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The Workforce Investment Act and the One-Stop Delivery System

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Abstract

[Excerpt] The Workforce Investment Act of 1998 (WIA; P.L. 105-220) is the primary federal program that supports workforce development. WIA includes five titles:

• Title I—Workforce Investment Systems—provides job training and related services to unemployed or underemployed individuals;

• Title II—Adult Education and Literacy—provides education services to assist adults in improving their literacy and completing secondary education;

• Title III—Workforce Investment-Related Activities—amends the Wagner-Peyser Act of 1933 to integrate the U.S. Employment Service (ES) into the One-Stop system established by WIA;

• Title IV—Rehabilitation Act Amendments of 1998—amends the Rehabilitation Act of 1973, which provides vocational rehabilitation services to individuals with disabilities, to integrate vocational rehabilitation into the One-Stop system; and

• Title V—General Provisions—specifies components of State Unified Plans and provisions for state incentive grants.

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 includes secondary and postsecondary education, on-the- job and employer-provided training, and the publicly funded system of job training and employment services. Most workforce development occurs in the workplace during the course of doing business. The federal government provides workforce development activities through WIA's programs and other programs designed to increase the employment and earnings of workers. Workforce development may include activities such as job search assistance, career counseling, occupational skill training, classroom training, or on-the-job training.

Keywords

Workforce Investment Act of 1998, WIA, workforce development, education, training, employment

Comments

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The Workforce Investment Act and the One-Stop Delivery System

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Summary

The Workforce Investment Act of 1998 (WIA; P.L. 105-220), which succeeded the Job Training Partnership Act (P.L. 97-300) as the main federal workforce development legislation, was enacted to bring about increased coordination among federal workforce development and related programs. WIA authorized the appropriation of "such sums as may be necessary" for each of FY1999 through FY2003 to carry out the programs and activities authorized in the legislation. Authorization of appropriations under WIA expired in FY2003 but has been extended annually through the Departments of Labor, Health and Human Services, and Education and Related Agencies Appropriations Act (Labor-HHS-ED). Reauthorization legislation was considered in the 108th and 109th Congresses. In both the 108th and 109th Congresses, the House and the Senate passed different versions of legislation that would have reauthorized WIA. However, in neither instance did the two chambers reconcile the differences between the bills they had passed. In the 112th Congress, the House Committee on Education and the Workforce ordered reported the Workforce Investment Improvement Act of 2012 (H.R. 4297) but it was not taken to the House floor.

In the 113th Congress, the House Committee on Education and the Workforce has ordered reported H.R. 803—the Supporting Knowledge and Investing in Lifelong Skills Act (SKILLS Act). This bill was introduced on February 25, 2013, by Representative Virginia Foxx of North Carolina, the chair of the Subcommittee on Higher Education and Workforce Training. A legislative hearing on H.R. 803 was held before the full Committee on Education and the Workforce on February 26, 2013. On March 6, 2013, the committee, after considering four amendments to H.R. 803, ordered the bill reported by a vote of 23 to 0. H.R. 803 was debated in the House on March 15, 2013, and passed by a vote of 215-202.

WIA includes five titles: Workforce Investment Systems (Title I), Adult Education and Literacy (Title II), Workforce Investment-Related Activities (Title III), Rehabilitation Act Amendments of 1998 (Title IV), and General Provisions (Title V). Title I, whose programs are primarily administered through the Employment and Training Administration (DOLETA) of the U.S. Department of Labor (DOL), includes three state formula grant programs, multiple national programs, Job Corps, and demonstration programs. In addition, Title I authorizes the establishment of a One-Stop delivery system through which state and local WIA training and employment activities are provided and through which certain partner programs must be coordinated. 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 of WIA amends the Wagner-Peyser Act of 1933, and Title IV amends the Rehabilitation Act of 1973. Title V includes provisions for the administration of WIA.

The focus of this report is on Titles I and II of WIA, both of which authorize programs to provide job search, education, and training activities for individuals seeking to gain or improve their employment prospects. The programs and services in these two titles are covered in detail in this report. Title III of WIA amends the Wagner-Peyser Act of 1933, which establishes the Employment Service (ES), to make the ES an integral part of the One-Stop system created by WIA. Because the ES is a central part of the One-Stop system, it is discussed briefly in this report even though it is authorized by separate legislation (Wagner-Peyser Act of 1933).

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Introduction

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- Title II—Adult Education and Literacy—provides education services to assist adults in improving their literacy and completing secondary education;
- Title III—Workforce Investment-Related Activities—amends the Wagner-Peyser Act of 1933 to integrate the U.S. Employment Service (ES) into the One-Stop system established by WIA;
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- Title V—General Provisions—specifies components of State Unified Plans and provisions for state incentive grants.

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 includes secondary and postsecondary education, on-the-job and employer-provided training, and the publicly funded system of job training and employment services. Most workforce development occurs in the workplace during the course of doing business. The federal government provides workforce development activities through WIA's programs and other programs designed to increase the employment and earnings of workers. Workforce development may include activities such as job search assistance, career counseling, occupational skill training, classroom training, or on-the-job training.[1]

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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 GAO study reported that there are "44 federal programs that provided a range of employment and training services" with a combined appropriation of $30 billion (in FY2002). See U.S. General Accounting Office, *Multiple Employment and Training Programs: Funding and Performance Measures for Major Programs*, GAO-03-589, April 2003, p. 7, http://www.gao.gov/new.items/d03589.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 on 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.

WIA. 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 (Wagner-Peyser Act of 1933).[2]

The majority of this report addresses the provisions of WIA Title I. Following a brief history of federal workforce development programs, there is a discussion of the provisions and characteristics of WIA Title I programs and services. Next, there is a description of the One-Stop delivery system and Workforce Investment Boards (WIBs). This section includes an overview of the Employment Service, whose authorizing legislation (Wagner-Peyser Act of 1933) was amended by Title III of WIA. Following that, the report covers the services provided by the state formula grant programs and the national programs authorized under Title I of WIA. The section on Title I concludes with a discussion of funding and performance accountability. The report then provides a description of the services, funding, and performance accountability provisions of WIA Title II. **Appendix A** provides a glossary of selected key terms in WIA. **Appendix B** provides an appropriations history for programs authorized under Titles I and II of WIA and under the Wagner-Peyser Act of 1933.

Title I—Workforce Investment Systems

Title I of WIA provides 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 (DOLETA). Although WIA authorized the appropriations of funds for WIA programs through September 30, 2003, WIA programs have continued to be funded through annual appropriations.

In FY2012, programs and activities authorized under Title I of WIA are funded at $4.9 billion, including $2.6 billion for state formula grants for youth, adult, and dislocated worker training and employment activities.

Brief History of Federal Workforce Development Programs

The first major federal funding for training programs in the postwar period started with the enactment of the Manpower Development Training Act (MDTA) 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.[3]

[2] Title IV of WIA amends Title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 *et seq.)* to create linkages between state vocational rehabilitation services and workforce investment activities carried out under Title I of WIA. Title I of the Rehabilitation Act of 1973 authorizes the federal government to make grants to states and territories to provide vocational rehabilitation services to persons who have disabilities and who require vocational rehabilitation services to become employed, remain employed, or return to previous employment. For additional information on vocational rehabilitation state grants, see CRS Report RL34017, *Vocational Rehabilitation Grants to States and Territories: Overview and Analysis of the Allotment Formula*, by Umar Moulta-Ali.

[3] 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* (Kalamazoo, MI: W.E. Upjohn Institute for Employment Research, 2004).

Enacted in 1962, the MDTA (P.L. 87-415) 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.[4]

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 away from the federal government and toward 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.[5] 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, include 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.

Overview of WIA Title I Programs

Title I authorizes several state and national programs to provide employment and training services and establishes the One-Stop system as a means of delivering and coordinating workforce development activities.

Highlights of WIA Title I programs include the following:

- *Administration by the U.S. Department of Labor* (DOL), primarily through its Employment and Training Administration (DOLETA).

[4] Although not considered one of the four main job training programs, Job Corps was established during this period. The Economic Opportunity Act of 1964 created the Job Corps program, which is a largely residential educational and job training program for disadvantaged youth.

[5] 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.

