coordination and alignment of workforce development services, through provisions such as a required Unified State Plan for core programs and a common set of performance indicators across most programs authorized by WIOA. In addition, WIOA requires regional planning across local areas.
- WIOA provides local control to officials administering programs under it. Under the state formula grant portion of WIOA, which accounts for nearly 60% of total WIOA Title I funding, the majority of funds are allocated to local WDBs (after initial allotment from ETA to the states) that are authorized to determine the mix
of service provision, eligible providers, and types of training programs, among other decisions.\(^7\)

- The WIOA system provides central points of service through its system of One-Stop centers. The concept of a One-Stop center is to provide a single location for individuals seeking employment and training services, thus making the process of locating and accessing employment services more efficient and seamless. WIOA requires certain programs to be “partners” in the One-Stop center, either by physical colocation or other accessible arrangements. Notably, WIOA requires the colocation of Employment Service offices with One-Stop centers.

- WIOA provides universal access to its career services to any individual regardless of age or employment status, but it also provides priority of service for career and training services to low-income and skills-deficient individuals.

- WIOA emphasizes sector partnerships and career pathways workforce development strategies by requiring local WDBs to lead efforts to develop career pathways strategies and to implement industry/sector partnerships with employers.

- WIOA provides consumer choice to participants. As explained later in this report, participants determined to be eligible for training services are provided with Individual Training Accounts (ITAs), with which they may choose a type of training and the particular provider from which to receive training.

- WIOA implements a performance accountability system based on primary indicators with state-adjusted levels of performance resulting from negotiations between each state and the Secretary of Labor and revised based on a statistical adjustment model. The performance accountability system applies across all titles of WIOA.

The One-Stop Delivery System: Structure and Governance

One-Stop Delivery System Structure

Because the initial point of contact for WIOA participants is frequently at a One-Stop center, it is worthwhile to explain the “One-Stop delivery system” established by WIOA before describing the services available at and accessible through the One-Stop centers.\(^8\)

WIOA continues the central role of One-Stop centers that was established in WIA of 1998 to provide access to employment and training services. WIOA continues the requirements of WIA for each state to establish a One-Stop delivery system to

- provide “career services” and access to “training” services (see “Local Activities” in the next section for a description of these services provided for in Title I);

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\(^7\) The governor of each state determines the list of eligible providers; however, these decisions are supposed to be made with the input of local officials.

\(^8\) The One-Stop delivery system is established by Section 121(e) of WIOA.
• provide access to programs and activities carried out by One-Stop partners (see below); and
• provide access to all workforce and labor market information, job search, placement, recruitment, and labor exchange services authorized under the Wagner-Peyser Act.\(^9\) WIOA requires the colocation of the Employment Service with One-Stop centers (colocation was optional under WIA).

Each local workforce investment area in a state is required to have at least one physical comprehensive One-Stop center in which the aforementioned programs and services are accessible.\(^10\) Services may be collocated or available through a network of affiliated sites or One-Stop partners linked electronically.

**One-Stop Partner Programs**

As noted, one of the characteristics of the WIOA One-Stop system is the establishment of a central point of service for those seeking employment, training, and related services. To this end, WIOA requires that certain partner programs provide access to career services in the One-Stop system and allows additional programs to operate in it. The required partner programs are listed in Table 1.

**Table 1. Required Partners in One-Stop Centers under WIOA**

<table>
<thead>
<tr>
<th>Program</th>
<th>Program Authorization</th>
<th>Federal Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Youth Workforce Investment Activities</td>
<td>WIOA—Title I, Section 126</td>
<td>Department of Labor</td>
</tr>
<tr>
<td>Adult Employment and Training Activities</td>
<td>WIOA—Title I, Section 131</td>
<td>Department of Labor</td>
</tr>
<tr>
<td>Dislocated Worker Employment and Training Activities</td>
<td>WIOA—Title I, Section 131</td>
<td>Department of Labor</td>
</tr>
<tr>
<td>Job Corps</td>
<td>WIOA—Title I, Subtitle C</td>
<td>Department of Labor</td>
</tr>
<tr>
<td>Native American Programs</td>
<td>WIOA—Title I, Section 166</td>
<td>Department of Labor</td>
</tr>
<tr>
<td>Migrant and Seasonal Farmworker Programs</td>
<td>WIOA—Title I, Section 167</td>
<td>Department of Labor</td>
</tr>
<tr>
<td>YouthBuild Program</td>
<td>WIOA—Title I, Section 171</td>
<td>Department of Labor</td>
</tr>
<tr>
<td>Employment Service</td>
<td>Wagner-Peyser Act of 1933</td>
<td>Department of Labor</td>
</tr>
<tr>
<td>Adult Education and Literacy Activities</td>
<td>WIOA—Title II</td>
<td>Department of Education</td>
</tr>
<tr>
<td>Vocational Rehabilitation State Grant Programs</td>
<td>Title I of the Rehabilitation Act of 1973, as amended (WIOA Title IV)</td>
<td>Department of Education</td>
</tr>
<tr>
<td>Senior Community Service Employment Program</td>
<td>Title V of the Older Americans Act of 1965</td>
<td>Department of Labor</td>
</tr>
</tbody>
</table>

\(^9\) Enacted in 1933, the Wagner-Peyser Act funded the transformation of state and local employment service offices into a unified national public labor exchange.

\(^10\) A “local workforce investment area” is defined in Section 106 of WIOA. These areas are designated by governors and are based on factors such as consistency with labor market areas and availability of educational institutions. See Appendix A for a full definition.
<table>
<thead>
<tr>
<th>Program</th>
<th>Program Authorization</th>
<th>Federal Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Postsecondary Career and Technical Education</td>
<td>Carl D. Perkins Vocational and Applied Technology Education Act of 2006</td>
<td>Department of Education</td>
</tr>
<tr>
<td>Trade Adjustment Assistance</td>
<td>Title II of the Trade Act of 1974, as amended</td>
<td>Department of Labor</td>
</tr>
<tr>
<td>Jobs for Veterans State Grant programs</td>
<td>38 U.S.C. Chapter 41</td>
<td>Department of Labor</td>
</tr>
<tr>
<td>Employment and Training Activities carried out under the</td>
<td>Community Services Block Grant Act (42 U.S.C. 9901)</td>
<td>Department of Health &amp; Human Services</td>
</tr>
<tr>
<td>Community Services Block Grant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employment and Training Activities carried out by the</td>
<td></td>
<td>Department of Housing and Urban Development</td>
</tr>
<tr>
<td>Department of Housing and Urban Development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Unemployment Compensation programs</td>
<td>Social Security Act of 1935 (Titles III, IX, and XII) and Federal Unemployment Tax Act 1939</td>
<td>Department of Labor</td>
</tr>
<tr>
<td>Reintegration of Offenders Programs</td>
<td>Second Chance Act of 2007, Section 212</td>
<td>Department of Justice</td>
</tr>
<tr>
<td>Temporary Assistance for Needy Families (TANF)</td>
<td>Social Security Act, Part A of Title IV</td>
<td>Department of Health &amp; Human Services</td>
</tr>
</tbody>
</table>

**Source:** CRS analysis of P.L. 113-128

**Notes:** The list of required partners, including references to the authorizing statutes for each program, is in Section 121(b)(1)(B) of WIOA. When WIA was first authorized, HUD was responsible for the administration of the YouthBuild employment and training program. In 2006, YouthBuild was transferred to the Department of Labor. Today, HUD does not administer any direct employment and training programs. However, some HUD programs allow funds to be used for employment and training activities, among other uses. Further, some HUD programs and activities are subject to employment and training related requirements, particularly the Section 3 Economic Opportunities requirement (12 U.S.C. 1701u; 24 C.F.R. 135). Under the Section 3 requirement, certain recipients of HUD funding are required to provide employment and training opportunities to residents of HUD-assisted housing and other low-income members of the surrounding community. For more information about Section 3, see http://www.hud.gov/offices/fheo/section3/section3.cfm.

In addition to the required partner programs listed in Table 1, WIOA specifies that One-Stop centers may incorporate other partner programs, including:

- employment and training programs administered by the Social Security Administration (e.g., Ticket to Work);
- employment and training programs carried out by the Small Business Administration;
- any employment and training activities required of recipients under the Supplemental Nutrition Assistance Program (SNAP, formerly known as the Food Stamp program) and work programs for those recipients who are able-bodied adults without dependents;
- the Client Assistance Program authorized under section 112 of the Rehabilitation Act of 1973;
- programs authorized under the National and Community Service Act of 1990 (e.g., AmeriCorps); and
- other appropriate government or private-sector programs.
The Employment Service

Because the Employment Service (ES), which is authorized by the Wagner-Peyser Act of 1933 (29 U.S.C. 49 et seq.), is the central component of most states’ One-Stop delivery systems, it is discussed briefly here, as ES services are universally accessible to job seekers and employers. Reflecting this central role, WIOA requires ES offices to be colocated with One-Stop centers and prohibits standalone ES offices. Although the ES is one of 19 required partners in the One-Stop delivery system, its central mission—to facilitate the match between individuals seeking work and employers seeking workers—makes it critical to the functioning of the workforce development system under WIOA.

The two major categories of activities performed by the ES are the administration of State Grants and National Activities. Services provided by the ES State Grants include

- labor exchange services (e.g., counseling, job search and placement assistance, labor market information);
- program evaluation;
- recruitment and technical services for employers;
- work tests for the state unemployment compensation system; and
- referral of unemployment insurance claimants to other federal workforce development resources.

