

The Workforce Innovation and Opportunity Act and its Impact on Philadelphia

The Workforce Innovation and Opportunity Act (WIOA), authorized from 2015-2020, maintains some of the programmatic and funding structures found in the former Workforce Investment Act (WIA), however, it also offers several enhancements that will improve our ability to strategically meet the needs of job seekers and employers.

Local Area Governance

- **Local Area Designation:** Initial local area designation is in effect for the first two program years. The Governor must approve requests for designation of a local area, such as Philadelphia, that was in existence for at least two years before WIOA, performed successfully and sustained fiscal integrity. Governor must approve requests for subsequent designation if an area performed successfully, sustained fiscal integrity and engaged in regional planning, if applicable.
- **Local Board Composition:** The Board of Philadelphia Works serves as the city's local Workforce Investment Board (WIB) and WIOA changes some aspects of the Board's composition. While WIOA maintains a business majority and chair, it reduces board size (eliminates one-stop partners as required members), increases workforce representation to 20 percent and outlines other minimum requirements.
- **Board Functions:** Under WIOA, the role of a local board is expanded to allow boards to engage in a way that some characterize as "activist boards." All current local board functions remain, but many additional duties have been added to allow for more strategic involvement with the labor market, employer engagement, leveraging non-federal funding and expertise, sector partnerships, career pathways and other strategies. Philadelphia is well-equipped and prepared to take on this transition as we have already been involved in many of these best practices.

Service Delivery

- **Sequence of Services:** Core and intensive services are now combined into a single category of "Career Services." We anticipate this new streamlined system will offer more flexibility to address job seekers' unique needs and expect that regulations will provide more clarity regarding how this new system will be implemented.
- **Required One-Stop Partners:** WIOA adds Temporary Assistance for Needy Families (TANF) and the Second Chance Act (re-entry programs) as required one-stop partners. Partners must contribute for infrastructure and other costs.
- **One-Stop Operator:** WIOA allows the one-stop operator to be a consortium but requires the operator be selected through a competitive process. This slight but important change is one to monitor based on the current structure where the Consortium is the one-stop operator but not procured through a competitive process.
- WIOA prioritizes expands the definition of individuals with **barriers to employment** to mean: displaced homemakers; low-income earners; Indians, native Alaskans and Hawaiians; individuals with disabilities; elderly; ex-offenders; homeless; youth who are in/aged-out of foster care; English learners, low-literate and those with major cultural barriers; migrant and seasonal farm workers; individuals with 2 years of exhausting lifetime TANF eligibility; single parents/pregnant women; long-term unemployed; and any additional groups Governor identifies.
- **Career Pathways** is defined and highlighted in WIOA as an impactful priority and strategy.

Planning and Performance

- **Regional Planning:** WIOA requires identification of planning regions and a regional planning process that may span across multiple local workforce areas. These regions can be a single workforce area, multiple workforce areas or include multiple states and are required to work strategically together as well as share some administrative costs.

- **Plans:** Unified State Plans must now be inclusive of all core programs (Title I Adult, DW and youth programs; Adult education/literacy programs, Wagner-Peyser, and Title I of the Rehabilitation Act). Local Plans include additional elements and must be aligned with strategies outlined in the State Plan and reflective of labor market needs.
- WIOA changed performance measures and added new metrics related to **credential achievement, skills gain and employer service effectiveness, which is still to be defined.** Measures will be applied across all core programs.

Measure	WIA	WIOA
Adult/DW Entered Employment	Employed in Q1 after exit	Employed in Q2 post-exit
Adult/DW Employment Retention	Employed in Q2 and Q3 post-exit	Employed in Q4 post-exit
Adult/DW 6 Mos. Avg Earnings	Average in Q2 and Q3 post- exit	Median Earnings in Q2 post-exit
Adult/DW Credential Achievement	None	Credential w/in 1 year post-exit
Adult/DW/Youth In-Program Skills Gain	None	Skills gain in program year
Youth Placement	Employed/Educ. in Q1 post- exit	Placed in Q2 post-exit
Youth Retention	None	Retained in Q4 post-exit
Youth Earnings	None	Median in Q2 post-exit
Youth Credential (Degree, cert., etc.)	Attain credential in Q3 post- exit	% attain credential during participation or year post-exit
Youth Literacy/Numeracy	Increase 1+ educ. functional levels	Eliminated

Funding

- **Funding Levels** are recommended in WIOA through 2020; however, they are still subject to sequestration and actual funding will be set by the Congressional appropriations process, likely at lower levels than in the law.
- Local areas can now transfer 100 percent of funds between **Adult and Dislocated Worker** programs. Under WIA, PA was permitted by waiver to transfer up to 50 percent. The increased level of fluidity between these two programs will allow local WIBs to better respond to the changing needs and demands of our local areas.
- The **required expenditure level for out-of-school youth** is increased from 30% to 75% under WIOA.
- At least 20% of youth funding must support **work experience**, which may include summer and year-round employment, pre-apprenticeships, internships and on-the-job training.
- **Governor's statewide set-aside funding** is restored to 15 percent after being cut to five percent in 2011.
- **Administrative Costs:** WIOA maintains that 10% of funds may be used for administrative costs but presents a potentially broader definition of Administrative costs. Depending on how this is defined in the regulations, this change could lead to changes in how local WIBs allocate and manage administrative costs.

Youth Eligibility and Programming

- The eligible age range for **out-of-school youth** is extended to include young people who are 16-24 years of age with some additional requirements. The WIOA in-school youth age range remains at 14-21 years of age.
- **Youth income eligibility determinations** are eased by the allowance of income proxies, e.g. eligibility for free or reduced lunch and residency in a high-poverty area.
- **Required elements** for youth programming are expanded to include dropout recovery, attainment of post-secondary credentials, blended education and workforce training, alignment with industry clusters and in-demand industry sectors, entrepreneurship and financial literacy.