- Three *employment and training programs*—Youth Activities, Adult Activities, and Dislocated Worker Activities—funded by federal-to-state formula grants that are based on measures of states' unemployment and poverty.[6]
- Six *national programs*, including Job Corps, the Native American Program, the Migrant and Seasonal Farmworker Program, the Veterans' Workforce Investment Program, Youth Opportunity Grants, and YouthBuild.[7]
- *Demonstration and pilot projects* that currently include programs such as the Reintegration of Ex-Offenders program, the Career Pathways Innovation Fund, and the Green Jobs Innovation Fund program.
- A *system of "One-Stop" centers* through which state and local WIA training and employment activities are provided and in which certain partner programs must be co-located.
- *Workforce Investment Boards (WIBs)* responsible for policy and oversight of state and local workforce investment activities.
- *Local discretion* in the design of services for WIA participants.
- *Universal access* to employment and training services for WIA participants.
- An *accountability system based on core indicators with state-adjusted levels of performance* resulting from negotiations between each state and the Secretary of Labor.
- Operation on a *July 1-June 30 program year*.

Characteristics of WIA Title I Programs

This report provides details of WIA Title I state formula program structure, services, allocation formulas, and performance accountability. In addition, it provides a program overview for national grant programs. It is worth noting at this point, however, the elements of WIA that characterize it as a workforce development system.

- WIA 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 WIA is manifested in elements such as Workforce Investment Boards (WIBs), a majority of whose members must be representatives of business.
- WIA provides *local control* to officials administering programs under WIA. Under the state formula grant portion of WIA, which accounts for nearly 60% of total WIA Title I funding, the majority of funds are allocated to local WIBs (after initial allocation from DOLETA to the states) that are authorized to determine the

[6] Note: "Youth" programs in Title I include Youth Activities, Job Corps, YouthBuild, pilot programs, and Youth Opportunity Grants. These employment service and job training programs for youth are discussed briefly in this report but are covered in greater detail in CRS Report R40929, *Vulnerable Youth: Employment and Job Training Programs*, by Adrienne L. Fernandes-Alcantara.

[7] The YouthBuild program was formerly in the Department of Housing and Urban Development (HUD) but was made a part of WIA on September 22, 2006, by the YouthBuild Transfer Act (P.L. 109-281). Youth Opportunity Grants were last funded in FY2003 and supported program operations through FY2005.

mix of service provision, eligible providers, and types of training programs, among other decisions.[8]

- The WIA system provides *central points of service* by 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. WIA requires certain programs to be "partners" in the One-Stop center, either by physical collocation or other accessible arrangements.
- Unlike its predecessor, the Job Training Partnership Act (JTPA), WIA provides *universal access* to its services. Whereas JTPA provided training services to individuals who were "economically disadvantaged" or dislocated, WIA provides core services (discussed below) to any individual regardless of age or employment status.
- WIA is oriented toward a *work first* approach to workforce development. That is, placement in employment is the first goal of the services provided under Title I of WIA. To this end, WIA established a "sequence of services" (discussed below) that requires individuals to receive core and intensive services before training is considered.[9] Similarly, there is no minimum established in WIA on the amount states and local WIBs must spend for training services; JTPA, on the other hand, required that a fixed percentage of funding be spent on training services.
- WIA 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.

The One-Stop Delivery System and Workforce Investment Boards

One-Stop Delivery System

Because the initial point of contact for WIA participants is frequently at a One-Stop center, it is worthwhile to explain briefly the "One-Stop delivery system" established by WIA before describing the services available at and accessible through the One-Stop centers.[10]

One innovation of WIA was the establishment of One-Stop centers to provide access to employment and training services. WIA requires each state to establish a One-Stop delivery system to:

[8] 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.

[9] To clarify, WIA does not specify an amount of time one must spend or the number of attempts one must make to gain employment before moving to the next level in the sequence of services. In a 2001 study, the GAO noted that "WIA allowed local discretion regarding how individuals would move from one level to the next among those three levels [core, intensive, and training] of services … and the determination that an individual needs intensive and/or training services can be made without regard to how long the individual has been receiving core services." See U.S. General Accounting Office, *Workforce Investment Act: Better Guidance Needed to Address Concerns Over New Requirements*, GAO-02-72, October 2001, p. 10, http://www.gao.gov/new.items/d0272.pdf.

[10] The One-Stop delivery system was established by Section 134(c) of WIA.

- provide "core" services and access to "intensive" and training services (see "Local Activities" in the next section for a description of the three levels of services provided for in Title I);
- provide access to programs and activities carried out by One-Stop partners (see below); and
- provide access to all labor market information, job search, placement, recruitment, and labor exchange services authorized under the Wagner-Peyser Act.[11]

Each local workforce investment area in a state is required to have at least one physical One-Stop center in which the aforementioned programs and services are accessible.[12] Services may be collocated or available through a network of affiliated sites or One-Stop partners linked electronically.

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

Table 1. Required Partners in One-Stop Centers

Program	Program Authorization	Federal Agency
WIA Adult Activities	WIA—Title I	Department of Labor
WIA Dislocated Worker Activities	WIA—Title I	Department of Labor
WIA Youth Activities	WIA—Title I	Department of Labor
WIA Job Corps	WIA—Title I	Department of Labor
WIA Native American	WIA—Title I	Department of Labor
WIA Migrant and Seasonal Farmworker	WIA—Title I	Department of Labor
Veterans' Workforce Investment	WIA—Title I	Department of Labor
Employment Service	Wagner-Peyser Act of 1933 (29 U.S.C. 49 *et seq.*)	Department of Labor
Adult Education and Literacy	WIA—Title II	Department of Education
Vocational Rehabilitation	Rehabilitation Act of 1973 (29 U.S.C. 720 *et seq.*)	Department of Education
Welfare-to-Work Grants	Social Security Act (42 U.S.C. 603(a)(5))	Department of Health & Human Services

[11] Enacted in 1933, the Wagner-Peyser Act funded the transformation of state and local employment service offices into a unified national public labor exchange.

[12] A "local workforce investment area" is defined in Section 116 of WIA. 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.

Program	Program Authorization	Federal Agency
Senior Community Service Employment	Older Americans Act of 1965 (42 U.S.C. 3056 *et seq.*)	Department of Labor
Postsecondary Vocational Education	Carl D. Perkins Vocational and Applied Technology Education Act of 2006 (20 U.S.C. 2301 *et seq.*)	Department of Education
Trade Adjustment Assistance	Trade Act of 1974 (19 U.S.C. 2271 *et seq.*)	Department of Labor
Veterans' Employment/ Disabled Veterans	38 U.S.C. Chapter 41	Department of Labor
Employment and Training Activities carried out under the Community Services Block Grant	Community Services Block Grant Act (42 U.S.C. 9901 *et seq.*)	Department of Health & Human Services
Employment and Training Activities carried out by the Department of Housing and Urban Development		Department of Housing and Urban Development
State Unemployment Compensation	Social Security Act of 1935 (Titles III, IX, and XII) and Federal Unemployment Tax Act 1939	Department of Labor

Source: P.L. 105-220 and Department of Labor, Employment and Training Administration, "Workforce Investment Act; Final Rules," 65 *Federal Register* 49399, August 11, 2000.

Notes: The list of required partners, including references to the authorizing statutes for each program, is in Section 121(b)(1)(B) of WIA. There were 18 required partners specified in the legislation. The Welfare to Work program ended September 30, 2004. In addition, 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 employment and training programs. However, HUD programs do feature employment and training related requirements, particularly the Section 3 Economic Opportunities requirement (12 USC 1701u; 24 CFR 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**, WIA specifies that One-Stop centers may incorporate other partner programs, including

- programs for recipients of Temporary Assistance for Needy Families (TANF) authorized under the Social Security Act;
- any employment and training activities required of recipients under the Supplemental Nutrition Assistance Program (the SNAP, formerly known as the Food Stamp program) and work programs for those recipients who are able-bodied adults without dependents;
- programs authorized under the National and Community Service Act of 1990 (e.g., AmeriCorps); and
- other appropriate government or private-sector programs.

The local WIB must 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, and indicate the duration of the memorandum and the procedures to amend the memorandum.[13]

The Employment Service

The Employment Service, 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, as ES services are universally accessible to job seekers and employers and ES offices may not exist outside of the One-Stop delivery system.[14] Although the ES is one of 18 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 WIA.[15]

Title III of WIA amends the Wagner-Peyser Act to require states to deliver employment services through the One-Stop system and to add Section 15 ("Employment Statistics") to the Wagner-Peyser Act. Section 15 requires the Secretary of Labor to oversee the development, maintenance, and continuous improvement of a nationwide employment statistics system.

