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Workforce Innovation and Opportunity Act (WIOA)

Presentation to the Federal Reserve

Stefani Pashman, CEO

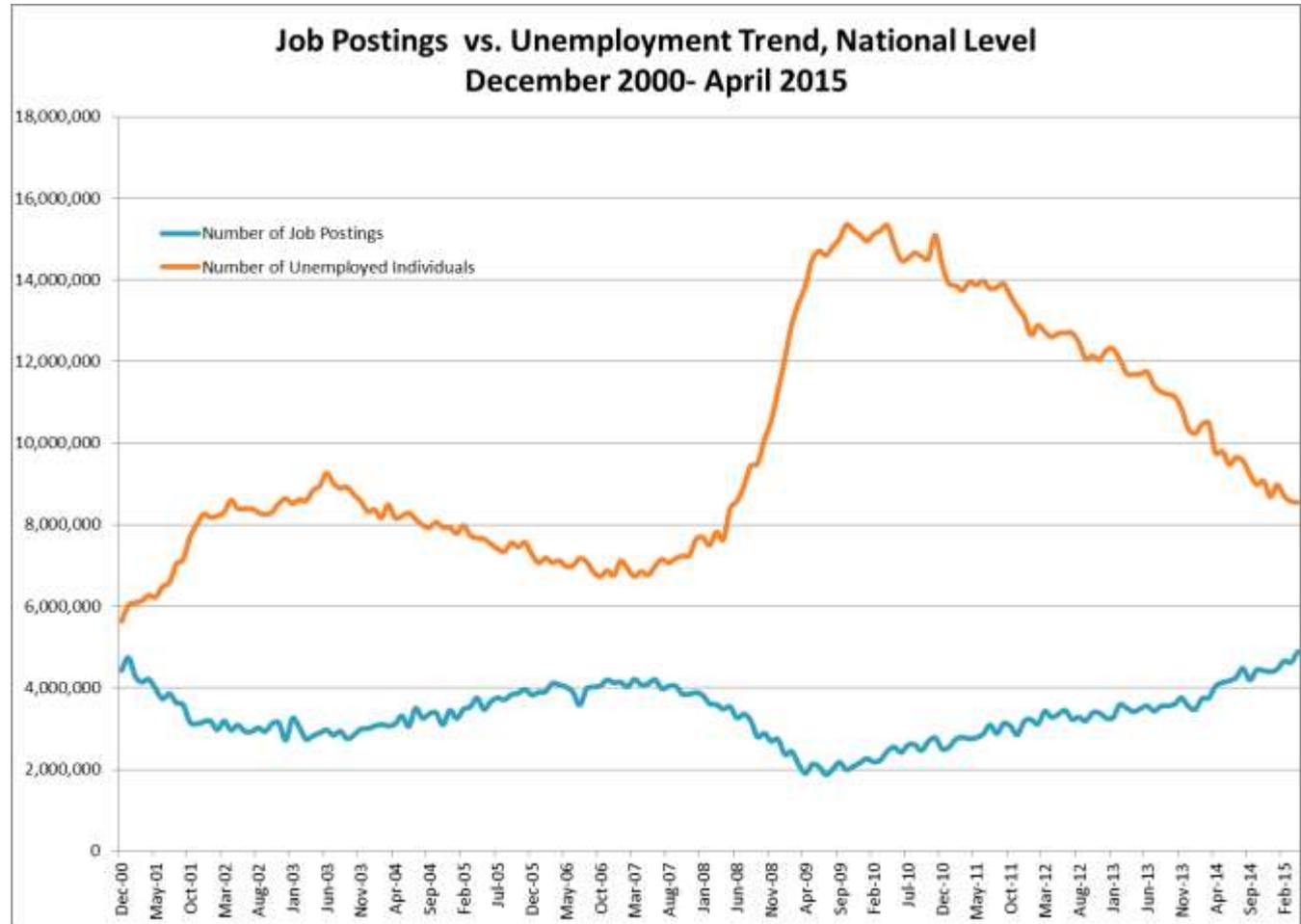
June 18, 2015



National Picture

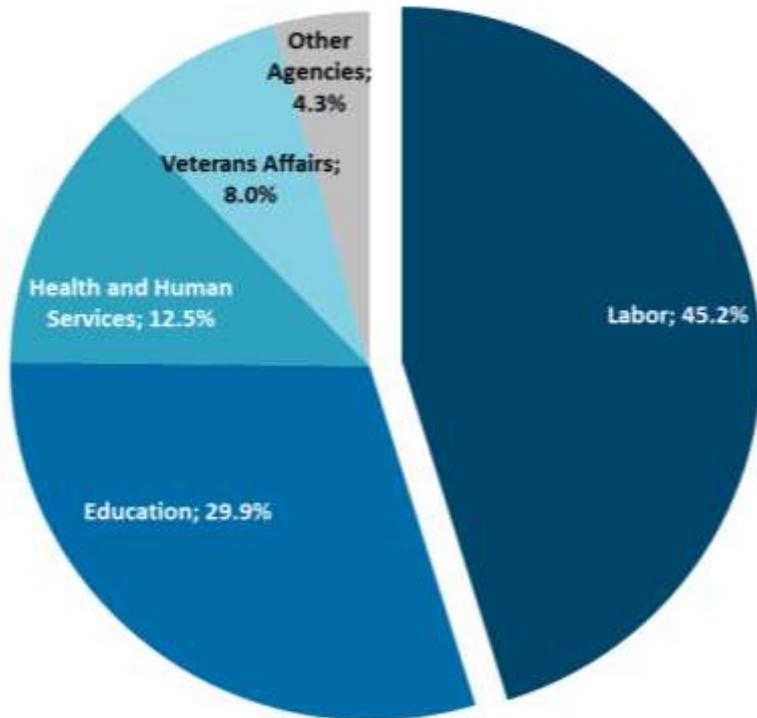
There are 1.7 unemployed individuals for every job posting

There are 3 million fewer full time employees in the US today than in December 2007