As noted, WIOA amends the Wagner-Peyser Act to make the ES a central part of the workforce development system under the One-Stop system by requiring colocation of services. To this end, one of the key functions played by the ES is to deliver many of the “career services” established by WIOA, since Wagner-Peyser Act-funded ES services are available at all comprehensive One-Stop centers and many affiliated sites. ES staff often are the first to assist individuals seeking employment assistance and refer individuals to other programs in the One-Stop system of partners. States provide labor exchange services through three tiers of service delivery:

11 An ES office may operate as an affiliated One-Stop site but only if another partner program’s staff is physically present at least 50% of the time that the One-Stop center is open.
13 ES National Activities include the Work Opportunities Tax Credit (WOTC), Technical Assistance and Training, and State Workforce Agencies Retirement System payments. These programs are not discussed in this report because it is the ES State Grants that provide the majority of funding and the types of services most relevant to the workforce development system.
14 State merit-staff employees (i.e., state civil service employees) typically deliver ES services in a One-Stop center. Staff providing other services at One-Stop centers are not required to be public sector employees. In the late 1990s, DOL granted authority to Colorado, Massachusetts, and Michigan to run demonstration projects with alternative service delivery. Although there has been disagreement over whether the Wagner-Peyser Act requires state merit staffing to provide ES services, a U.S. District Court decision in 1998 (State of Michigan v. Alexis M. Herman, 5:98-CV-16 U.S. District Court (W.D. Mich 1998)) held that it was a permissible interpretation by DOL to require such service delivery.
15 Career services defined in WIOA Section 134(c)(2) can be delivered through any of the three methods described here. The delivery of labor exchange services is described in Department of Labor, “Workforce Innovation and (continued...)
- **Self-Service.** These services, which are typically electronic databases of job openings, are accessed without staff assistance. Not only are these services available to job seekers and employers without ES staff assistance, but typically customers can access these electronic resources away from the local One-Stop center and outside normal business hours (e.g., via the Internet);

- **Facilitated Self-Help.** Resources of this type are typically available in local One-Stop offices and include access to self-service tools (e.g., computers, resume-writing software, fax machines, photocopiers, and Internet-based tools). The resource-room staff interacts with the customers to facilitate usage of the resources.

- **Staff-Assisted Service.** These services are provided to customers both one-on-one and in groups. One-on-one services for job seekers often include assessment, career counseling, development of an individual service plan, and intensive job search assistance. One-on-one services for employers may include taking a job order or offering advice on how to increase job seeker interest in a job opening. Group services for job seekers include orientation, job clubs, and workshops on such topics as resume preparation, job search strategies, and interviewing. Group services for employers may include workshops on such topics as state UI laws or use of labor market information. Other staff-assisted services that benefit both job seekers and employers include screening and referring job seekers to job openings. Staff-assisted services must be provided in at least one physical location in each workforce investment area.

The vast majority of funds (97%) for Employment Service activities are allotted to states on the basis of each state’s relative share of the following two factors: civilian labor force (CLF) and total unemployment. Specifically, two-thirds of the ES state funding is allotted on the basis of the relative share of CLF and one-third on the basis of the relative share of total unemployment. The remaining 3% of total funding is distributed to states with civilian labor forces below 1 million and to states that need additional resources to carry out ES activities.

Of the total allotment to states, 90% may be used for labor exchange services such as job search and placement assistance, labor market information, and referral to employers. The remaining 10% (Governor’s Reserve) of the state allotment may be used for activities such as performance incentives and services for groups with special needs.

(...continued)


16 ES appropriations fund state allotments (discussed above) and National Activities. Because the focus of this report is on workforce development and the One-Stop system, only the state allotment formula funding is covered in this section.

17 The 3% allotment provides funding for this subset of small states to result in an allotment equal to at least 100% of the state’s relative share of prior-year funding. For ES allotment formula details, see http://www.doleta.gov/budget/docs/FormDesc15.pdf.

18 For a detailed list of activities, see Sections 7(a) and 7(b) of the Wagner-Peyser Act.
One-Stop Operators

As the local administrative agent of WIOA programs and activities, local WDBs are authorized to designate or certify, as well as terminate, One-Stop operators. To be eligible to serve as a One-Stop operator, an entity must be designated or certified through a competitive process and must be one of the following (or consortia of these):\(^{19}\)

- an institute of higher education;
- an Employment Service state agency;
- a nonprofit organization;
- a for-profit entity;
- a government agency; and/or
- other interested entities.

WIOA precludes elementary or secondary schools from eligibility to serve as One-Stop operators, but allows nontraditional public secondary schools and area career and technical education schools to compete for certification.

Memorandum of Understanding and Infrastructure Funding

The local WDB is required to enter into a memorandum of understanding (MOU) with all One-Stop partners that describes the operation of the One-Stop delivery system in the local area. Specifically, the MOU must enumerate the services to be provided, specify the division of operating costs among partners, describe methods of referral of individuals to partner programs, describe the methods to ensure accessibility to services, and indicate the duration of the memorandum and the procedures to amend the memorandum.

A key component of the MOU is the system for funding infrastructure costs of One-Stop centers. Unlike its predecessor, WIA, WIOA provides greater detail on funding One-Stop infrastructure costs, which include nonpersonnel costs such as rent and utilities.\(^{20}\) Specifically, WIOA provides for a “local” method and a “state” method.

- The local method of infrastructure funding occurs through the inclusion of an agreement in the MOU between the chief elected local officials, the local WDB, and the One-Stop partners on the relative share of infrastructure cost coverage by each party.
- In the absence of consensus on a local method of funding, the state method is used for each program year in which a local agreement does not exist. The state method directs each required One-Stop partner program to contribute a portion of its administrative funds, up to a statutory cap set in WIOA, to the governor. The

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\(^{19}\) The competitive process requirement was optional under WIA as part of the One-Stop certification.

state WDB then develops an allocation formula that the governor uses to disburse infrastructure funding to local areas.\(^{21}\)

**Workforce Development Boards**

WIOA amends the state and local governance structure for programs that form the workforce development system under WIOA in part through changes to the state and local Workforce Development Boards (previously Workforce Investment Boards under WIA).

This section provides information on state and local WDB membership requirements and functions. For both the state and local WDBs, WIOA specifies the composition, but does not specify the number, of board members.\(^{22}\) In addition, WIOA maintains the WIA-established requirement that the majority of board members, as well as the board chairs, be representatives of private business.

**State and Local WDB Composition**

State WDBs, appointed by the governor of each state, and local WDBs, appointed by the chief local elected official(s) in local workforce development areas, consist of representatives from the required categories in [Table 2]:

<table>
<thead>
<tr>
<th>Table 2. Workforce Development Board Composition under WIOA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum Number of Required Members by Category of Representation</td>
</tr>
<tr>
<td><strong>State WDB Membership under WIOA</strong></td>
</tr>
<tr>
<td>Minimum Size = 33 Members</td>
</tr>
<tr>
<td>Business = 17</td>
</tr>
<tr>
<td>Governor = 1</td>
</tr>
<tr>
<td>Members of State Legislature = 2</td>
</tr>
<tr>
<td>Chief Elected Local Official = 2</td>
</tr>
<tr>
<td>Workforce = 7, including</td>
</tr>
<tr>
<td>• 2 labor representatives</td>
</tr>
<tr>
<td>• 1 apprenticeship program representative</td>
</tr>
<tr>
<td>Core Programs (staff representing these) = 4</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

**Source:** CRS analysis of P.L. 113-128, Section 101(b)(1) and Section 107(b)(2).

**Notes:** Core programs in WIOA consist of Youth Workforce Investment Activities, Adult and Dislocated Worker Employment and Training Activities, Adult Education and Literacy activities (Title II), Employment Service activities, and Vocational Rehabilitation State Grant Program activities (Title IV).

This list of members is the minimum required under Section 101(b)(1) for state WDBs and Section 107(b)(2) for local WDBs. In each category of required membership (e.g., the workforce), WIOA allows additional members to be appointed.

\(^{21}\) Section 121(h) of WIOA specifies the details of the infrastructure funding mechanisms.

\(^{22}\) More specifically, WIOA does not specify a number but it contains a series of “shall” and “may” clauses that can be used to derive a minimum number of members. See Section 101(b)(1) and Section 107(b)(2) of WIOA.
WIOA changed the State WDB membership requirements from a minimum of 61 under WIA to 33 under WIOA and changed the local WDB membership requirements from a minimum of 51 under WIA to 19 under WIOA. These shifts are primarily due to reducing the required representatives from One-Stop partner programs. The minimum number of WDB representatives is not specified in WIOA; rather, the minimum number is derived by the combination of requirements for a business majority, a workforce representation of at least 20%, and a number of other required members.

The chief elected local official for each local workforce development area appoints local WDB members in accordance with criteria established by the governor and state WDB. In areas with multiple units of local government, the relevant chief officials may establish an agreement for appointing WDB members and carrying out WIOA responsibilities. In the absence of such a voluntary agreement, the governor may appoint members to a local WDB. Finally, while the local elected official appoints members to a local WDB, the governor must certify one local WDB once every two years. In addition, the governor is authorized to decertify local WDBs for fraud, failure to function, or nonperformance.

**State WDB Functions**

The state WDB is responsible for assisting the governor in the following activities:23

- development and implementation of a Unified State Plan;
- review of statewide policies, programs, and recommendations that would align workforce programs to support a streamlined workforce development system;
- development and continuous improvement of statewide workforce activities, including coordination and nonduplication of One-Stop partner programs and strategies to support career pathways;
- designation of local workforce investment areas and identification of regions;
- development of formulas for within-state distribution of adult and youth funds;
- development and updating of state performance accountability measures;
- identification and dissemination of best practices of workforce development policy;
- development of strategies to improve technology in facilitating access to and delivery of One-Stop services;
- preparation of annual reports to DOL on performance measures; and
- development of the statewide workforce and labor market information system.

**Local WDB Functions**

The local WDB performs multiple functions in carrying out the programs and services authorized under WIOA, including the following:24

- development of a local plan for workforce investment activities;
- analysis of regional labor market conditions, including needed knowledge and skills for the regional economy;

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23 State WDB functions are authorized in WIOA Section 101(d).
24 Local WDB functions are authorized in WIOA Section 107(d).
• engagement of regional employers to promote business participation on the WDB and to coordinate workforce activities with needs of employers;
• development and implementation of career pathways;
• identification and promotion of proven and promising workforce development strategies;
• development of strategies to use technology to increase accessibility and effectiveness of the local workforce system;
• oversight of all programs for youth, adult, and dislocated workers;
• negotiation of local performance measures with the governor;
• selection of One-Stop operators and eligible providers of training;
• coordination of WIOA workforce development activities with local education providers;
• development of a budget and administration of funding to service providers;
• assistance in development of a statewide employment statistics system; and
• assessment of accessibility for disabled individuals at all local One-Stop centers.