The two major categories of activities performed by the ES are the administration of State Grants and National Activities.[16] Services provided by the ES State Grants include

- labor exchange services (e.g., core and intensive employment services, job search and placement assistance, labor market information);
- evaluation of programs;
- recruitment and technical services for employers; and
- work tests for the state unemployment compensation system.

As noted, WIA amended the Wagner-Peyser Act to make the ES a central part of the workforce development system under WIA. To this end, one of the key functions played by the ES is to deliver many of the "core" services that form what is known as the "sequential service strategy" of WIA. That is, Wagner-Peyser Act-funded ES services are available at all comprehensive One-Stop centers and many affiliated sites. The ES staff often are the first to assist individuals seeking

[13] The division of infrastructure costs has been a source of some problems in the operation of One-Stop centers and has created a reliance on one or two programs for the majority of funding for these costs. See U.S. Government Accountability Office, *Workforce Development: Community Colleges and One-Stop Centers Collaborate to Meet 21st Century Workforce Needs*, GAO-08-547, May 1, 2008, http://www.gao.gov/new.items/d08547.pdf; and U.S. Government Accountability Office, *Workforce Investment Act: One-Stop System Infrastructure Continues to Evolve, but Labor Should Take Action to Require That All Employment Service Offices Are Part of the System*, GAO-07-1096, September 2007, http://www.gao.gov/new.items/d071096.pdf.

[14] An ES office may operate an affiliated site outside of the One-Stop center or be linked to the local One-Stop electronically.

[15] For additional information on the Employment Service, see CRS Report RL30248, *The Employment Service: The Federal-State Public Labor Exchange System*.

[16] 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.

employment assistance and refer individuals to other programs in the One-Stop system of partners.[17] States provide labor exchange services through three tiers of service delivery:[18]

- *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 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 interact 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.

Programs authorized under Title I of WIA have performance accountability requirements to measure the employment and wage outcomes for participants. Similar to the Title I programs, the ES uses three measures of performance: entered employment, employment retention, and average earnings.[19]

The vast majority of funds (97%) for Employment Service activities are allocated to states on the basis of each state's relative share of the following two factors: civilian labor force (CLF) and total unemployment.[20] Specifically, two-thirds of the ES state funding is allocated on the basis of the relative share of CLF and one-third on the basis of the relative share of total unemployment.

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[17] State merit-staff employees typically deliver ES services in a One-Stop. Staff providing other services at One-Stop centers are not required to be public employees. In the late 1990s, the 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.

[18] Core and intensive services defined in WIA Section 134(d)(2) and (3) can be delivered through any of the three methods described here.

[19] For additional detail on Wagner-Peyser Act performance measures, see Brent R. Orrell, *Training and Employment Guidance Letter*, U.S. Department of Labor, Employment and Training Administration, No. 9-08, Washington, DC, January 14, 2009, http://wdr.doleta.gov/directives/attach/TEGL/TEGL07-08.pdf.

[20] 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.

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.[21]

Key features of the state formula allocation for Wagner-Peyser Act state allotments include the following:

- A reservation for Guam and the Virgin Islands of an amount equal to the allotment percentage each received in FY1983 (this is reserved prior to state allocations).
- Provisions for minimum allotments; a state cannot receive less than 0.28% of the total allocation to all states in a given program year.
- "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.

Of the total allocation 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 allocation may be used for activities such as performance incentives and services for groups with special needs.[22]

Workforce Investment Boards

WIA establishes state and local workforce investment boards (WIBs) as part of the governance structure for programs that form the workforce development system under WIA. This section provides information on state and local WIB membership requirements and functions. For both the state and local WIBs, WIA specifies the composition, but does not specify the number, of board members. For both state and local WIBs, however, WIA requires that the majority of board members, as well as the board chairs, be representatives of business.

State WIBs, authorized under WIA Section 111 and established by the governor of each state, consist of the following required members:

- the governor,
- two members of each chamber of the state legislature,
- representatives of business,
- chief elected officials,
- representatives of labor organizations,
- representatives with experience in youth activities,
- representatives with experience in the delivery of workforce investment activities (e.g. executive officers of community colleges),

[21] For formula details, see http://www.doleta.gov/budget/docs/WIAFormDesc09.pdf.

[22] For a detailed list of activities, see Sections 7(a) and 7(b) of the Wagner-Peyser Act.

- lead state agency officials responsible for the "required" One-Stop partner programs, and
- any other representatives and state agency officials the governor designates.

With the exception of the board members who are from the state legislature, the governor appoints all representatives on the state WIB. The state WIB is responsible for assisting the governor in the following activities:

- development of a state plan;
- development and continuous improvement of statewide workforce activities, including coordination and nonduplication of One-Stop partner programs;
- designation of local workforce investment areas;
- development of formulas for within-state distribution of adult and youth funds;
- development and continuous improvement of state performance measures;
- preparation of annual reports to DOL on performance measures; and
- development of the statewide employment statistics system.

Local WIBs, authorized under WIA Section 117 and appointed by the chief local elected official(s) in local workforce investment areas, consist of representatives of the following required organizations or entities:

- business,
- local educational entities,
- labor organizations,
- community-based organizations,
- economic development agencies,
- One-Stop partner programs, and
- any other representatives deemed appropriate by the local elected official.

The local WIB performs multiple functions in carrying out the programs and services authorized under WIA, including

- development of a local plan for workforce investment activities;
- selection of One-Stop operators and eligible providers of training;
- development of a budget and administration of funding to service providers;
- oversight of all programs for youth, adult, and dislocated workers;
- negotiation of local performance measures with the governor;
- assistance in development of a statewide employment statistics system;
- coordination of WIA workforce development activities with local economic development activities; and

- promotion of participation of private sector employers in the workforce development system.

Of the many policies for which local WIBs have responsibility, three in particular illustrate the important governance role that local WIBs play. One, the local WIB is responsible for developing an MOU among One-Stop partners (see "One-Stop Delivery System"). Two, the local WIB may designate or certify the following entities (or consortia of these entities) to serve as the One-Stop operator: a postsecondary educational institution, an employment service agency, a nonprofit organization, a for-profit entity, a government agency, and other interested entities. WIA precludes elementary or secondary schools from eligibility to serve as a One-Stop operator. Three, the local WIB is responsible for establishing limits on the duration and amount of Individual Training Accounts (ITAs).

State Formula Grant Programs

As noted, WIA was enacted in 1998 and replaced JTPA as the federal government's primary employment and job training legislation. Title I—Workforce Investment Systems—authorizes job training and related services to unemployed or underemployed individuals.

Funds authorized under Subtitle B of WIA ("Statewide and Local Workforce Investment Systems") are allocated by formula and are used for workforce development activities. As stated in WIA, the purpose of workforce systems is to "increase the employment, retention, and earnings of participants, and increase occupational skill attainment by participants, and as a result, improve the quality of the workforce, reduce welfare dependency, and enhance the productivity and competitiveness of the Nation."[23]

The three 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 WIA Title I programs is provided through state formula grants.

Adult and Dislocated Worker Activities

Overview and Purpose

The adult and dislocated worker programs both provide training and related services to individuals ages 18 and older. The programs are funded through formula grants allocated 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 allocation formulas (see "Funding for Title I Programs and Activities," below, for the difference in allocation formulas). Any individual age 18 or older is eligible for services funded by the adult activities allocation. An individual is generally eligible for services under the provisions for dislocated workers in WIA if the person

[23] WIA Section 106 states the purpose of all statewide and local workforce investment systems, so this applies to the youth, adult, and dislocated worker programs.

- 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 WIA. 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 WIA related to the cause of the dislocation.[24] From the perspective of the individual, however, the classification of "adult" or "dislocated" will not make a difference in the services received under WIA.

Structure—Statewide Activities

After funds are allocated from DOLETA to individual states by formula, the governor of each state can reserve not more than 15% of the Adult Activities state allocation, not more than 15% of the Dislocated Worker Activities state allocation, and not more than 15% of the Youth Activities allocation for "statewide activities."[25] Specifically, funds in the 15% reserve must be used for "required" activities and may be used for "allowable" activities. In addition, of the state allocation 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 15% of Adult Activities state allocations, not more than 15% of the Youth Activities state allocations, and not more than 40% of Dislocated Worker Activities state allocations are reserved at the state level for statewide activities; the remainder of these three funding streams are subgranted 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 allocations, include[26]

- 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;
- distribution of incentive grants to local workforce investment areas for regional cooperation, local coordination of activities, and "exemplary performance" on local performance measures;

[24] The definition of a "displaced worker" is in WIA Section 101(9).