National System

Spending on Employment and Job Training Programs by Agency

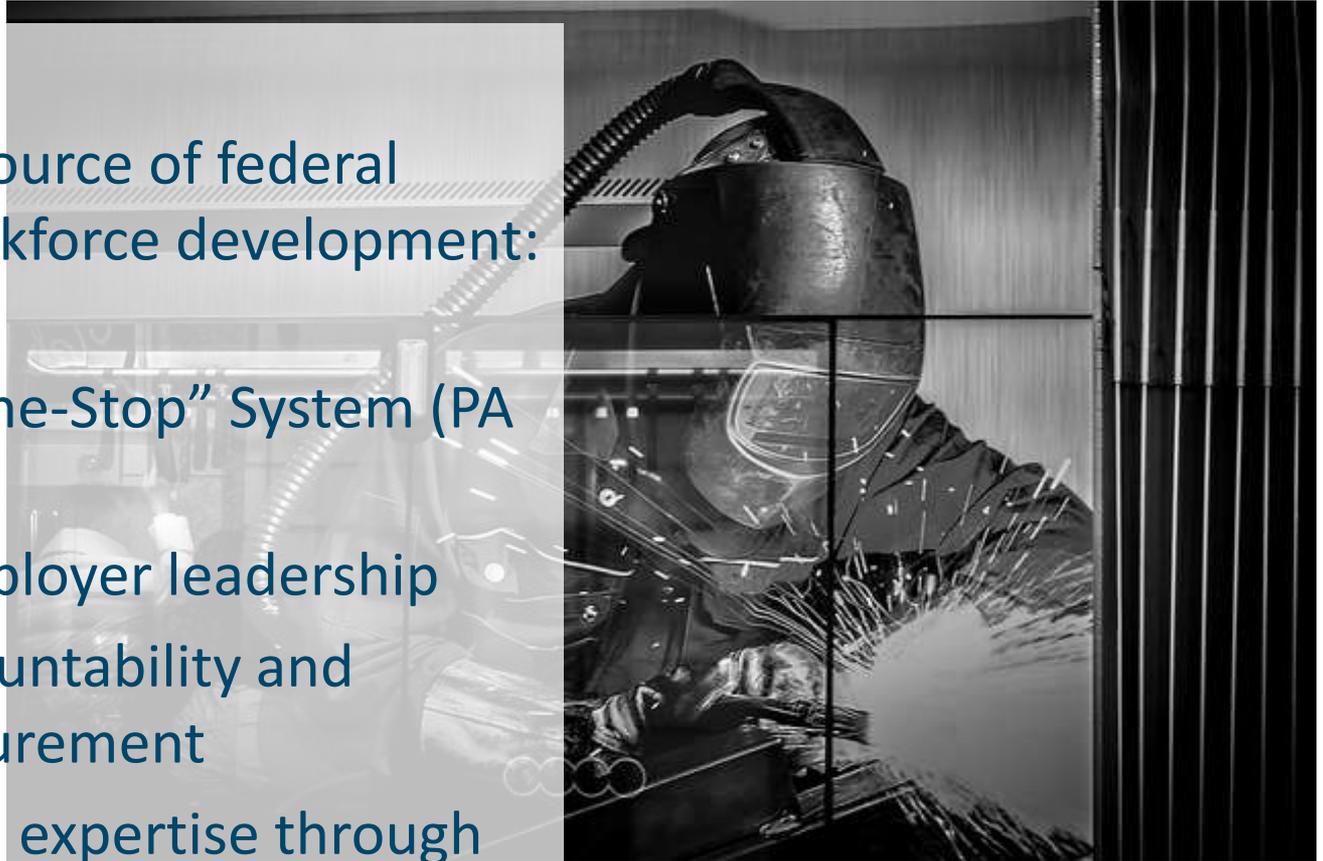


- 10 Federal agencies fund job training
- 95% of Federal funds are in four programs:
 - **Workforce Investment Act (WIA)**
 - Temporary Assistance for Needy Families (TANF)
 - Veterans Vocational Rehabilitation and Employment
 - Career and Technical Education



Public System: Workforce Investment Act (WIA)