State and Local Plans

A major, if not the major, responsibility of state and local WDBs is the development of plans. Plans describe multi-year approaches that communicate to DOL the state and local WDB workforce development goals and strategies to achieve those goals.

Unified State Plan

WIOA requires that states submit a unified state plan (USP) to the Secretary of Labor every four years, no later than 120 days before the end of the four-year period covered by the prior USP. The initial USP for WIOA is required to be submitted by states 120 days prior to the start of the second full program year after WIOA's enactment. States must submit USP modifications at the end of the first two years of the four-year USP period but may also submit modifications at any other time.

Unified State Plans, which were optional under WIA, must outline the workforce strategies for the six core WIOA programs—adult, dislocated worker, and youth programs (Title I of WIOA), the Adult Education and Family Literacy Act (AEFLA; Title II of WIOA), the Employment Service program (amended by Title III of WIOA), and the Vocational Rehabilitation State Grant Program (amended by Title IV of WIOA). The contents of USPs are organized around “strategic planning elements” and “operational planning elements.”

Strategic planning elements consist of an overall vision and goals for preparing a skilled workforce, including

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25 WIOA (P.L. 113-128) was enacted July 22, 2014, which was just after the start of Program Year (PY) 2014. This means that PY 2015 (July 1, 2015 – June 30, 2016) is the first full year after WIOA’s enactment. Thus, the initial USPs are due to the Secretary of Labor 120 days prior to July 1, 2016, which is the start of PY 2016 and the second full program year after enactment.

26 The full list of required USP contents is in WIOA Section 102(b).
• analysis of existing and emerging industries and occupations and the human capital required in those industries and occupations;
• analysis of the current labor market and workforce;
• analysis of the capacity of the state to meet skills needs of the workforce and employment needs of employers;
• a description of the goals for indicators of performance and a plan for assessing system effectiveness; and
• a strategy for aligning core programs to achieve the strategic plan.

Operational planning elements consist of activities to implement the strategic plan and the functions of the state WDB. These elements include

• a description of how the entities carrying out the core programs will align and coordinate with other parts of the workforce and economic development systems;
• a description of the state operating systems, such as assessment procedures and priority of service provisions;
• a description of how activities are carried out for specifically authorized programs in WIOA; and
• assurances that the state has policies and procedures to comply with the requirements of WIOA.

Under WIOA, states also have the option of submitting a Combined State Plan (CSP). A CSP is a combination of a USP, which covers the core programs, and one or more of the One-Stop partner programs (see Table 1).

Local Plan

WIOA requires that local WDBs submit a comprehensive four-year plan to the governor. Local WDBs must submit local plan modifications at the end of the first two years of the four-year planning period. In general, a local plan documents how a local WDB will support the state strategy specified in the USP. Highlights of the contents of a local plan include descriptions of how local WDBs will

• develop strategic planning elements (see elements in “Unified State Plan” section above);
• align workforce development programs;
• expand access to career pathways and recognized postsecondary credentials;
• develop and implement a service mix that will best meet the workforce needs of local employers;
• coordinate workforce development activities with economic development activities;
• design and implement the One-Stop system in the local area;
• provide workforce activities authorized under Title I and coordinate these activities with other programs authorized by WIOA;
• negotiate local levels of performance; and
• provide training services in the local area.
State Formula Grant Programs

Title I of WIOA—Workforce Development Activities—authorizes job training and related employment services to unemployed or underemployed individuals and provides the governing structure for all titles of WIOA.

Overview and Purpose

Funds authorized under Subtitle B of WIOA (“Workforce Investment Activities and Providers”) are allotted by formula and are used for workforce development activities. As stated in WIOA, the purpose of workforce systems is to “increase the employment, retention, and earnings of participants, and increase attainment of recognized postsecondary credentials by participants, and as a result, improve the quality of the workforce, reduce welfare dependency, increase economic self-sufficiency, meet the skill requirements of employers, and enhance the productivity and competitiveness of the Nation.”

The three state formula grant programs in Title I—youth, adults, and dislocated workers—authorize funding for employment and training activities available through the national system of One-Stop centers and provided by service providers in local communities. The majority of funding for WIOA Title I programs is provided through state formula grants.

Adult and Dislocated Worker Employment and Training Activities

Overview and Purpose

The adult and dislocated worker programs both provide employment and training services to individuals ages 18 and older. The programs are funded through formula grants allotted to states, which in turn allocate the majority of those funds to local entities. These two programs are discussed together because the services provided are the same. However, the two programs have different eligibility criteria and different allotment formulas (see “Allotment of Funds for Title I State Formula Grant Programs and Activities,” below, for the differences in allotment formulas). Any individual age 18 or older is eligible for services funded by the Adult Activities program. An individual is generally eligible for services under the provisions for dislocated workers in WIOA if the person:

- has been terminated or laid off, or has been notified of a termination or layoff;
- is sufficiently attached to the workforce, demonstrated either through eligibility for/exhaustion of unemployment compensation or through other means; and
- is unlikely to return to the previous industry or occupation.

There is some breadth in the definition of a “dislocated worker” under WIOA. For instance, eligibility is afforded in cases of anticipated facility closings and for self-employed workers. However, the core eligibility requirement is displacement due to termination or facility closing. There is no eligibility requirement under WIOA related to the cause of the dislocation. From the

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27 WIOA Section 2(6) states the purpose of all statewide and local workforce development systems, so this applies to the youth, adult, and dislocated worker programs.

28 The definition of a “dislocated worker” is in WIOA Section 3(15).
perspective of the individual, however, the classification of “adult” or “dislocated” will not make a difference in the services received under WIOA.

**Structure—Statewide Activities**

After funds are allotted from ETA to individual states by formula, the governor of each state may reserve not more than 15% of the Adult Activities state allotment, not more than 15% of the Dislocated Worker Activities state allotment, and not more than 15% of the Youth Activities allotment for “statewide workforce investment activities.” This allowable 15% set-aside is often referred to as the “Governor’s Reserve.” Specifically, funds in the 15% reserve must be used for “required” activities and may be used for “allowable” activities. In addition, of the state allotment for dislocated worker activities, the governor of each state must also reserve not more than 25% for dislocated worker rapid response activities. In sum, not more than 15% of Adult Activities state allotments, not more than 15% of Youth Activities state allotments, and not more than 40% of Dislocated Worker Activities state allotments are reserved at the state level for statewide activities; the remainder of these three funding streams are allocated to local areas within each state.

Required statewide employment and training activities, which are funded by the 15% reserve funds from each of the youth, adult, and dislocated worker state allotments, include:

- dissemination of the state list of eligible providers of training services (including performance and program cost information for these providers) and eligible providers of youth activities;
- evaluations of state workforce investment programs for the purpose of “continuously improving” state activities to “achieve high-level performance” within the workforce development system and “high-level outcomes” from the workforce development system;
- assistance to local areas for regional planning, local coordination of activities, and development of exemplary program activities;
- technical assistance to local areas not meeting required performance accountability measures;
- assistance to local areas in establishing One-Stop delivery systems;
- assistance to local areas with high concentrations of eligible youth; and
- operation of a fiscal and management accountability system in order to report on and monitor the use of WIOA funds.

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29 Youth Activities are included in this section because governors may expend the three 15% funds on statewide activities for youth, adults, and dislocated workers regardless of the source of the funds. Specifically, WIOA Sections 128(a)(1) and 133(a)(1) require the governor of each state to reserve not more than 15% of the total state allotment for each of the three formula grants—Youth, Adult, and Dislocated Workers—to fund “statewide workforce investment activities.” Governors have the discretion to pool the three 15% funds and expend the funds on any statewide workforce investment activities regardless of the source of the funding. For example, funds from the Adult formula grant may be spent on statewide activities for youth and vice versa.

30 While the 15% reserve level is statutorily established in WIOA, the FY2015 appropriations law (P.L. 113-235) set the Governor’s Reserve maximum at 10% of the state formula allotments.

31 Required statewide activities are described in Sections 129(b)(1) and 134(a)(2)(B) of WIOA.
Allowable statewide employment and training activities include\textsuperscript{32}

- administration of state activities;\textsuperscript{33}
- provision of incentive grants to local areas for performance;
- research and demonstration projects;
- supporting financial literacy;
- implementation of innovative training programs, such as layoff aversion strategies and sector and industry partnerships; and
- technical assistance to local areas implementing pay-for-performance strategies.

\textbf{Rapid Response Activities}

From the 25% reserve from the dislocated worker state allotment, states are required to carry out rapid response activities to assist workers who have been dislocated in obtaining reemployment as quickly as possible. A dislocation event is typically defined as a permanent closure or mass layoffs at a facility or a disaster (natural or otherwise) resulting in mass job dislocation. The services funded under this reserve may include\textsuperscript{34}

- establishment of onsite contact with employers and employee representatives immediately after the dislocation event;
- provision of information and access to employment and training programs through the WIOA dislocated worker program;
- assistance in establishing a labor-management agreement to determine the employment and training needs of the affected workers;
- provision of emergency assistance; and
- provision of assistance to the affected local community to develop a coordinated response in seeking state economic development aid.

\textbf{Structure—Local Activities}

Following the reservation of funds for the Governor’s Reserve at the state level (for the adult and dislocated worker programs), the remaining funds are allocated to local areas to carry out “required” and “permissible” training and employment activities.\textsuperscript{35} At the local level, funds are required to be used for five main purposes:

- establishing a One-Stop delivery system;
- providing career services;

\textsuperscript{32} Allowable statewide activities are described in Section 129(b)(2) and 134(a)(3) of WIOA.

\textsuperscript{33} As part of the 15% that states may reserve, up to 5% of the total state formula grant may be spent on statewide program administration. For example, if the total state formula grant for youth, adult, and dislocated workers is $300 million ($100 million for each funding stream) for a given state, the governor of that state may reserve up to $45 million for statewide activities (15% of each funding stream). Of this $45 million, up to $15 million (5% of $300 million) may be spent on administrative costs for the provision of statewide activities and programs.