[25] 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, WIA (Section 133(a)) requires 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 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.

[26] Required and allowable statewide activities are described in Sections 129(b) and 134(a) of WIA.

- technical assistance to local areas not meeting required performance measures;
- assistance to local areas in establishing One-Stop delivery systems;
- statewide activities and additional assistance to local areas with high concentrations of eligible youth to carry out program design and program elements for youth;[27] and
- operation of a fiscal and management accountability system in order to report on and monitor the use of WIA funds.

Allowable statewide employment and training activities include[28]

- administration of state activities,[29]
- technical and capacity building assistance to One-Stop operators and partners and training providers,
- research and demonstration projects,
- implementation of innovative training programs for incumbent workers and displaced homemakers; and
- assistance in identifying eligible providers of training.

From the 25% reserve from the dislocated worker state allocation, 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[30]

- establishment of onsite contact with employers and employee representatives immediately after the dislocation event,
- provision of information and access to employment and training programs,
- 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.

[27] The program design and elements are described in Sections 129(b) and 129(c) of WIA.

[28] Allowable statewide activities are described in Section 134(a)(3) of WIA.

[29] As part of the 15% that states may reserve, up to 5% of the total state formula grant may be spent on 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.

[30] Required rapid response activities are described in Section 134(a)(2)(A) of WIA. The term “rapid response activity” is defined in Section 101(38) of WIA.

Structure—Local Activities

Following the reservation of funds 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.[31] At the local level, funds must be used to assist in establishing a One-Stop delivery system and to provide core, intensive, and training services. **Table 2** provides information on the required local activities for each of the three service levels of WIA adult and dislocated worker programs.

Table 2. Services Provided to Adult and Dislocated Workers under Title I of WIA

Core Services	Intensive Services	Training Services
Outreach, Intake, and Orientation	Comprehensive and Specialized Assessments of Skills and Needs	Occupational Skills
Assessment of Skills and Needs	Development of an Individual Employment Plan (IEP)	On-the-Job
Job Search Assistance	Group Counseling	Combination of Workplace and Related Classroom Instruction
Labor Market Information	Career Planning	Skill Upgrading
Performance and Cost Information for Eligible Training and Education Providers	Case Management	Entrepreneurial Training
Performance Measurement Information for the Local Area	Prevocational Services to Prepare Individuals for Employment or Training	Job Readiness
Information On and Referral To Supportive Services		Adult Education and Literacy in Combination with Training
Information on Filing for Unemployment Compensation		Customized Training in Conjunction with an Employer
Assistance in Establishing Eligibility for Financial Aid for non-WIA Training and Education Programs		
Follow-up Services for at least One Year to Participants Who are Placed in Unsubsidized Employment		

Source: P.L. 105-220 and Department of Labor, Employment and Training Administration, "Workforce Investment Act; Final Rules," 65 *Federal Register* 49319-49329, August 11, 2000.

Sequence of Services

The program for adult and dislocated worker participants in WIA is structured around a sequential service strategy that consists of three levels of services: core, intensive, and training. Service at

[31] Required local employment and training activities are detailed in Section 134(d) of WIA and allowable activities are detailed in Section 134(e) of WIA.

one level is a prerequisite for service at the next level. That is, any individual may receive "core" services.[32]

To receive intensive services, WIA requires that individuals be unable, after receiving core services, "to obtain or retain employment that allows for self-sufficiency."[33] To receive training, after receiving intensive services, an individual must have been unable to obtain or retain employment that allows for self sufficiency. Further, to be considered for training, an individual must also have the "skills and qualifications" to participate successfully in training (as determined by a One-Stop case manager), choose a training service linked to an occupation in the local area (or be willing to locate 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.

Statutory provisions do not specify an amount of time an individual must spend or the number of attempts that must be made to gain employment before moving to the next level in the sequence of services. WIA regulations provide additional guidance on the sequence of services but do not set time or job application requirements. Specifically, the regulations stipulate that an individual must receive at least one core service before receiving intensive services and must receive at least one intensive service before moving to training services. The regulations clearly state that there is "no Federally-required minimum time period for participation" in core or intensive services before receiving the next level of service.[34]

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 WIA is built on the concept of consumer choice, which involves two main components: eligible providers and Individual Training Accounts (ITA).[35]

Local WIBs are responsible for establishing and overseeing *eligible providers of training* in the local workforce investment area. 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 WIA services.

There are two types of provider eligibility: initial and subsequent. For initial eligibility, two types of entities must submit applications directly to the relevant local WIB, which sets the application procedures: a postsecondary educational institution that is eligible to receive federal funds under Title IV of the Higher Education Act of 1965 and offers programs leading to an associate or

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[32] The workforce development system designed by WIA 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 core services. However, Section 134(d)(4)(E) of WIA stipulates that in the event funds allocated for employment and training activities are "limited," priority is to be given to recipients of public assistance and other low-income individuals for intensive and training services. It is left to the discretion of the local WIB, in consultation with the state's governor, to determine this prioritization.

[33] "Self-sufficiency" is not defined in WIA. However, the implementing regulations for WIA (663.230) indicate that state or local WIBs must set the criteria that determines whether or not employment leads to self-sufficiency. The regulations do specify that, within this flexibility, employment must pay at least the "lower living standard income level" as defined in Section 101(24) of WIA.

[34] See 20 C.F.R. § 663.165 and 20 C.F.R. § 663.250.

[35] Other training is allowed under WIA that may not involve an ITA, such as on-the-job training or customized training.

baccalaureate degree, or an entity that provides apprenticeship programs registered under the National Apprenticeship Act.

If entities other than those described above wish to become eligible providers of training, they must apply to the local WIB (according to a procedure established by the governor of the state), which then reviews applications submitted at the local level.

In order to attain subsequent eligibility, existing training providers must follow procedures established by the governor and implemented by the local WIB. WIA does, however, specify particular information that eligible providers must submit to be considered for continued eligibility. Specifically, training providers must annually submit the following performance and cost information to the local WIB:[36]

- program completion rates for all individuals participating in the program;
- percentage of all individuals completing the program who obtain unsubsidized employment;
- wages at placement in employment for all individuals participating in the training program;
- percentage of WIA participants completing the training program and entering unsubsidized employment;
- retention rates after six months in unsubsidized employment of WIA participants completing the program;
- wages received after six months in unsubsidized employment of WIA participants completing the program;
- rates of licensure, certification, or degree attainment of all graduates of the program; and
- program cost information for WIA participants.

For eligible training providers that serve few participants supported by WIA funds, the requirement to collect employment and wage data for all students in a training program may serve as a disincentive to participate in the ITA system.[37] As of September 2009, 40 states had received a waiver from DOLETA to extend the time limit on the period of initial eligibility for training providers. These waivers were granted on the basis that the burden of providing data for all students (rather than just WIA-funded students) might encourage training providers to drop out of the ITA system and thus limit customer choice.[38]

[36] WIA provides for the collection of additional information but does not require providers to submit this information. Rather, Section 122(d)(2) permits the governor of each state to determine if providers must submit additional outcome measures for all individuals (not just WIA-funded) participating in the applicable program. While the statute requires that states report on outcome data for all individuals (rather than WIA-funded individuals) in a training program, most states have received waivers for this provision of WIA.

[37] See Paul Decker and Irma Perez-Johnson, "Individual Training Accounts, Eligible Training Provider Lists, and Consumer Report Systems," in *Job Training Policy in the United States*, ed. Christopher J. O'Leary, Robert A. Straits, and Stephen A. Wandner (Kalamazoo, MI: W.E. Upjohn Institute for Employment Research, 2004), pp. 204-205.

[38] See http://www.doleta.gov/waivers/pdf/WIA_Waivers_Summary_Sep2009.pdf for a list of states receiving waivers.