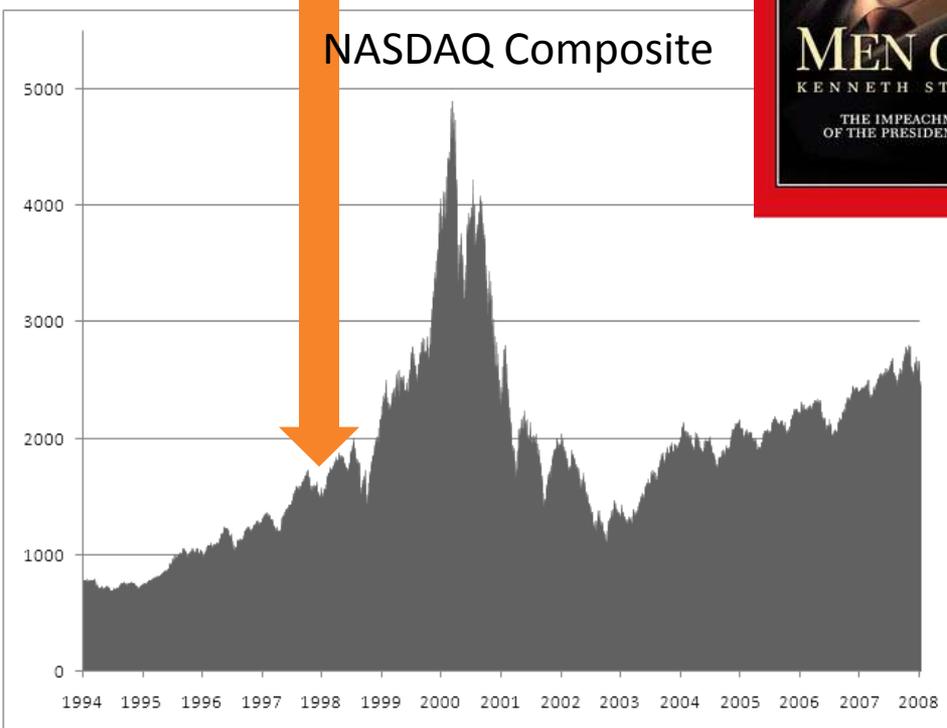
- Passed in 1998
- Largest single source of federal funding for workforce development: \$2.8 billion
- Created the “One-Stop” System (PA CareerLink®)
- Established employer leadership
- Prioritized accountability and outcome measurement
- Harnessed local expertise through the creation of local areas



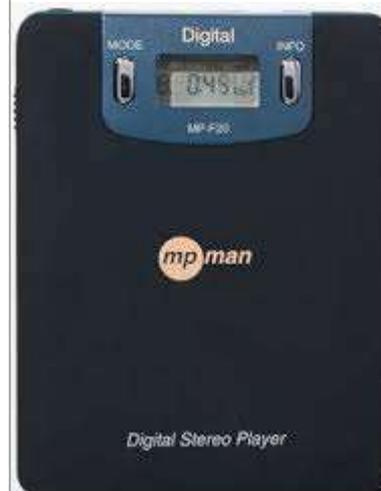
Life in 1998

The Dot Com bubble had not yet burst...