\textsuperscript{34} Required rapid response activities are described in Section 134(a)(2)(A) of WIOA. The term “rapid response activity” is defined in Section 3(31) of WIOA.

\textsuperscript{35} Required local employment and training activities are detailed in Section 134(c) of WIOA and allowable activities are detailed in Section 134(d) of WIOA.
• providing training services;
• establishing relationships with employers; and
• developing industry or sector partnerships.

Table 3 provides information on the required local activities for each of the two main service types of WIOA adult and dislocated worker programs.

Table 3. Services Provided to Adult and Dislocated Workers under Title I of WIOA

<table>
<thead>
<tr>
<th>Career Services</th>
<th>Training Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligibility Determinations</td>
<td>Occupational Skills (e.g., classroom training)</td>
</tr>
<tr>
<td>Outreach, Intake, Orientation, and Referrals</td>
<td>On-the-Job Training</td>
</tr>
<tr>
<td>Assessment of Skills and Needs</td>
<td>Incumbent Worker Training</td>
</tr>
<tr>
<td>Labor Exchange Services, including Job Search</td>
<td>Combined Workplace Training with Related Instruction</td>
</tr>
<tr>
<td>Assistance and Information on In-Demand Occupations</td>
<td></td>
</tr>
<tr>
<td>Workforce and Labor Market Information</td>
<td>Skill Upgrading and Retraining</td>
</tr>
<tr>
<td>Performance and Cost Information for Eligible Training and Education Providers</td>
<td>Entrepreneurial Training</td>
</tr>
<tr>
<td>Performance Measurement Data for Local Area</td>
<td>Transitional Jobs</td>
</tr>
<tr>
<td>Information On and Referral To Supportive Services</td>
<td>Job Readiness Training</td>
</tr>
<tr>
<td>Information on Filing for Unemployment Compensation</td>
<td>Adult Education and Literacy Combined with Training</td>
</tr>
<tr>
<td>Assistance in Establishing Eligibility for Financial Aid for non-WIOA Training and Education Programs</td>
<td>Customized Training in Conjunction with an Employer</td>
</tr>
<tr>
<td>Services to Obtain or Retain Employment (see note)</td>
<td></td>
</tr>
<tr>
<td>Follow-Up Services for at least One Year to</td>
<td></td>
</tr>
<tr>
<td>Participants Who are Placed in Unsubsidized Employment</td>
<td></td>
</tr>
</tbody>
</table>

Source: P.L. 113-128 (Section 134(c)(2) and Section 134(c)(3)(D)) and Department of Labor, Employment and Training Administration, “Workforce Innovation and Opportunity Act; Notice of Proposed Rulemaking; Proposed Rules,” 80 Federal Register 20852-20862, April 16, 2015.

Note: “Services to Obtain or Retain Employment” include comprehensive and specialized assessments of skills and needs, development of an Individual Employment Plan (IEP), group and/or individual counseling, career planning, case management, prevocational services to prepare individuals for employment or training, work experiences linked to careers, financial literacy services, and English language acquisition.

Service Provision

The program for adult and dislocated worker participants in WIOA is structured around two main levels of services: career services and training. On an operational level, career services are categorized as “basic” and “individualized.” Basic services include services such as labor market information and job postings, while individualized services include services such as skills assessment and case management (a detailed list of career services is in Table 3).

The Workforce Innovation and Opportunity Act and the One-Stop Delivery System

In WIOA service at one level is not a prerequisite for service at the next level.\(^{37}\) The workforce development system designed by WIOA is premised on universal access, such that an adult age 18 or older does not need to meet any qualifying characteristics in order to receive career services. While basic career services are available to all adults, individualized career services are to be provided as appropriate to help individuals obtain and retain employment.

To be eligible to receive training, an individual, rather than being required to receive career services first, must\(^{38}\):

- be unlikely or unable to obtain or retain employment that leads to economic self-sufficiency;\(^ {39}\)
- be in need of training services to obtain or retain employment that leads to economic self-sufficiency;
- have the “skills and qualifications” to participate successfully in training;
- select a training service linked to an occupation in the local area (or be willing to relocate to another area where the occupation is in demand); and
- be unable to obtain other grant assistance (e.g., Pell grants) for the training services.

Finally, Section 134(c)(3)(E) of WIOA stipulates that for funds allocated to a local area for adult employment and training activities, priority is to be given to recipients of public assistance, other low-income individuals, and individuals who are basic skills deficient for career and training services. It is left to the discretion of the local WDB, in consultation with the state’s governor, to determine this prioritization.

**Training—Eligible Providers and Individual Training Accounts**

Following the decision of a One-Stop operator to provide an individual with access to training services, the implementation of training in WIOA is built on the concept of consumer choice, which involves two main components: eligible providers of training and Individual Training Accounts (ITA).\(^ {40}\)

The governor and the state WDB in each state are responsible for establishing criteria and procedures for *eligible providers of training services* to receive funding in the local workforce investment areas. The purpose of having a list of eligible providers, as opposed to the One-Stop centers contracting directly with a training provider of its choosing, is to provide choice to “customers” who are accessing WIOA services.

Generally, eligible training providers include

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\(^{37}\) That is, there is no “sequence of services” requirement in WIOA. Under WIA, the predecessor to WIOA, an individual was required to move through each set of services before accessing the next level (i.e., “core” before “intensive” and “intensive” before training).

\(^{38}\) These determinations are made by a One-Stop operator through an assessment or evaluation, including a recent evaluation or assessment conducted pursuant to another education or training program. See WIOA Section 134(c)(3)(A).

\(^{39}\) “Economic self-sufficiency” is not defined in WIOA. However, Section 134(d)(1)(A)(x) of WIOA allows local funds to be used to adjust the economic self-sufficiency standards for local factors or to calculate and adopt local self-sufficiency standards.

\(^{40}\) Other training is allowed under WIOA that may not involve an ITA, such as on-the-job training or customized training.
The Workforce Innovation and Opportunity Act and the One-Stop Delivery System

- an institution of higher education (i.e., is eligible to receive federal funds under Title IV of the Higher Education Act of 1965) offering programs leading to a recognized postsecondary credential;
- an entity that provides apprenticeship programs registered under the National Apprenticeship Act (i.e., registered apprenticeships); or
- another public or private training provider.

There are two types of provider eligibility: initial and continued. Training providers not previously eligible under WIOA or WIA, except registered apprenticeship programs, must apply to the governor and the local WDB (according to a procedure established by the governor) for initial eligibility of one fiscal year.

In order to maintain continued eligibility, existing training providers must follow procedures established by the governor and implemented by the local WDB. Training providers that were eligible under WIA as of July 21, 2014, are subject to the continued eligibility requirements of WIOA.41

In addition to requiring the governor to establish continued eligibility procedures for training providers, WIOA also specifies particular information that eligible providers must submit to be considered for continued eligibility. Specifically, training providers must submit to the governor the following “appropriate, accurate, and timely” performance and cost information for participants receiving training under Title I of WIOA:42

- percentage of program participants in unsubsidized employment in the second and fourth quarters after program exit;
- median earnings of program participants who are in unsubsidized employment during the second quarter after program exit;
- percentage of program participants who obtain a recognized postsecondary credential, or secondary school diploma or equivalent, during participation or within one year of program exit;
- information on the type of recognized postsecondary credentials received by program participants;
- information on cost of attendance, including tuition and fees, for program participants; and
- information on program completion rates for program participants.

When an individual is deemed eligible to receive training services, that individual, in consultation with a case manager, may choose training services from a list of eligible providers (discussed above). At that point, an Individual Training Account (ITA) is established, from which payment is made to the eligible training provider for training services. Local WDBs have the authority to set limits on the type and duration of training.43 In addition, local WDBs may choose to set limits on the amount of an ITA, based on individual circumstances or on an across-the-board level.

41 Specifically, WIOA Section 122(i) allows the governor of each state to permit training providers eligible under WIA to continue through December 31, 2015, as providers, after which those providers become subject to the continuing eligibility requirements.
42 WIOA Section 122(b)(2). The required information from training providers is for WIOA-funded participants only, not for all individuals participating in the training provider’s program.
43 Training must be for occupations that are in demand in the local area or region, are in demand in an area to which the trainee is willing to relocate, or are deemed (by the local WDB) to have “high potential” for sustained demand and (continued...)
While training is typically carried out through the ITA model, WIOA does allow for other mechanisms to deliver training services to eligible participants. Specifically, local WDBs may provide training through a contract for services if

- the consumer choice requirements of WIOA are met;
- the services are on-the-job training, customized training, incumbent worker training, or transitional employment;
- the local WDB determines there are an insufficient number of training providers in a local area to meet the ITA requirements;
- the local WDB determines there is a local training program of “demonstrated effectiveness” to serve individuals with barriers to employment;
- the local WDB determines that it is “most appropriate” to contract training services to train multiple individuals in in-demand occupation or industry sectors; or
- the training service is a pay-for-performance contract.

Youth Activities

Overview and Purpose

In addition to the formula grants for Adult and Dislocated Worker Employment and Training Activities, WIOA authorizes a formula grant program for Youth Workforce Investment Activities (although individuals ages 18 or older are also eligible for services provided through the Adult Employment and Training Activities program). WIOA, unlike its predecessor WIA, does not specify general purposes for the Youth Activities program; however, WIOA retains many of the same program elements that were in WIA, such as providing assistance to youth in achieving successful academic and employment outcomes.

Eligibility and Structure

Eligibility for the Youth Activities program is different depending on whether the individual is an “out-of-school” youth or an “in-school” youth.

An eligible out-of-school youth is not attending any school, is between the ages of 16 and 24, and is one or more of the following:

- a school dropout;
- a student who has not attended school for the most recent quarter;
- a recipient of a secondary school diploma who is low-income but is basic skills deficient or an English language learner;
- involved with the juvenile or adult justice system;

(...continued)

growth in the local area. See WIOA Section 134(c)(3)(G)(iii).

44 The alternative mechanisms are authorized under WIOA Section 134(c)(3)(G)(ii).

45 The section on Youth Activities draws from CRS Report R40929, Vulnerable Youth: Employment and Job Training Programs, by Adrienne L. Fernandes-Alcantara.