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. Under WIA's predecessor, the Job Training Partnership Act (JTPA), customers entering training were often limited to programs that local areas decided to fund—a "contracted training" approach.[39] In the ITA approach under WIA, participants are able to purchase training from the list of eligible trainers. Local WIBs have the authority to set limits on the type and duration of training.[40] In addition, local WIBs may choose to set limits on the amount of an ITA, based on individual circumstances or on an across-the-board level.[41]

Youth Activities[42]

Overview and Purpose

In addition to the formula grants for Adult Activities and Dislocated Worker Activities, WIA authorizes a formula grant program for Youth Activities (although individuals ages 18 or older are also eligible for services provided through the Adult Activities program). As specified in the law, the program has several purposes: to provide assistance in achieving academic and employment success through activities that improve educational and skill competencies and foster effective connections to employers; to ensure ongoing adult mentoring opportunities for eligible youth; to provide opportunities for training, continued supportive services, and participation in activities related to leadership, citizenship, and community service; and to offer incentives for recognition and achievement to youth.

Structure

A youth is eligible for the Youth Activities formula grant program if the individual is age 14 through 21,[43] is a low-income individual, and has one or more of the following barriers:

- deficient in basic literacy skills;
- a school dropout;
- homeless, a runaway, or a foster child;

[39] While contracted training was generally the approach taken under JTPA, some local entities experimented with the training voucher approach. See Sheena McConnell et al., *Managing Customers' Training Choices: Findings From The Individual Training Account Experiment*, Mathematica Policy Research, Inc., Contract No. N-7731-9-00-87-30, Washington, DC, December 2006, pp. 2-4, http://wdr.doleta.gov/research/FullText_Documents/managing_customers_choices.pdf.

[40] Training must be for occupations that are in demand in the local area, are in demand in an area to which the trainee is willing to relocate, or are deemed (by the local WIB) to have "high potential" for sustained demand and growth in the local area.

[41] 663 C.F.R. § 420.

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

[43] The American Recovery and Reinvestment Act of 2009 (P.L. 111-5; ARRA) provided additional funding to WIA Title I programs. In addition, the definition of "eligible youth" was raised from 21 to 24 for Youth Activities funded through the ARRA.

- pregnant or parenting;
- an offender; or
- requires additional assistance to complete an educational program or to secure and hold employment.[44]

DOLETA provides funding to states based on each state's relative share of national unemployment and youth poverty. In turn, the states, in consultation with state WIBs, distribute 85% of funds, also based on unemployment and poverty factors, to local workforce areas that are designated by the governor.[45] The state retains as much as 15% for statewide activities. Local WIBs, in coordination with their youth councils, competitively award funds to local organizations and other entities to provide employment and job training services to youth.[46]

Services

Local programs are responsible for carrying out the purposes of WIA. In addition to assessing the skills of youth who receive services, local programs must provide the following 10 activities or "elements" to youth:

- tutoring, study skills training, and instruction leading to completion of secondary school, including dropout prevention strategies;
- alternative secondary school services, as appropriate;
- summer employment opportunities that are directly linked to academic and occupational learning;
- as appropriate, paid and unpaid work experiences, including internships and job shadowing;
- occupational skill training, as appropriate;
- 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;

[44] Up to 5% of youth participants in a local area may be individuals who do not meet the income criteria, but have at least one barrier to employment, some of which are not identical to those listed above. At least 30% of all Youth Activities formula grant funds must be used for activities for out-of-school youth, *or* youth who have dropped out or received a high school diploma or its equivalent but are basic skills deficient, unemployed, or underemployed.

[45] Alternatively, a state may distribute to local areas a portion equal to not less than 70% of the funds they would have received using the employment 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. Such a formula must be developed by the state WIB and approved by the DOL Secretary as part of the state plan. Section 128(b)(3) of WIA.

[46] Each local WIB is required under law to establish a local youth council (Section 117(h)). Together, the WIB and the youth council oversee a local youth program funded by Youth Activities. The purpose of the youth council is to provide expertise in youth policy and to assist the local board in developing portions of the local plan relating to eligible youth. As specified in the law, the councils must coordinate youth activities in a local area, develop portions of the local plan related to eligible youth, recommend eligible providers of youth activities to be competitively awarded grants or contracts, oversee the activities of the providers, and carry out other duties specified by the local WIB.

- comprehensive guidance and counseling, which may include drug and alcohol abuse counseling and referral, as appropriate; and
- follow-up services for not less than 12 months after the completion of participation, as appropriate.

Although local WIBs must make all 10 program elements available to youth, each individual youth does not need to participate in all elements. Further, local programs that receive Youth Activities funding need not provide all 10 program elements if certain services are already accessible for all eligible youth in the area; however, these other services must be closely coordinated with the local programs.[47]

Job Corps[48]

Overview and Purpose

The Job Corps program is carried out by the Office of Job Corps within the Office of the DOL Secretary,[49] and consists of residential centers throughout the country. The purpose of the program is to provide disadvantaged youth with the skills needed to obtain and hold a job, enter the Armed Forces, or enroll in advanced training or higher education. In addition to receiving academic and employment training, youth also engage in social and other services to promote their overall well-being.

Structure

Currently, 125 Job Corps centers operate throughout the country.[50] Of the 125 centers, 28 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.[51] 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.

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[47] Department of Labor, Employment and Training Administration, Training and Employment Guidance Letter (TEGL) No. 9-00, January 23, 2001; and Department of Labor, Employment and Training Administration, Training and Employment Guidance Letter (TEGL) No. 18-00, April 23, 2001. Local WIBs are advised to establish ongoing relationships with non-WIA funded activities that provide services for WIA-eligible youth.

[48] The section on Job Corps draws from CRS Report R40929, *Vulnerable Youth: Employment and Job Training Programs*, by Adrienne L. Fernandes-Alcantara.

[49] Since FY2006, Congress has directed DOL to operate the Job Corps Office in the Office of the Secretary. Federal regulations established the Office of Job Corps within the Office of the Secretary, pursuant to Secretary's Order 09-2006. U.S. Department of Labor, "Establishment of the Office of Job Corps Within the Office of the Secretary; Delegation of Authority and Assignment of Responsibility to Its Director and Others," 71 *Federal Register* 16192, March 30, 2006. However, the "Consolidated Appropriations Act, 2010" (P.L. 111-117) authorizes the Secretary of Labor to submit to the House and Senate a plan for the transfer of the administration of the Job Corps program from the Office of the Secretary to the Employment and Training Administration. The Secretary is then authorized, 30 days after the submission of the plan, to complete the transfer.

[50] U.S. Department of Labor, Office of Job Corps, *Budget Justification of Appropriation Estimates for Committee on Appropriations, FY2012,* Volume I, page OJC-14.

[51] Ibid.

Job Corps centers may be operated by a federal, state, or local agency; an area vocational 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 vocational training opportunities that reflect local employment opportunities, past performance, proposed costs, and other factors.

Services

Students may participate in the Job Corps program for up to two years. While at a Job Corps center, students receive the following services and assistance:

- academic, vocational, employment, and social skills training;
- work-based learning, which includes vocational skills training and on-the-job training; and
- counseling and other residential support services, including transportation, child care, a cash clothing allowance or clothing that is needed for participating in the program, and living and other allowances.

Job Corps centers provide services both on-site and off-site, 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, such as the Home Builders Institute.

National Grant Programs

In addition to state formula grants and Job Corps, WIA authorizes a number of competitive grant-based programs to provide employment and training services to special populations.[52]

Native Americans Programs (Section 166)

This competitive grant program provides comprehensive workforce investment activities—academic, occupational, and literacy—to assist participants preparing to enter, reenter, or retain unsubsidized employment. Services are provided to Indians, Native Hawaiians, and youth on or near Indian reservations and in Oklahoma, Alaska, or Hawaii.

[52] Three programs/activities authorized by Subtitle D ("National Programs") are not discussed here: Youth Opportunity Grants (Section 169), Technical Assistance (Section 170), Evaluations (Section 172).

Funding authorized under WIA Section 166 is provided through a biennial competitive grant process to Native American tribes and Native American nonprofit organizations. There are currently 178 grantees.

Migrant and Seasonal Farmworker Programs (Section 167)

This competitive grant program, which is 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. Grants are awarded to public, private, and nonprofit organizations. The program was first authorized by the Economic Opportunity Act of 1964.

Funding authorized under WIA Section 167 is provided through a biennial competitive grant process to community-based organizations and public agencies that assist migrant and seasonal farmworkers to gain greater economic stability. There are currently 52 grantees for training grants.

Veterans' Workforce Investment Program (Section 168)

This program provides workforce investment activities to veterans to enhance services provided by other providers of workforce services, to provide services not otherwise provided, and to promote maximum job and job training opportunities. Funding is provided through competitive grants to states and nonprofit organizations. It has been administered by DOL's Veterans' Employment and Training Service (VETS) since FY2001. There are currently 22 grantees.