NASDAQ Composite



Top Three Websites in 1998:

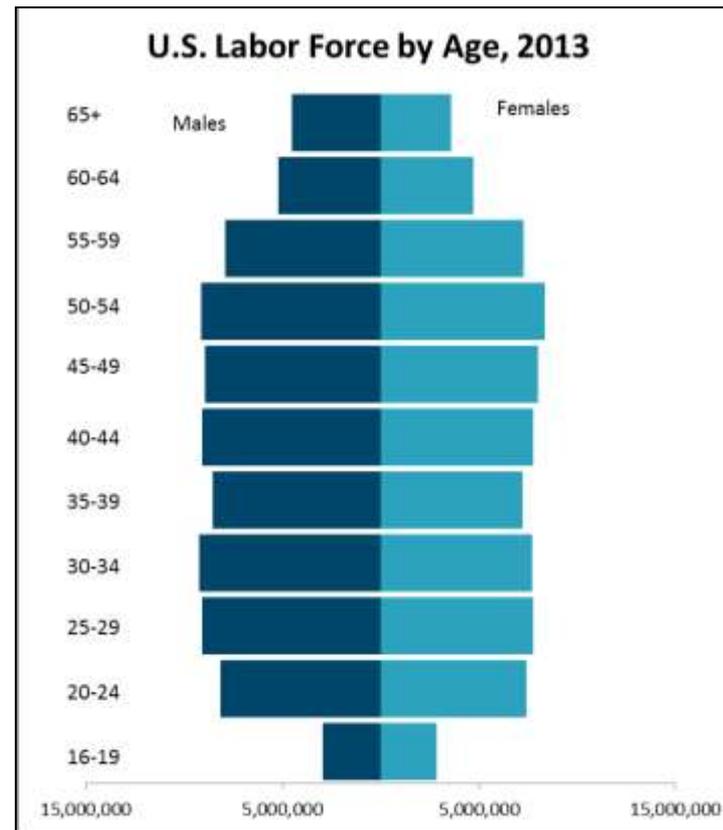
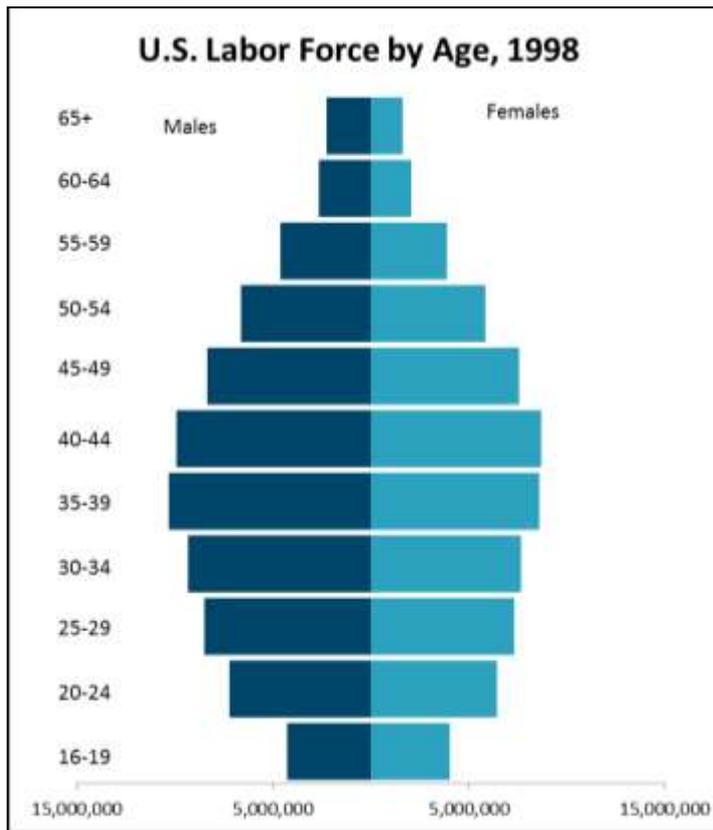


Changes in Business Models

- Google launched in 1998.
- The needs of employers have changed: job skills are more technical and technological than ever before.
- Job tenure averaged 3.6 years in 1998; in 2012 it averaged 4.6 years.
- Job titles like Data Architect, Cloud Services Specialist, Social Media Specialist, and Health Care Concierge did not exist in 1998.
- In 1995, 35-65% of employees received formal training from their employer. In 2011, just 21% of employees reported receiving any kind of employer-funded training in the past five years.