46 See WIOA Section 129(a)(1)(B).
The Workforce Innovation and Opportunity Act and the One-Stop Delivery System

- homeless or in an out-of-home placement;
- pregnant or parenting;
- disabled; or
- a low-income individual requiring additional assistance to complete an educational program or to secure and hold employment.\(^\text{47}\)

An eligible in-school youth is attending school, is between the ages of 14 and 21, is low-income, and is one or more of the following:\(^\text{48}\)

- basic skills deficient;
- an English language learner;
- an offender;\(^\text{49}\)
- homeless or in an out-of-home placement;
- pregnant or parenting;
- disabled; or
- an individual requiring additional assistance to complete an educational program or to secure and hold employment.

WIOA changes the priority of service established under WIA from in-school to out-of-school youth by requiring that at least 75\% of all Youth Activities formula grant funds must be used for activities for out-of-school youth (compared to 30\% under WIA).\(^\text{50}\)

Services

WIOA youth funding is allocated to local areas to design and carry out programs that\(^\text{51}\)

- provide an objective assessment of the educational, skill, and service needs of program participants;
- develop service strategies for each participant;
- provide activities leading to attainment of a secondary school diploma or recognized postsecondary credential, preparation for postsecondary education or training, preparation for unsubsidized employment, and effective connections to employers; and
- implement a pay-for-performance contract strategy.

\(^\text{47}\) Up to 5\% of out-of-school youth participants in a local area may be individuals who do not meet the low-income criteria, but meet certain other criteria. See WIOA Section 129(a)(3) for specific criteria.
\(^\text{48}\) See WIOA Section 129(a)(1)(C).
\(^\text{49}\) The term “offender” is defined in WIOA Section 3(38) as an adult or juvenile who is or has been subject to the criminal justice process or who requires assistance in overcoming barriers to employment resulting from an arrest or conviction.
\(^\text{50}\) A state may request a reduction of this minimum to no less than 50\% for a local area if the Secretary of Labor approves an application showing that a local area will be unable to meet the 75\% requirement due to a low number of out-of-school youth.
\(^\text{51}\) WIOA Section 129(c)(1) provides additional details about the scope of these required activities. For example, Section 129(c)(1)(A) enumerates required elements of assessments such as prior work experience, employability, and aptitudes.
Generally, local WDBs competitively award funds to local organizations and other entities to provide employment and job training services to youth.\(^{52}\)

In order to support the attainment of education and career readiness for youth, local programs must provide the following 14 activities or “elements” to youth: \(^{53}\)

- tutoring, study skills training, instruction, and evidence-based dropout prevention and recovery strategies leading to completion of secondary school;
- alternative secondary school services, as appropriate;
- paid and unpaid work experiences that have an academic and occupational education component, including summer employment opportunities and pre-apprenticeship programs;
- occupational skill training, as appropriate;
- education offered with training for a specific occupation or cluster;
- leadership development opportunities;
- supportive services;
- adult mentoring for the period of participation and a subsequent period, for a total of not less than 12 months;
- follow-up services for not less than 12 months after the completion of participation, as appropriate;
- comprehensive guidance and counseling, which may include drug and alcohol abuse counseling and referral, as appropriate;
- financial literacy education;
- entrepreneurial skills training;
- labor market and employment information; and
- activities to prepare youth to transition to postsecondary education and training.

Although local WDBs must make all 14 program elements available to youth, each individual youth does not need to participate in all elements. However, local areas must spend at least 20% of the allocated funds to provide both in-school and out-of-school youth with paid and unpaid work experiences that have an academic and occupational education component.\(^{54}\)

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\(^{52}\) Under WIA, each local WIB was required under law to establish a local youth council (WIA Section 117(h)). Together, the WDB and the youth council oversaw a local youth program funded by Youth Activities. The purpose of the youth council was to provide expertise in youth policy and to assist the local board in developing portions of the local plan relating to eligible youth. Under WIOA, however, local WDBs are not required to establish youth councils. Rather, a local WDB may establish a standing committee to provide information and assist with planning, operational, and other issues related to providing youth services (WIOA Section 107(b)(4)(A)(ii)).

\(^{53}\) Program elements for Youth Activities are at WIOA Section 129(c)(2).

\(^{54}\) This requirement is at WIOA Section 129(c)(4).
Allotment of Funds for Title I State Formula Grant Programs and Activities

Allotment Formulas

Funding for the state and local workforce investment activities authorized under Title I—Adult Activities, Dislocated Worker Activities, and Youth Activities—is allotted by formula from ETA to states. The funding streams for each of the three sets of activities are allotted by a three-factor formula based on each state’s relative share of each formula factor. A state’s relative share of any formula factor is calculated by dividing the factor population (e.g., number of unemployed individuals) in the state by the factor population in the United States as a whole. After the allotments are made to states, within-state allocations are made based on formulas as well (see below for details). Finally, WIOA allows, with the governor’s approval, local WDBs to transfer up to 100% of the local fund allocation between Adult and Dislocated Worker Activities. This is an increase from the maximum of 20% transfer allowed under WIA.

Adult Activities

Funds for adult employment and training activities are allotted to states on the basis of the following factors:

- one-third of the funds are allotted on the basis of each state’s relative share of total unemployment in areas of substantial unemployment (ASU);
- one-third of the funds are allotted on the basis of each state’s relative share of excess unemployment; and
- one-third of the funds are allotted on the basis of each state’s relative share of economically disadvantaged adults.

Key features of the state formula allocation for WIOA Adult Activities include the following:

- A reservation for the outlying areas of not more than 0.25% of the total Adult Activities appropriation (this is reserved prior to state allocations).
- A minimum grant amount equal to 0.25% of the total allotment to all states in a given program year. For example, in PY2015 the state minimum allotment under the adult funding stream was $1,931,641, which is 0.25% of the total allotted to all states ($772,656,517).
- “Hold harmless” and “stop gain” provisions such that individual states will not experience large swings in year-to-year funding for this stream. Specifically, a state may not receive less than 90% or more than 130% of its relative share of prior-year funding.

55 Section 133(b)(4) of WIOA allows this transfer.
56 See Appendix A for complete definitions of formula factors for all three funding streams.
57 More precisely, WIOA Section 132(b)(1)(B)(iv)(II) describes two methods for calculating the minimum annual state allotments, depending on the total amount allotted to states. The method described in the text is based on a total annual state allotment of no more than $960 million, which is the dividing point between the two methods. It is worth noting that the level of appropriations authorized for adult activities in WIOA does not exceed $960 million through FY2020.
58 In the event that either the 90% or the 130% calculation is less than 0.25% of the total state allotment, the state would receive the 0.25% minimum.
After funds are allotted from ETA to individual states by formula, the governor of each state can reserve not more than 15% of the Adult Activities state allotment for statewide “employment and training activities.” Specifically, funds in the 15% reserve must be used for “required” activities and may be used for “allowable” activities (see the “Structure—Statewide Activities” section, above, for Adult and Dislocated Worker activities).

The remainder of the Adult Activities funding stream is allotted to local workforce investment areas within the state on the basis of either

- the same three-factor formula used for state allotments but with substitution of local area relative share of state total; or
- the same three-factor formula used for state allocations for at least 70% of the allocation and a state-derived formula using measures of excess poverty and unemployment within the state for the remaining allocation.

Finally, the within-state allocation requirements include a “hold harmless” provision for local areas, such that a local area must receive an allocation percentage of not less than 90% of the average allocation percentage of that area for the two preceding fiscal years.

**Dislocated Worker Activities**

Funding for the dislocated worker program in WIOA consists of two parts: the National Reserve and state formula grants. From total funding appropriated for the Dislocated Workers Activities program in a fiscal year, WIOA Section 132(a)(2)(A) specifies that 20% is to be used for a National Reserve account, which provides for National Dislocated Worker Grants (NDWG) and other services for dislocated workers.59

The remaining 80% of the Dislocated Worker allotment is for state formula grants and is allotted to states on the basis of the following factors:

- one-third of the funds are allotted on the basis of each state’s relative share of total unemployment;
- one-third of the funds are allotted on the basis of each state’s relative share of excess unemployment; and
- one-third of the funds are allotted on the basis of each state’s relative share of long-term unemployment.

Unlike the dislocated worker funding formula in WIA, the WIOA dislocated workers’ formula adds provisions for minimum and maximum allotments. Similar to the adult and youth formula grants, starting in PY2016 the Dislocated Worker formula grant program will include “hold harmless” and “stop gain” provisions such that individual states will not experience large swings in year-to-year funding for this stream. Specifically, a state may not receive less than 90% of its relative share of prior year funding nor more than 130% of its relative share of prior year funding. Unlike the Adult and Youth formula grants, however, WIOA does not include a small-state minimum for the Dislocated Worker formula grants.

59 WIOA Section 132(a)(2)(A) requires that 20% of the amount appropriated for Dislocated Worker Employment and Training Activities is to be used for four purposes: reservation for outlying areas for Dislocated Worker Employment and Training Activities (Section 132(b)(2)(A)), dislocated worker technical assistance (Section 168(b)), dislocated worker projects (Section 169(c)), and National Dislocated Worker Grants (Section 170). The reservation for outlying areas is not more than 0.25% of the total Dislocated Worker Activities appropriation and is funded from the National Reserve reservation.
After funds are allotted from ETA to individual states by formula, the governor of each state must reserve not more than 15% of the Dislocated Worker Activity state allotment for statewide “employment and training activities.” In addition, of the state allotment for Dislocated Worker Activities, the governor of each state must also reserve not more than 25% for rapid response activities. In sum, not more than 40% of dislocated worker state allotments are reserved at the state level for statewide activities.

The remainder of the Dislocated Worker Activities funding stream must be allocated to local areas based on a state-developed formula that takes into account the following data:

- insured unemployment (i.e., individuals receiving unemployment insurance benefits);
- unemployment concentrations;
- plant closings and mass layoffs;
- declining industries;
- farmer-rancher economic hardship; and
- long-term unemployment.

Finally, WIOA adds a “hold harmless” provision to the within-state allocation requirements for local areas, such that a local area must receive an allocation of not less than 90% of the average allocation percentage of that area for the two preceding fiscal years. Under WIA, there was no hold harmless provision for local area allocations.