Demonstration, Pilot, Multiservice, Research, and Multistate Projects (Section 171)

The purpose of pilot and demonstration programs is to develop and evaluate innovative approaches to providing employment and training services. Several programs have been specified funded under the authority of Section 171.[53] For example, the Reintegration of Ex-Offenders program is a competitive grant program that combines two previous demonstration projects, the Prisoner Reentry Initiative (PRI) and the Responsible Reintegration of Youthful Offenders (RRYO). PRI, which was first funded in FY2005, supports faith-based and community organizations that help recently released prisoners find work when they return to their communities. RRYO, first funded in FY2000, supports projects that serve young offenders and youth at risk of becoming involved in the juvenile justice system. In FY2008, the Reintegration of Ex-Offenders program combined the PRI and RRYO into a single funding stream.

[53] From FY2005 through FY2009, funding for the Community Based Job Training Grant (CBJT) program was provided from the National Reserve fund. The CBJT was approximately $125 million per year. This competitive grant program, also known as the Community College Initiative, funded entities to strengthen the capacity of community colleges to train workers in the skills required to succeed in high-growth, high-demand industries. Community Based Job Training (CBJT) grants were first funded in FY2005, with funds drawn from the Dislocated Worker National Reserve. The Consolidated Appropriations Act, 2010 (P.L. 111-117) changed the name of this program to the Career Pathways Innovation Fund but the purpose remained the same as the CBJT program. In addition, P.L. 111-117 changed the source of funding for the Career Pathways Innovation Fund from the Dislocated Workers' National Reserve fund to a separate budget line within DOLETA. However, the President did not request funding for this the CBJT program in FY2011 and the grants have not been funded since FY2010.

National Emergency Grants (Section 173)

From total funding appropriated for the Dislocated Workers Activities program in a fiscal year, Section 132(a)(2)(A) specifies that 20% is to be used for a National Reserve account, which provides for National Emergency Grants (NEG) and other services for dislocated workers.[54] In practice, the amount provided for each of these activities is often specified in appropriations legislation. These NEGs are awarded to states and local WIBs 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, or certain other members of the Armed Forces.

Services include job search assistance and training for eligible workers. In addition, NEG funding may be used to provide direct employment ("disaster relief employment") to individuals for a period of up to six months. Finally, NEG funding may be used in some cases for health insurance coverage.

YouthBuild Program (Section 173A)

In 2007, administration of YouthBuild was transferred from the Department of Housing and Urban Development to DOL under the YouthBuild Transfer Act (P.L. 109-281). This competitive grant program is authorized under WIA. The purpose of YouthBuild is to (1) 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; (2) provide disadvantaged youth with opportunities for meaningful work and service to communities; (3) foster the development of employment and leadership skills and a commitment to community development among youth in low-income communities; and (4) expand the supply of permanent affordable housing for homeless individuals and low-income families by utilizing the energy of disadvantaged youth.

Services include a range of education and workforce investment activities, including instruction, skill building, 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 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.

Youth are eligible for the program if they are (1) ages 16 through 24; (2) 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* (3) 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

[54] Specifically, Section 132(a)(2)(A) provides that the 20% set-aside is to be used for four purposes: reservation for outlying areas (Section 132(b)(2)(A)), dislocated worker technical assistance (Section 170(b)), dislocated worker projects (Section 171(d)), and employment and training assistance to workers affected by major economic dislocations, such as plant closures or mass layoffs (Section 173(a)(1)).

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.

Funding for Title I Programs and Activities

Allocation Formulas

Funding for the state and local workforce investment activities authorized under Title I—Adult Activities, Dislocated Worker Activities, and Youth Activities—is allocated by formula. The funding streams for each of the three sets of activities are allocated from DOL to states by a three-factor formula based on each state's relative share of each formula factor. That is, 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 allocations are made to states, within-state allocations are made based on formulas as well (see below for details). Finally, WIA allows local WIBs to transfer up to 20% of the local fund allocation between Adult and Dislocated Worker Activities.[55]

Adult Activities

Funds for adult employment and training activities are allocated to states on the basis of the following factors:[56]

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

Key features of the state formula allocation for WIA 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 allocation to all states in a given program year.[57] For example, in PY2009, the state minimum allotment under the adult funding stream was $2,148,465, which is 0.25% of the total allotted to all states ($859,386,150). A total of 10 states received this minimum allotment in PY2009.

[55] Section 133(b)(4) allows this transfer.

[56] See **Appendix A** for complete definitions of formula factors for all three funding streams.

[57] More precisely, WIA Section 132(b)(1)(B)(iv) describes two methods for calculating the minimum annual state allotments, depending on the total amount allocated to states. The method described in the text is based on a total annual state allocation of no more than $960 million, which is the dividing point between the two methods. Since WIA's enactment, the state allotment for adult activities has not exceeded $960 million, and thus has not triggered the alternative minimum allotment calculations.

- "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.[58]

After funds are allocated from DOLETA to individual states by formula, the governor of each state can reserve not more than 15% of the Adult Activities state allocation 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 suballocated 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
- at least 70% of the allocation by the same three-factor formula used for state allocations and the remaining allocation by a state-derived formula using measures of excess poverty and unemployment within the state.

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 WIA 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, Section 132(a)(2)(A) specifies that 20% is to be used for a National Reserve account, which provides for National Emergency Grants (NEG) and other services for dislocated workers.[59]

Funds for state formula grants for dislocated worker employment and training activities are allocated to states on the basis of the following factors:

- one-third of the funds are allocated on the basis of each state's relative share of total unemployment;
- one-third of the funds are allocated on the basis of each state's relative share of excess unemployment; and

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[58] 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.

[59] WIA Sections 132(a)(2)(A) and (a)(2)(B) require that 20% of the amount appropriated for Dislocated Worker Employment and Training Activities be reserved for national emergency grants, dislocated worker projects, dislocated worker technical assistance, and dislocated worker activities in the outlying areas. 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 set-aside. Thus, in PY2009, a total of $3,667,228 (0.25% of $1,466,891,000) was reserved for dislocated worker activities in the outlying areas, $283 million was reserved for the National Reserve fund, and $1.2 billion was allocated by state formula grants.

- one-third of the funds are allocated on the basis of each state's relative share of long-term unemployment.

Unlike the Adult funding formula, the dislocated workers' formula does not contain provisions for minimum and maximum allotments. Because the dislocated worker formula does not contain these "hold harmless" provisions, individual states tend to experience large swings in year-to-year funding for this stream. For example, in PY2009, 16 states received allotments of 75% or less of their PY2008 allotments. Likewise, in PY2009, 17 states received allotments of at least 125% of their PY2008 allotments.

After funds are allocated from DOLETA to individual states by formula, the governor of each state must reserve not more than 15% of the Dislocated Worker Activity state allocation for statewide "employment and training activities." In addition, of the state allocation 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 allocations are reserved at the state level for statewide activities.

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

- insured unemployment,
- unemployment concentrations,
- plant closings and mass layoffs,
- declining industries,
- farmer-rancher economic hardship, and
- long-term unemployment.

Youth Activities

Funds for youth employment and training activities are allocated to states on the basis of the following factors:[60]

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

Key features of the state formula allocation for WIA Youth Activities include the following:

- A reservation for outlying areas of 0.25% of the total Youth Activities appropriation (this is reserved prior to state allocations).

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

- A minimum grant amount equal to 0.25% of the total allocation to all states in a given program year.[61] For example, in PY2009, the state minimum allotment under the Youth Activities funding stream was $2,269,744, which is 0.25% of the total allotted to all states ($907,897,792). A total of nine states received this minimum allotment in PY2009.
- "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 allocated from DOLETA to individual states by formula, the governor of each state must reserve not more than 15% of the Youth Activities state allocation 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
- at least 70% of the allocation by the same three-factor formula used for state allocations and the remaining allocation by a state-derived formula using measures of excess poverty and unemployment within the state.

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.

Performance Accountability in Title I

Section 136 of WIA sets forth state and local "performance measures" as part of the accountability system to be used "to assess the effectiveness of States and local areas in achieving continuous improvement of workforce investment activities funded under this subtitle, in order to optimize the return on investment of federal funds in statewide and local workforce investment activities." Under WIA, "state performance measures" consist of the core indicators of performance described in Section 136(b)(2)(A) and 136(b)(2)(B) and any additional indicators identified by individual states. Below is an overview of the 17 core indicators required by Section 136.