Changes in the Labor Market



- The national unemployment rate was 4.5% in 1998. It is 6.2% today.
- In 2000, 29.9% of Americans were between 40-65 years old. Today, 33.2% are.
- Minorities make up more than 35% of the US workforce today, up from 27% in 1998.
- The average duration of unemployment has gone from 3.3 months in 1998 to 8.4 months in 2013.

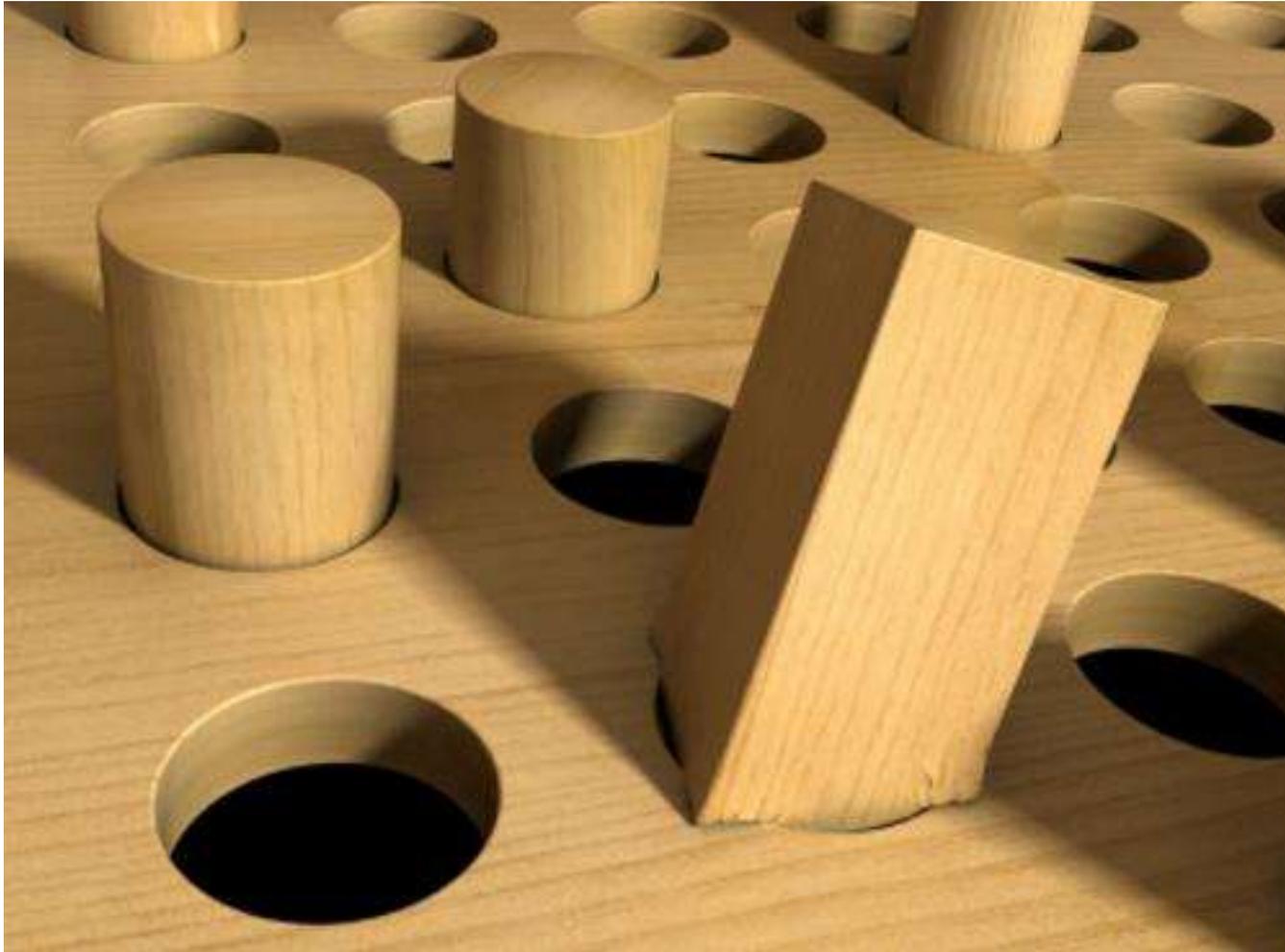


Changes in Job Searching

- Monster.com launched in 1998
- 41% of US adults used the internet in 1998. 87% of US adults use the internet today.
- 94% of recruiters use or plan to use social media in their recruitment efforts this year.