**Youth Activities**

Funds for youth employment and training activities are allotted from ETA to states on the basis of the following factors:

- one-third of the funds are allotted on the basis of each state’s relative share of total unemployed in areas of substantial unemployment (ASU);
- one-third of the funds are allotted on the basis of each state’s relative share of excess unemployed; and
- one-third of the funds are allotted on the basis of each state’s relative share of economically disadvantaged youth.

Key features of the state formula allotment for WIOA Youth Activities include the following:

- A reservation equal to 4% of the amount by which Youth Activities appropriations exceed $925 million to support youth migrant and seasonal farmworker workforce activities.
- A reservation of not more than 1.5% of the total Youth Activities appropriation for youth Native American workforce activities.
- A reservation for outlying areas of 0.25% of the total Youth Activities appropriation.
- A minimum grant amount equal to 0.25% of the total allocation to all states in a given program year. For example, in PY2015, the state minimum allotment

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60 See Appendix A for complete definitions of formula factors for all three funding streams.

61 More precisely, WIOA Section 127(b)(1)(C)(iv)(II) describes two methods for calculating the minimum annual state (continued...)

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under the youth funding stream was $2,037,653, which is 0.25% of the total allotted to all states ($815,061,036).

- “Hold harmless” provisions such that individual states will not experience large swings in year-to-year funding for this stream. Specifically, a state may not receive less than 90% of its relative share of prior-year funding nor more than 130% of its relative share of prior-year funding.⁶²

After funds are allotted from ETA to individual states by formula, the governor of each state must reserve not more than 15% of the Youth Activities state allotment for statewide youth activities or “employment and training activities” for adults and dislocated workers.⁶³

The remainder of the Youth Activities funding stream is reallocated to local areas within the state on the basis of either:

- the same three-factor formula used for state allocations but with substitution of local area relative share of state total; or
- an allocation formula to local areas equal to not less than 70% of the funds they would have received using the unemployment and poverty factors, with the remaining portion of funds allocated on the basis of a formula that incorporates additional factors relating to excess youth poverty in urban, rural, and suburban local areas and excess unemployment above the state average in these areas.⁶⁴

Finally, the within-state allocation requirements include a “hold harmless” provision for local areas, such that a local area must receive an allocation of not less than 90% of the average allocation percentage of that area for the two preceding fiscal years.

**Job Corps⁶⁵**

**Overview and Purpose**

The purpose of Job Corps is to provide disadvantaged youth with the skills needed to obtain and hold jobs, enter the Armed Forces, or enroll in advanced training or higher education. Job Corps participants must be ages 16 through 24, low-income, and facing one or more of the following barriers to education and employment: (1) basic skills deficient; (2) a school dropout; (3) homeless, a runaway, a foster child, or aged out of foster care; (4) a parent; or (5) an individual who requires additional education, career and technical education or training, or

(...continued)

allotments, depending on the total amount allocated to states. The method described in the text above is based on a total annual state allocation of no more than $1 billion, which is the dividing point between the two methods.

⁶² In the event that either the 90% or the 130% calculation is less than 0.25% of the total state allocation, the state would receive the 0.25% minimum.


⁶⁴ Such a formula must be developed by the state WDB and approved by the Secretary of Labor as part of the state plan. Section 128(b)(3) of WIOA.

⁶⁵ This section was prepared by Adrienne L. Fernandes-Alcantara, afernandes@crs.loc.gov, 7-9005. It briefly summarizes Job Corps activities authorized by WIOA. For more detailed information on the Job Corps program, CRS Report R40929, Vulnerable Youth: Employment and Job Training Programs, by Adrienne L. Fernandes-Alcantara; and CRS Report R43611, Recent Developments in the Job Corps Program: Frequently Asked Questions, by Adrienne L. Fernandes-Alcantara.
workforce preparation skills to be able to obtain and retain employment that leads to economic self-sufficiency. In addition to receiving academic and employment training, young people also engage in social and other services to promote their overall well-being. The program has enrolled approximately 41,000 to 54,000 participants annually in recent years. Funds for the Job Corps program are appropriated annually to DOL, which administers the program and contracts with private organizations to run centers (see next section).

Structure

Currently, 126 Job Corps centers operate throughout the country and are mostly operated for DOL by private companies through selective competitive contracting processes. Of the 126 centers, 27 sites are known as Civilian Conservation Corps Centers, which are jointly operated by DOL and the Department of Agriculture or the Department of the Interior. Programs at these sites focus on conserving, developing, or managing public natural resources or public recreational areas. Most Job Corps centers are located on property that is owned or leased long term by the federal government.

Job Corps centers may be operated by a federal, state, or local agency; an area career and technical education school, or residential vocational school; or a private organization. Authorization for new Job Corps centers is specified in appropriations law. DOL initiates a competitive process seeking applicants that are selected based on their ability to coordinate activities in the workforce system for youth, their ability to offer career and technical training opportunities that reflect local employment opportunities, past performance, proposed costs, and other factors. Center operators must meet or exceed performance indicators if their contracts are to be renewed. In addition, center operators considered “high-performing,” as defined under WIOA, may be considered in any competitive selection process carried out to operate the center. This enables such centers to compete in any procurement that is underway, including any procurement that has been set aside for a small business. Centers may also be subject to closure if they are low-performing.

Services

Students may participate in the Job Corps program for up to two years, though some may stay longer under specified circumstances. While at a Job Corps center, students receive the following services and assistance:

- academic, employment, and social skills training;
- work-based learning, which includes career and technical skills training and on-the-job training; and
- counseling and other residential support services, including transportation, child care, recreational activities, and living and other allowances.

66 A veteran is eligible if he or she meets the eligibility criteria, except that the income requirement does apply if income earned from the military within the six-month period prior to applying for the program would exceed the income limit.


68 These centers are operated in 50 states, the District of Columbia, and Puerto Rico.
Job Corps centers provide services both onsite and offsite, and they contract some of these services. Centers rely on outreach and admissions contractors to recruit students to the program. These contractors may include a One-Stop center, community action organizations, private for-profit and nonprofit businesses, labor organizations, or other entities that have contact with youth. Contractors seek out potential applicants, conduct interviews with applicants to identify their needs and eligibility status, and identify youth who are interested and likely Job Corps participants. Similarly, centers rely on placement agencies—organizations that enter into a contract or other agreement with Job Corps—to provide placement services for graduates and, to the extent possible, former students. Services such as vocational training are sometimes provided by outside organizations.

National Programs

In addition to state formula grant programs and Job Corps, WIOA authorizes a number of competitive grant-based programs to provide employment and training services to special populations.

Native American Programs (Section 166)

This competitive grant program provides comprehensive workforce investment activities—academic, occupational, and literacy—to assist Indian, Alaska Native, and Native Hawaiian participants preparing to enter, reenter, or retain unsubsidized employment leading to self-sufficiency and to promote economic and social development of Native American communities. In addition, supplemental services are provided to Indian, Alaska Native, and Native Hawaiian youth on or near Indian reservations and in Oklahoma, Alaska, or Hawaii.

The Secretary of Labor distributes funding authorized under WIOA Section 166 every four years through a competitive grant process or through contracts or cooperative agreements with Indian tribes, tribal organizations, Alaska Native entities, Indian-controlled organizations, or Native Hawaiian organizations.\(^69\)

Migrant and Seasonal Farmworker Program (Section 167)

This competitive grant program, also referred to as the National Farmworker Jobs Program, provides training and related services (including housing services), and technical assistance, to disadvantaged migrant and seasonal agricultural workers and their dependents. The goal of the Migrant and Seasonal Farmworker Program is to enhance the ability of the eligible population to obtain or retain unsubsidized employment or to stabilize unsubsidized employment. The program was first authorized by the Economic Opportunity Act of 1964.

The Secretary of Labor distributes funding authorized under WIOA Section 167 every four years through a competitive grant process or through contracts with entities with an understanding of the problems faced by the migrant and seasonal farmworker population and a familiarity with the area served.

\(^69\) WIOA Section 166(k) also authorizes appropriations for a separate competitive grant program to improve workforce investment activities for unique populations in Alaska or Hawaii.
Technical Assistance (Section 168)

Section 168 of WIOA requires that the Secretary of Labor provide three types of technical assistance.

First, the Secretary must provide general technical assistance, such as training, coordination, and staff development, to support activities such as the replication of programs of demonstrated effectiveness, the training of state and local WDBs, and the transition from WIA to WIOA. Authorized technical assistance may be implemented through competitive grants or cooperative agreements or contracts.

Second, from the Dislocated Worker National Reserve (a statutorily required reservation of 20% from the Dislocated Worker Employment and Training Activities grant program allotment), the Secretary of Labor must reserve no more than 5% (of the National Reserve) to provide technical assistance to states that do not meet the performance accountability measures for dislocated workers.

Third, the Secretary is required to establish a system through which states may share information on promising and proven workforce development practices.

Evaluations and Research (Section 169)

Section 169 of WIOA authorizes the Secretary of Labor to conduct three categories of evaluation and research activities.

First, the Secretary, through grants, contracts, or cooperative agreements, must provide continuing evaluation of WIOA programs and activities. Evaluations are required to use “appropriate and rigorous methodology and research designs” that address the general effectiveness and impact of WIOA-authorized programs.

Second, the Secretary is required every two years to publish a plan that describes the Department of Labor’s priorities for research, studies, and multistate projects in the subsequent five-year period, with the following parameters:

- research projects must contribute to solving employment and training problems identified in the planning process;
- studies may include a range of topics on employment and training but the Secretary is required to conduct studies on career pathways for health care providers or providers of early education and child care and on equivalent pay for men and women; and
- multistate projects may include addressing specialized employment and training needs of particular subpopulations, industry-wide skill shortages, or dissemination of best practices.