[61] More precisely, WIA Section 127(b)(1)(C)(iv) describes two methods for calculating the minimum annual state 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. Since FY2003, the state allotment for Youth Activities has not exceeded $1 billion, and thus has not triggered the alternative minimum allotment calculations.

[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.

[63] See CRS Report R40929, *Vulnerable Youth: Employment and Job Training Programs*, by Adrienne L. Fernandes-Alcantara for additional information.

- There are 12 "General Core Indicators of Performance" for employment and training activities for adults, dislocated workers, and youth ages 19-21. For each group of participants, core indicators are: entry into employment, retention in employment, earnings, and attainment of a credential.
- There are three "Core Indicators for Eligible Youth" for youth ages 14-18. These indicators are: attainment of basic skills, attainment of a secondary school diploma, and placement and retention in postsecondary education or employment.
- There are two "Customer Satisfaction Indicators"—one each for employers and participants.

Each indicator is described in greater detail in **Table 3** below. There are some general characteristics that apply to the WIA performance measure system:

- Standards are established for one program year (a program year runs from July 1-June 30; for example, PY2009 runs from July 1, 2009-June 30, 2010).
- The standards are typically expressed as a numerical percentage (e.g., entered employment rate of 60%) or dollar amount ($500 in average earnings).
- The governor of each state establishes performance standards for that state, based on measures identified in Section 136 of WIA and defined by the Secretary.
- Governors, on the basis of negotiations with the Secretary, may adjust national standards for state and local areas based on economic and demographic factors (see section below).
- States and localities may incur sanctions for falling short of the standards.

Table 3. Performance Measures for WIA Title I Activities

Group	Measure	Definition
Adults	Entered Employment Rate	Number of adults employed in 1st quarter after exit quarter / Number of adult exiters during the exit quarter
Adults	Employment Retention Rate	Number of adults employed in 2nd and 3rd quarter after exit / Number of adult exiters during the exit quarter[a]
Adults	Average Earnings	Earnings in 2nd and 3rd quarter after exit quarter / Number of adult exiters employed in the 1st, 2nd, and 3rd quarters after the exit quarter[b]
Adults	Employment & Credential Certificate Rate[c]	Number of adults employed in 1st quarter after exit and received credential by end of 3rd quarter / Number of adult exiters during the exit quarter
Dislocated Workers (DW)	Entered Employment Rate	Number of DW employed in 1st quarter after exit / Number of DW exiters during the exit quarter
Dislocated Workers (DW)	Employment Retention Rate	Number of DW employed in 2nd and 3rd quarters after exit / Number of DW exiters during the exit quarter[d]
Dislocated Workers (DW)	Average Earnings	Earnings in 2nd and 3rd quarter after exit quarter / Number of DW exiters employed in the 1st, 2nd, and 3rd quarters after the exit quarter[e]
Dislocated Workers (DW)	Employment & Credential Certificate Rate	Number of DW employed in 1st quarter after exit and received credential by end of 3rd quarter / Number of DW exiters during the exit quarter
Youth 19-21	Entered Employment Rate	Number of older youth employed in 1st quarter after exit quarter / Number of older youth exiters during the exit quarter
Youth 19-21	Employment Retention Rate at Six Months	Number of older youth employed in 3rd quarter after exit / Number of older youth exiters during the exit quarter
Youth 19-21	Earnings Change in Six Months	Earnings in 2nd and 3rd quarter after exit minus earnings in 2nd and 3rd quarter prior to participation / Number of older youth exiters during the exit quarter

Group	Measure	Definition
Youth 19-21	Credential/Certificate Rate	Number of older youth employed, in postsecondary education, or advanced training in 1st quarter after exit and received credential by end of 3rd quarter / Number of older youth exiters during the exit quarter
Youth 14-18	Skill Attainment Rate	Number of basic skills goals attained + Number of work readiness skills goals attained + Number of occupational skills goals attained / Number of basic skills goals set + Number of work readiness skills goals set + Number of occupational skills goals set
Youth 14-18	Diploma or Equivalent Attainment	Number of younger youth attaining secondary school diploma or equivalent by end of 1st quarter after exit / Number of younger youth exiters during exit quarter
Youth 14-18	Retention Rate	Number of younger youth in postsecondary education, advanced training, employment, or apprenticeships / Number of younger youth exiters during exit quarter
Employers	Customer Satisfaction	Weighted average of employer ratings on each of three survey questions
Participants	Customer Satisfaction	Weighted average of participant ratings on each of three survey questions[f]

Source: The Workforce Investment Act of 1998, P.L. 105-220, ETA Training and Employment Guidance Letter No. 7-99 ("Core and Customer Satisfaction Performance Measures for the Workforce Investment System "), and ETA Training and Employment Guidance Letter No. 17-05 ("WIA Title IB Performance Measures and Related Clarifications," Attachment D).

Notes: All of the measures for adults, dislocated workers, and youth are authorized in WIA Section 136(b)(2)(A) and the customer service measures are authorized in WIA Section 136(b)(2)(B). The measures in **Table 1** are the current measures, as specified in TEGL No. 17-05. It is noted below where measures have changed from the original.

a. The numerator for this measure was previously "adults employed in the 3rd quarter."

b. The universe is adults employed in the 1st, 2nd, and 3rd quarters after the exit quarter. This measure was previously "adult earnings change in six months."

c. For adults and dislocated workers, credentials are a "nationally recognized degree or certificate or State/locally recognized credential." Thus, credentials include, but are not limited to, a high school diploma, a GED or equivalent, post-secondary degrees and/or certificates, recognized skill standards, and licensure or industry-recognized certificates.

d. This measure was previously "dislocated worker employment retention rate at six months" and only used 3rd quarter employment in the numerator.

e. The universe is DW employed in the 1st, 2nd, and 3rd quarters after the exit quarter. This measure was previously "dislocated worker earnings replacement rate in six months" and "dislocated worker earnings change in six months."

f. DOLETA uses the American Customer Satisfaction Index (ACSI) for questions to address customer experience with WIA.

In addition to the 17 indicators listed in **Table 3**, states may identify additional indicators of performance and identify these in the "State plan" (hereafter, "Plan") required under Section 112. It is worth noting that while Section 136 does specify 17 core indicators of performance, some (e.g., entered employment rate) are identical calculations and only require changing the populations in the numerators and denominators.

Negotiating Performance Levels Under WIA

For each of the core indicators described above, each state is required to establish a "state adjusted level of performance." That is, the "measures" are identified in WIA Section 136, but the "levels" are determined through negotiation between states and the Secretary of Labor (hereafter, "Secretary"). In the Plan, states must identify the expected (adjusted) level of performance for each of the core indicators for the first three program years of the Plan, which covers five program years.[64] In order to "ensure an optimal return on the investment of federal funds in workforce investment activities," the Secretary and the governor of each state shall "reach agreement on the levels of performance" for all 17 indicators identified in Section 136(b)(2)(A). This agreed-upon level then becomes the "state adjusted level of performance" that is incorporated into the Plan.[65]

Section 136(b)(3)(A)(i) of WIA specifies that the state adjusted levels of performance must

- be expressed in an "objective, quantifiable, and measurable form"; and
- show the state's progress toward "continuously improving" performance.

The negotiation between governors and the Secretary that leads to an agreement on adjusted levels of performance must be based on the following three sets of factors:

- the extent to which the adjusted levels will assist a state in attaining a high level of customer satisfaction;
- the comparative levels of performance established in other states, accounting for differences in economic conditions, characteristics of participants entering WIA programs, and the services to be provided;[66] and

[64] For Program Years 4 and 5, each governor must also reach an agreement again with the Secretary for the adjusted levels of performance. The factors for consideration in the agreement, however, are the same as for the Program Years 1 through 3. In practice, following the first five years of WIA, DOLETA has issued guidance allowing states to submit modifications to existing five-year plans to extend the plans for one or two years. For example, see Brent R. Orrell, *Training and Employment Guidance Letter*, U.S. Department of Labor, Employment and Training Administration, No. 7-08, Washington, DC, December 11, 2008, http://wdr.doleta.gov/directives/attach/TEGL/TEGL07-08.pdf.

[65] Though not discussed here, WIA also requires local performance measures, but these consist of the same core indicators required for states. The local levels of performance are determined by negotiation between the local workforce investment board (LWIB), 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.