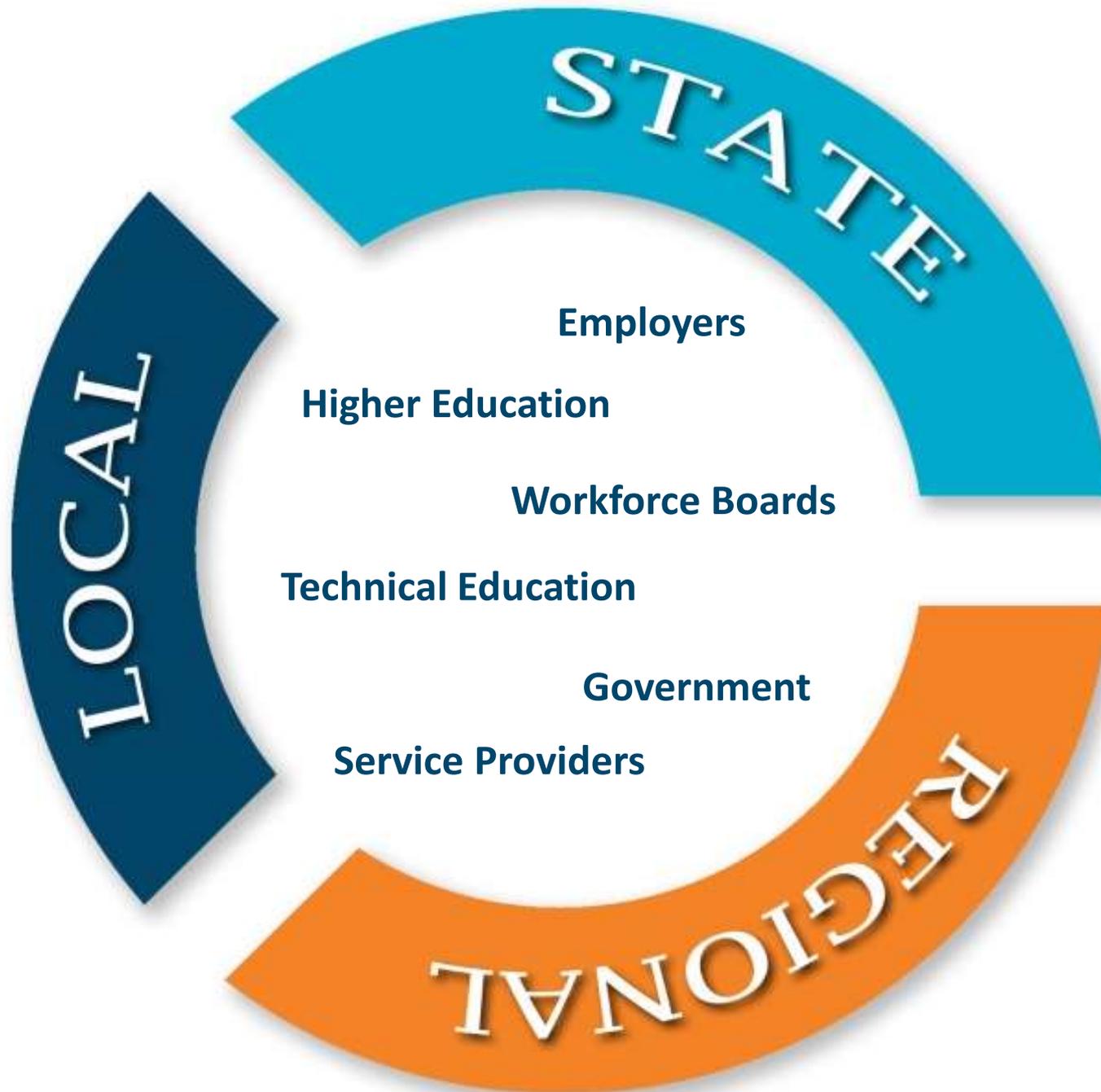
Workforce Investment Act (WIA)



Workforce Innovation and Opportunity Act (WIOA)

“...to provide workforce investment activities, through statewide and local systems that 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.***”