Third, from the Dislocated Worker National Reserve (a statutorily required reservation of 20% from the Dislocated Worker Employment and Training Activities grant program allotment), the Secretary of Labor must use no more than 10% (of the National Reserve) to carry out demonstration and pilot projects, multiservice projects, and multistate projects related to dislocated worker employment and training needs.
National Dislocated Worker Grants (Section 170)

From total funding appropriated for the Dislocated Worker Employment and Training Activities program in a fiscal year, WIOA Section 132(a)(2)(A) specifies that 20% is to be used for a National Reserve account, which provides for National Dislocated Worker Grants (NDWG) and other services for dislocated workers. Specifically, WIOA Section 132(a)(2)(A) provides that the 20% reservation is to be used for four purposes:

- reservation for outlying areas for Dislocated Worker Employment and Training Activities (WIOA Section 132(b)(2)(A));
- dislocated worker technical assistance (WIOA Section 168(b));
- dislocated worker projects (WIOA Section 169(c)); and
- National Dislocated Worker Grants (WIOA Section 170).

The majority of the National Reserve funding is used for NDWG activities.

These NDWGs are awarded primarily to states and local WDBs to provide services for eligible individuals, including dislocated workers, civilian employees of the Departments of Defense or Energy employed at an installation that is being closed within 24 months of eligibility determination, employees or contractors with the Department of Defense at risk of dislocation due to reduced defense expenditures, or certain other members of the Armed Forces.

Services include job search assistance and training for eligible workers. In addition, NDWG funding may be used to provide direct employment (“disaster relief employment”) to individuals for a period of up to 12 months for work related to a disaster.

YouthBuild Program (Section 171)

YouthBuild is a competitive grant program that provides funding to support disadvantaged youth in developing occupational and educational skills. Specifically, the purpose of the YouthBuild grant program is to

- enable disadvantaged youth to obtain the education and employment skills necessary to achieve economic self-sufficiency in occupations in demand and post-secondary education and training opportunities;
- provide disadvantaged youth with opportunities for meaningful work and service to communities;
- foster the development of employment and leadership skills and a commitment to community development among youth in low-income communities;
- expand the supply of permanent affordable housing for homeless individuals and low-income families by utilizing the energy of disadvantaged youth; and
- improve the quality and energy efficiency of community and public facilities.

Services include a range of education and workforce investment activities, including instruction, occupational skills training, alternative education, mentoring, and training in the rehabilitation or construction of housing. Notably, any housing unit that is rehabilitated or reconstructed as part of a YouthBuild-funded project may be available only for rental by, or sale to, homeless individuals or low-income families, or for use as transitional or permanent housing to assist homeless.

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70 In practice, the amount provided for each of these activities is often specified in appropriations legislation.
individuals achieve independent living. In addition to construction activities, programs offered within a YouthBuild program can support career pathway training targeted toward other high-demand occupations and industries.

An individual is eligible for the YouthBuild program if he or she is between the ages 16 and 24, a member of a low-income family, a youth in foster care, a youth offender, an individual with a disability, a child of an incarcerated parent, or a migrant youth, and a school dropout. However, youth who do not meet the income or dropout criteria may also be eligible, so long as they are basic skills deficient despite having earned a high school diploma, GED, or the equivalent; or they have been referred by a high school for the purpose of obtaining a high school diploma. A maximum of 25% of participants may qualify for eligibility according to these latter criteria.

Performance Accountability in WIOA

Section 116 of WIOA sets forth state and local “performance accountability measures” that apply “across the core programs to assess the effectiveness of States and local areas in achieving positive outcomes for individuals served by those programs.” The WIOA performance accountability system is designed around the “primary indicators” of performance for the “core programs” and takes effect starting in PY2016 (July 1, 2016–June 30, 2017).

The performance accountability system in WIOA consists of two main components—indicators of performance and levels of performance. Performance indicators are the objective variables on which states and localities must report and are specified in statute, while performance levels are the numerical score for indicators and are negotiated between states, localities, and the Departments of Labor and Education.

Indicators of Performance in WIOA

Under WIOA, “primary indicators of performance” consist of the required measures described in Section 116(b)(2)(A) and any additional indicators identified by individual states.

The six primary indicators of performance in WIOA are

- the percentage of program participants who are in unsubsidized employment during the second quarter after exit from the program;
- the percentage of program participants who are in unsubsidized employment during the fourth quarter after exit from the program;
- the median earnings of program participants who are in unsubsidized employment during the second quarter after exit from the program;
- the percentage of program participants who obtain a recognized postsecondary credential (or secondary school diploma or equivalent) during participation or within one year after program exit;
- the percentage of program participants who are in an education or training program that leads to a recognized postsecondary credential or employment and

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71 WIOA Section 506(b)(1) authorizes the performance accountability system under Section 136 of WIA to remain in effect until July 1, 2016. For information on the WIA performance accountability system, see CRS Report R41135, The Workforce Investment Act and the One-Stop Delivery System, by David H. Bradley.

72 The discussion in this section on performance indicators is based on the requirements for states. The indicators for local areas are the same.
who are achieving measurable skill gains toward such a credential or employment; and

- the indicators of effectiveness in serving employers established by the Secretaries of Labor and Education.

Programs that use the primary indicators of performance are listed in Table 4 below.

<table>
<thead>
<tr>
<th>Applicable Program</th>
<th>Program Authorization</th>
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<tbody>
<tr>
<td>Adult Employment and Training Activities</td>
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</tr>
<tr>
<td>Dislocated Worker Employment and Training Activities</td>
<td>WIOA Title I, Subtitle B, Chapter 3</td>
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<td>Youth Activities(^a)</td>
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<td>Adult Education and Literacy Activities (AEFLA)</td>
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</tr>
<tr>
<td>Vocational Rehabilitation State Grant Program</td>
<td>Title I of the Rehabilitation Act of 1973</td>
</tr>
</tbody>
</table>

**Source:** The Workforce Innovation and Opportunity Act, P.L. 113-28.

- For the two primary indicators related to employment, Youth Activities program participants are allowed to be in education or training activities, or in unsubsidized employment.
- For the two primary indicators related to employment, Job Corps program participants are allowed to be in education or training activities, or in unsubsidized employment. WIOA further specifies performance indicators for Job Corps recruiters and transition service providers.
- Activities authorized under the Native American Programs section use additional indicators developed by the Secretary of Labor.
- For the two primary indicators related to employment, YouthBuild program participants are allowed to be in education or training activities, or in unsubsidized employment.
- The two indicators related to credentials are not used for the activities authorized by the Employment Service.

In addition to the indicators listed in Table 4, states may identify additional indicators of performance and identify these in the state plan required under Section 102.

**Levels of Performance in WIOA**

For each of the primary indicators of performance described above, each state is required to establish a “state adjusted level of performance” in the state plan. That is, the indicators are identified in WIOA Section 116, but the levels are determined through negotiation between states and the Secretaries of Labor and Education. In the state plan, states must identify the expected (adjusted) level of performance for each of the primary indicators for the first two program years.
of the state plan, which covers four program years.\(^{73}\) These agreed-upon levels then become the “state adjusted level of performance” that is incorporated into the plan.\(^{74}\)

The negotiation between governors and the Secretaries that leads to an agreement on adjusted levels of performance must be based on the following four factors:\(^{75}\)

- the relative levels across states;
- the application of an objective statistical model developed by the Secretaries of Labor and Education that helps make adjustments for actual economic conditions and characteristics of program participants;
- the impact of agreed-upon levels on promoting “continuous improvement” in performance and ensuring “optimal return on investment”; and
- the extent to which the adjusted levels of performance assist states in meeting performance goals set by the Secretaries of Labor and Education.

As part of the process for determining adjusted levels of performance, WIOA requires the development and use of a statistical adjustment model.\(^{76}\) The objective statistical model is intended to assist states in setting performance levels and in revising state adjusted levels of performance by taking into account the differences among states in actual economic conditions and the characteristics of participants served. In practice, this means an individual state sets its performance goals based on the relative (to other states) economic conditions and characteristics of participants served and revises its performance levels at the end of a program year based on the actual economic conditions and characteristics of participants served.

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\(^{73}\) For program years 3 and 4, each governor must also reach an agreement again with the Secretaries of Labor and Education for the adjusted levels of performance. The factors for consideration in the agreement, however, are the same as for the program years 1 and 2. The expected levels for program years 3 and 4 are submitted as a modification to the state plan.

\(^{74}\) Though not discussed here, WIOA also requires local performance measures, but these consist of the same primary indicators required for states. The local levels of performance are determined by negotiation between the local workforce development board (LWDB), the chief local elected official, and the governor and are supposed to take into account specific economic, demographic, and other characteristics of locally served populations.

\(^{75}\) The factors are specified in WIOA Section 116(b)(3)(A)(v).

\(^{76}\) WIOA Section 116(b)(3)(A)(viii).
Appendix A. Glossary of Selected WIOA Terms

**Areas of Substantial Unemployment (ASU)**—This concept is used in the Title I state formula grants for Youth and Adult Activities. As defined in Sections 127(b)(2)(B) and 132(b)(1)(B)(v)(III), an ASU is “any area that is of sufficient size and scope to sustain a program of workforce investment activities carried out under this subtitle and that has an average rate of unemployment of at least 6.5 percent for the most recent 12 months.” States submit potential ASU designations and DOL approves ASUs once each fiscal year.

Additional guidance from the Employment and Training Administration defines an ASU as a “contiguous area with a current population of at least 10,000 and an average unemployment rate of at least 6.5 percent for the 12-month reference period.” If a state has a statewide unemployment rate of at least 6.5%, the entire state will be designated as an ASU for allocation purposes.77

**Economically Disadvantaged**—This concept is used in one of the factors for the Title I state formula grants for Youth and Adult Activities. For the state formula grants for Youth Activities, “disadvantaged youth” is defined (in Section 127(b)(2)(C)) as an “individual who is age 16 through 21 who received an income, or is a member of a family that received a total family income, that, in relation to family size, does not exceed the higher of the poverty line or 70 percent of the lower living standard income level.” Similarly, a “disadvantaged adult” is defined (in Section 132(b)(1)(B)(v)(IV)) in the same way as a disadvantaged youth with the exception that the individual is age 22 through 72.