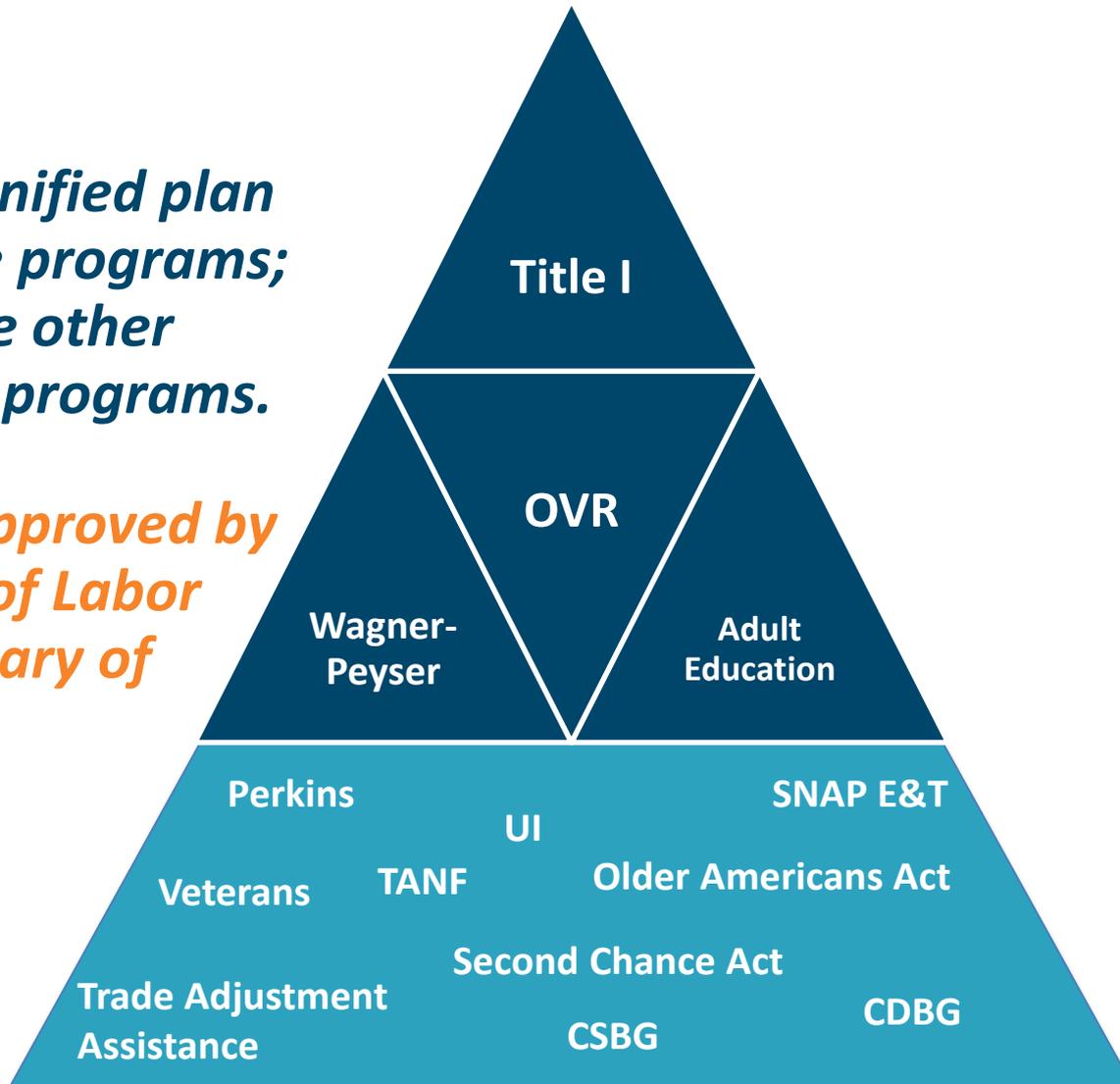




Strategic Program Alignment through Unified Planning

Requires unified plan for all core programs; can include other workforce programs.

Must be approved by Secretary of Labor and Secretary of Education



Strategic Program Alignment: State level



- State has larger input with planning and strategy than under WIA; **must align workforce and education.**
- Governor has increased role in **training provider accountability**
- States must assist with the identification of Career Pathways **linking workforce and education.**