**Excess Unemployment**—This concept is used in one of the factors for the Title I state formula grants for Youth, Adult, and Dislocated Worker Activities. For the state formula grants for Youth and Adult Activities, excess unemployment is defined (in Sections 127(b)(2)(D) and 132(b)(1)(B)(v)(VI)) as the higher of “the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in the state” or “the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in areas of substantial unemployment in such state.” For the state formula grant for Dislocated Worker Activities, excess unemployment is defined (in Section 132(b)(2)(B)(iii)) as “the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in the state.” For example, in a state with a civilian labor force of 100,000 and an unemployment rate of 8.0% (which would equal 8,000 unemployed individuals), the “excess unemployment” would be 3,500 (8.0% - 4.5% = 3.5%; 3.5% of 100,000 is 3,500).

**Long-Term Unemployment**—This concept is used in one of the factors for the Title I state formula grants for Dislocated Worker Activities. For these grants, long-term unemployment is defined (in Section 132(b)(2)(B)(ii)(III)) as the number of individuals in a state who have been unemployed (as measured by the Bureau of Labor Statistics) for at least 15 weeks.

**Relative Number/Share**—This concept is used in the state formula grants for Youth, Adult, and Dislocated Worker Activities. Each formula consists of three equally weighted factors. The factors themselves are based on the concept of the “relative number” or “relative share” of that


78 Ibid.

79 “Poverty line” and “lower living standard income level” are defined in WIOA Sections 3(49) and 3(36), respectively.
The Workforce Innovation and Opportunity Act and the One-Stop Delivery System

factor compared to the analogous number in all of the states. An example from the Dislocated Worker Activities formula—based on the factors of regular unemployment, excess unemployment, and long-term unemployment—will demonstrate this. In the PY2015 state formula allotments for Dislocated Workers, Nevada had the following factor values:

- Regular Unemployment = 112,565;
- Excess Unemployment = 50,878; and
- Long-Term Unemployment = 64,000.

For each of these factors, Nevada’s “relative share” was calculated by dividing the number of individuals in Nevada by the number of individuals in all states. For example, Nevada’s relative share of regular unemployment was 1.10% (112,565/10,231,705); its share of excess unemployment was 1.58% (50,878/3,212,642); and its share of long-term unemployment was 1.25% (64,000/5,128,900). Multiplying each of these individuals by 1/3 and summing the results would give Nevada a total share of 1.31% ((1.10%*1/3) + (1.58%*1/3) + (1.25%*1/3)). Finally, multiplying Nevada’s share, 1.31%, by the total Dislocated Worker state funding for all states ($1,012,728,000) yields $13,272,377, which Nevada received in PY2015.
Appendix B. Authorized and Appropriated Funding for Programs Authorized Under WIOA

Table B-1, Table B-2, Table B-3, and Table B-4 below show the authorized level of appropriations for every program authorized in WIOA. Unlike its predecessor, the Workforce Investment Act, which authorized “such sums as may be necessary” for its programs, WIOA sets specific authorization levels for FY2015 through FY2020. Actual appropriations are included in the tables too for each year they are available, as they may differ from the levels authorized.
### Table B-1. WIOA Title I, Workforce Development Activities, Authorizations for FY2015 to FY2020
(dollars in thousands)

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<tr>
<td><strong>State Formula Grant Programs</strong>a</td>
<td>$2,808,967</td>
<td>$2,844,967</td>
<td>$3,025,932</td>
<td>$3,088,720</td>
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<td>Youth Workforce Investment</td>
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<td>Dislocated Worker Employment and Trainingb</td>
<td>$1,222,457</td>
<td>$1,236,389</td>
<td>$1,316,880</td>
<td>$1,344,205</td>
<td>$1,374,019</td>
<td>$1,406,322</td>
<td>$1,436,137</td>
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<tr>
<td><strong>Job Corpsc</strong></td>
<td>$1,688,155</td>
<td>$1,688,155</td>
<td>$1,818,548</td>
<td>$1,856,283</td>
<td>$1,897,455</td>
<td>$1,942,064</td>
<td>$1,983,236</td>
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<td><strong>National Programs</strong></td>
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<tr>
<td>Assistance to Unique Populations</td>
<td>$461</td>
<td>$0</td>
<td>$497</td>
<td>$507</td>
<td>$518</td>
<td>$530</td>
<td>$542</td>
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<td>Native American</td>
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<td>$46,082</td>
<td>$49,641</td>
<td>$50,671</td>
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<td>Migrant and Seasonal Farmworker</td>
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<td>$81,896</td>
<td>$88,222</td>
<td>$90,052</td>
<td>$92,050</td>
<td>$94,214</td>
<td>$96,211</td>
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<td>YouthBuild</td>
<td>$77,534</td>
<td>$79,689</td>
<td>$88,523</td>
<td>$85,256</td>
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<td>Technical Assistance</td>
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<td>$3,299</td>
<td>$3,372</td>
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<td>Evaluations and Researchd</td>
<td>$91,000</td>
<td>$86,078</td>
<td>$98,029</td>
<td>$100,063</td>
<td>$102,282</td>
<td>$104,687</td>
<td>$106,906</td>
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<tr>
<td><strong>Reintegration of Ex-Offenders</strong></td>
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<td>$82,078</td>
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<td><strong>Workforce Data Quality Initiative</strong></td>
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<td><strong>Total Title I</strong></td>
<td><em>$4,797,095</em></td>
<td><em>$4,826,867</em></td>
<td><em>$5,172,624</em></td>
<td><em>$5,274,851</em></td>
<td><em>$5,391,846</em></td>
<td><em>$5,518,608</em></td>
<td><em>$5,635,604</em></td>
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</table>


a. For state formula grant allotments, see http://www.doleta.gov/budget/statfund.cfm.

b. The Dislocated Worker Employment and Training program authorization requires the Secretary of Labor to reserve 20% of the appropriation for a National Reserve that funds national dislocated worker activities, including the National Dislocated Worker Grants, prior to allotting the remaining 80% of the appropriation to states. The National Reserve amount is reflected in the “Dislocated Worker Employment and Training” total but is not allotted as part of the state formula grant.

c. Job Corps funding includes administration, operation, and construction.

d. WIOA Section 169 (“Evaluations and Research”) does not include specifically titled programs but rather authorizes the Secretary of Labor to carry out evaluations, research, studies, and multistate projects.
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<td>Total, Title IIa</td>
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<td>$582,667</td>
<td>$622,286</td>
<td>$635,198</td>
<td>$649,287</td>
<td>$664,552</td>
<td>$678,640</td>
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<td>Grants to States</td>
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<td>$497,516</td>
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<tr>
<td>English Language-Civics Grants</td>
<td>c</td>
<td>$71,439</td>
<td>c</td>
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<td>c</td>
<td>c</td>
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<tr>
<td>National Leadership Activities</td>
<td>d</td>
<td>$13,712</td>
<td>d</td>
<td>d</td>
<td>d</td>
<td>d</td>
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</table>

**Source:** Authorization levels compiled by CRS from the Workforce Innovation and Opportunity Act (P.L. 113-128). Appropriation levels from Department of Education Congressional Budget Justifications.

**Notes:** Funding for subcomponents of AEFLA reflect actual funding, which may differ from reservations specified in law.

a. Section 206 of AEFLA authorizes a single amount of funding for all activities under AEFLA/Title II of WIOA.
b. Section 211(b) of AEFLA specifies that funds for formula grants to states are the funds that remain after the reservations for National Leadership Activities and English Language-Civics grants.
c. Section 211(a)(2) of AEFLA specifies that 12% of the funds remaining after the reservation for National Leadership Activities are to be reserved for English Language-Civics grants.
d. Section 211(a)(1) of AEFLA specifies that 2% of the funds appropriated under AEFLA are to be reserved for National Leadership Activities.
Table B-3. WIOA Title III, Amendments to the Wagner-Peyser Act, Authorizations for FY2015 to FY2020
(dollars in thousands)

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<td>Workforce and Labor Market Information System</td>
<td>$60,153</td>
<td>$60,153</td>
<td>$64,799</td>
<td>$66,144</td>
<td>$67,611</td>
<td>$69,200</td>
<td>$70,667</td>
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**Source:** Compiled by CRS from the Workforce Innovation and Opportunity Act (P.L. 113-128), Department of Labor Congressional Budget Justifications, and the Department of Labor's *FY 2015 Operating Plan.*

**Notes:** Appropriations for the Employment Service are authorized through the Wagner-Peyser Act and are not included here.
Table B-4. WIOA Title IV, Amendments to the Rehabilitation Act of 1973, Authorizations for FY2015 to FY2020
(dollars in thousands)

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<tbody>
<tr>
<td><strong>Department of Education</strong></td>
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<td>Vocational Rehabilitation State Grants*</td>
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<td>$3,335,074</td>
<td>$3,302,053</td>
<td>$3,302,053</td>
<td>$3,302,053</td>
<td>$3,302,053</td>
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<tr>
<td>Client Assistance Program</td>
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<td>Training</td>
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<td>Demonstration</td>
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<td>$6,515</td>
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<td>Protection and Advocacy</td>
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<td>$33,317</td>
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<td>National Institute on Disability, Independent Living, and Rehabilitation Research</td>
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<td>$103,970</td>
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<tr>
<td>Access Board</td>
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<td><strong>Total Title IV</strong></td>
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<td><strong>$3,674,514</strong></td>
<td><strong>$3,682,243</strong></td>
<td><strong>$3,690,674</strong></td>
<td><strong>$3,699,812</strong></td>
<td><strong>$3,708,244</strong></td>
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</table>

**Source:** Authorization levels compiled by CRS from the Workforce Innovation and Opportunity Act (P.L. 113-128). Appropriation levels are from the Department of Education Congressional Budget Justifications, Department of Health and Human Services Congressional Budget Justifications, and relevant appropriations laws.

**Notes:** Vocational Rehabilitation Grants to States are mandatory spending and subject to sequestration. Funding levels in the table reflect pre-sequestration appropriation levels.

a. WIOA authorized $3,302,053,000 per year for FY2015 through FY2020. Funding for these mandatory grants, however, is determined by a formula in the Rehabilitation Act that specifies that each year’s funding will equal at least the prior year’s funding plus an increase equal to inflation. WIOA did not amend this formula, thus funding for grants in FY2015 and subsequent years will be above the authorized level.
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