Strategic Program Alignment: Local level



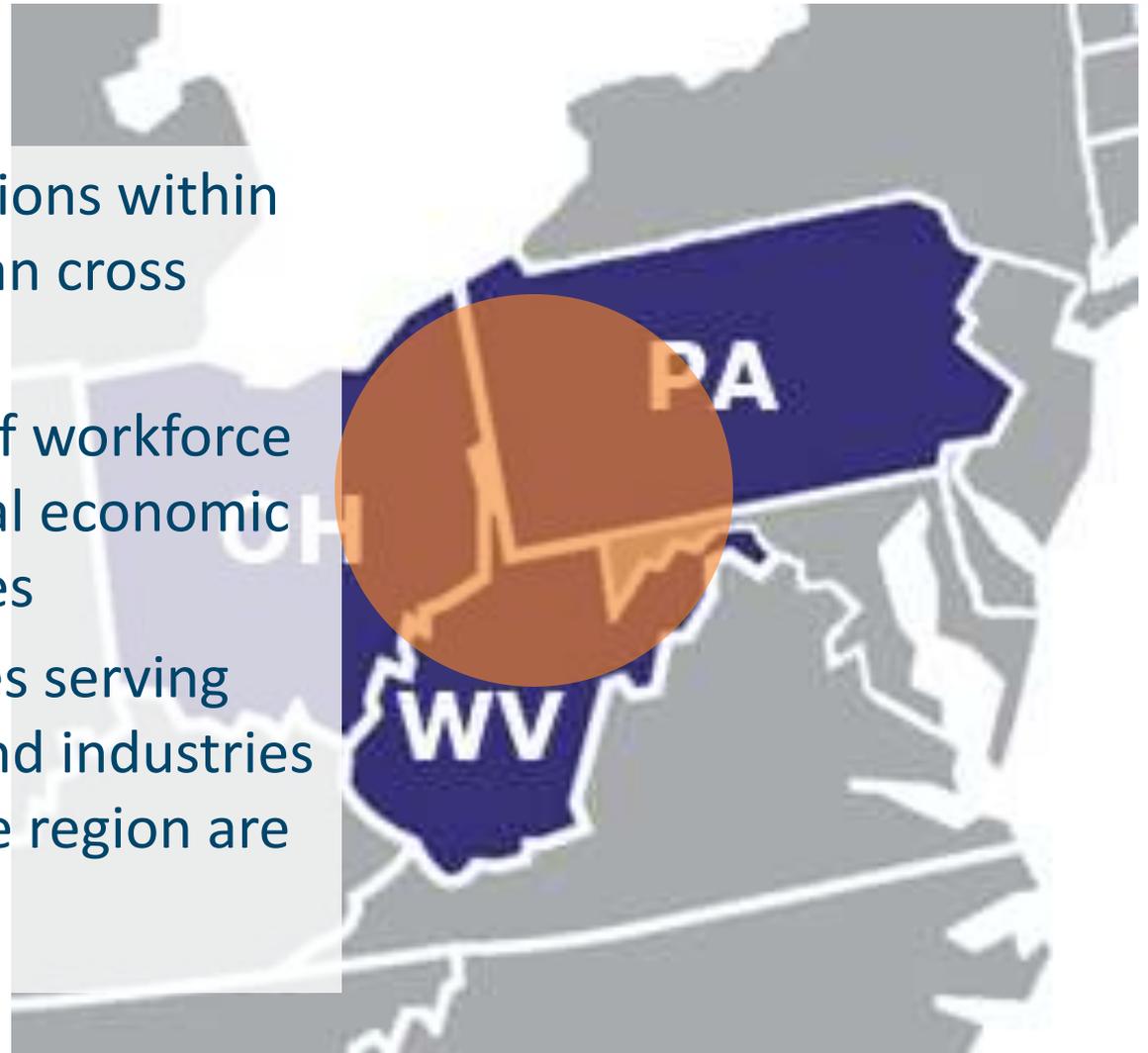
Local boards must:

- Convene workforce partners, employers, and the education community
- **Develop Career Pathways** linking employment, training, and education
- Leverage non-federal resources to improve the public system
- **Understand the local and regional labor market**, including educational needs and economic development



Regional Collaboration

- States will identify regions within their states; regions can cross state borders
- Promotes alignment of workforce programs with regional economic development strategies
- Sector-based strategies serving the needs of in-demand industries and occupations in the region are prioritized



Local Impact: Improving Outcomes through System Alignment



Key Implementation Dates

- April 16, 2015: Notices of Proposed Rulemaking to implement WIOA published
- July 1, 2015: Provisions of WIOA take effect
- July 22, 2015: Eligible Training Provider provisions must be enacted by Governor and local boards; template for performance reports released
- January 22, 2016: Final Rule to implement WIOA published
- March 3, 2016: First Unified State Plan submitted
- July 1, 2016: New performance metrics take effect





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