[66] Section 136(b)(3)(A)(vi) allows for a process of revisions to state adjusted levels of performance in the event of "unanticipated circumstances" in a state that result in "a significant change" in economic conditions, characteristics of participants, and services provided.

- the impact of agreed-upon levels on promoting "continuous improvement" in performance.

While WIA itself is not detailed about the process of negotiation, guidance from DOLETA provides additional information about the process. Specifically, DOLETA Training and Employment Guidance Letter No. 9-08 (hereafter, "TEGL 9-08") indicates that states should negotiate performance level goals "within the context of integrated service delivery, priority of service, economic conditions, customers served, and workforce solutions that contribute to the regional economic competitiveness of their state and sub-state areas."

While DOLETA encourages states to serve "at-risk" populations—including those who are low-income and have multiple barriers to employment—and to account for the effect that at-risk populations might have on performance outcomes, it is ultimately at the discretion of the state to choose the populations it will serve and the adjustments that will be made on the basis of the populations served. DOLETA does, however, provide information to assist states in proposing state adjusted levels of performance, including

- past results on the performance measures,
- goals in the Government Performance and Results Act (GPRA),
- national distribution of WIA performance outcomes,
- average six months' earnings for adult and dislocated programs,
- estimates of six months' average earnings from Bureau of Labor Statistics (BLS);[67] and
- effects of economic and demographic variables.[68]

It should be noted that DOLETA provides states with the relevant data for all items listed above. Furthermore, Attachment VII of TEGL 9-08 provides estimated effects (using a bivariate regression model) of changes in unemployment and participant characteristics on performance outcomes. While these effects are estimated using national data, DOLETA suggests that states might use such estimated relationships to guide decision making about levels of performance.

The DOLETA policy prescribes a process of negotiation that involves three main steps:[69]

- First, states are to conduct their own analysis of factors affecting levels of performance and then submit the *proposed* levels of performance to the DOLETA Regional Administrator serving the submitting state. States must include a

[67] Specifically, DOLETA suggests using the BLS Quarterly Census of Employment and Wages (QCEW) data series, which provides employment and wage information for employees covered by state Unemployment Insurance (UI) laws.

[68] DOLETA provides a more extensive list of such variables in its final regulations for WIA. See http://www.doleta.gov/usworkforce/finalrule.htm#part666 for details.

[69] In practice, there is some concern that the process of setting performance levels is dominated by DOLETA rather than being an actual negotiation. For example, see Carolyn J. Heinrich and Burt S. Barnow, *One Standard Fits All? The Pros and Cons of Performance Standard Adjustments*, Robert M. La Follette School of Public Affairs at the University of Wisconsin-Madison, La Follette School Working Paper No. 2008-023, Madison, WI, November 18, 2008, p. 30, http://www.lafollette.wisc.edu/publications/workingpapers/heinrich2008-023.pdf.

description of the methodology and data used to support the proposed levels. For PY2009, the deadline for submission of proposed levels was April 15, 2009.

- Second, the DOLETA regional offices are to review the data and methodology used by the states to determine the levels of performance and will "work with the state to set mutually agreed-upon levels of performance." This process may involve alternative proposals by DOLETA.
- Third, upon reaching agreement on performance levels, the DOLETA Regional Administrator is to send a letter to the state confirming that the agreed-upon levels will be reflected as a modification to the state's Plan.

Common Measures and Waivers

In July 2005, DOLETA implemented a "common measures" policy for several workforce programs and revised the reporting requirements for WIA Title I programs in an effort to "enhance the ability of Congress, the Administration, and public officials to assess the effectiveness and impact of workforce investment programs."[70] Specifically, DOLETA introduced three adult measures and three youth measures:

- Entered Employment Rate—All Adults,
- Employment Retention—All Adults,
- Average Earnings—All Adults,
- Placement in Employment or Education—All Youth,
- Attainment of a Degree or Certificate—All Youth, and
- Literacy and Numeracy Gains—All Youth.

DOLETA specifically indicated that the common measures were not to supercede the existing statutory performance reporting requirements for WIA and that states would continue to negotiate performance goals for the indicators required by WIA Section 136. Despite this, DOL has granted waivers to 34 states to permit implementation of and reporting on only common measures rather than the current fuller array of measures in WIA.[71]

Title II—Adult Education and Literacy[72]

Overview

The Adult Education and Family Literacy Act (AEFLA) is authorized by Title II of WIA. Title II programs are primarily administered by the U.S. Department of Education (ED) through its Office of Vocational and Adult Education (OVAE). AEFLA's authorization of appropriations

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[70] See DOLETA Training and Employment Guidance Letter No. 18-04 for additional rationale.

[71] See DOLETA, "Workforce Investment Act (WIA) Waiver Summary Report: WIA Inception—December 16, 2008" at http://www.doleta.gov/waivers/pdf/WIA_Waivers_Summary_Sep2009.pdf.

[72] This section was prepared by Benjamin Collins, bcollins@crs.loc.gov, 7-7382.

expired on September 30, 2003.[73] Programs authorized under AEFLA continue to be funded through annual appropriations.

The stated purposes of AEFLA are to

> (1) assist adults to become literate and obtain the knowledge and skills necessary for employment and self-sufficiency; (2) assist adults who are parents to obtain the educational skills necessary to become full partners in the educational development of their children; and (3) assist adults in the completion of a secondary school education.[74]

When it was enacted in 1998, AEFLA replaced the Adult Education Act of 1966 (P.L. 89-750) and the National Literacy Act of 1991 (P.L. 102-73).

Components of AEFLA

AEFLA is divided into several programs. From the total funding appropriated for AEFLA in a fiscal year, the statute specifies the following set-asides:

- the lesser of 1.5% of the appropriation or $8 million for National Leadership Activities;
- the lesser of 1.5% of the appropriation or $8 million for activities carried out by the National Institute for Literacy (NIFL); and
- 1.72% for WIA Title V incentive grants (administered by DOL).

Actual appropriations activities may vary from these statutory directives. For example, NIFL has not received funding since FY2009 and some of its functions have been consolidated into National Leadership Activities. Since then, funding for National Leadership Activities has exceeded 1.5% of AEFLA appropriations.

AEFLA funds that are not otherwise set aside or reserved are allocated for grants to states. These state grants account for the majority of AEFLA spending. Since FY2000, appropriation bills have reserved a portion of state grant funding for integrated English language and civics education programs.

National Leadership Activities

National Leadership Activities are intended to address adult education issues of national importance.[75] These funds may be used for

- technical assistance (including the development of performance measures), professional development, distance learning, and the use of technology;
- identification of successful methods and model programs;

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[73] The General Education Provisions Act (GEPA) provided a one-year extension of the authorization (through FY2004).

[74] Section 202 of AEFLA (20 U.S.C. 9201).

[75] For additional details on permissible activities, see section AEFLA section 243 (20 U.S.C. 9253).

- research, including the estimation of literacy rates;
- demonstration programs; and
- evaluations and assessments.

While funding levels for National Leadership Activities are specified in statute, appropriations legislation have set differing levels.

WIA Title V Incentive Grants

AEFLA contributes funds for incentive grants to states authorized under section 503 of WIA.[76] To qualify to apply for an incentive grant, a state must achieve superior performance in both Title I and Title II of WIA.[77] Annual performance levels are negotiated by the states, DOL, and OVAE.

Incentive grants may be used to carry out "an innovative program consistent with the requirements of any one or more of the programs" in Title I or Title II of WIA or the Carl D. Perkins Vocational and Technical Education Act of 1998. While the total national incentive grant level is based on the full AEFLA appropriation, the funding itself is taken from the state grant program. The minimum incentive grant for each qualifying state is $750,000 and the maximum is $3 million.

State Grants

Funds that are not set aside or reserved for other purposes are allocated to state grants.

The allotment of state grant funds is a two-step process. First, there is an initial allotment of $250,000 to each state and $100,000 to each eligible territory.[78] The second step of the allotment process distributes the remainder of the funding by formula. The formula is based on each state's share of qualifying adults. Qualifying adults are those who are

- at least 16 years of age,
- beyond the age of compulsory school attendance in the states,
- without a high school diploma or the equivalent, and
- not enrolled in secondary school.

States must match their federal grants so that federal funds account for no more than 75% of expenditures on adult education activities.[79] States and outlying areas are guaranteed to receive at least 90% of the grant they received in the previous fiscal year.[80] State grant funds that are set

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[76] See 20 U.S.C. 9273. More information on requirements related to WIA Incentive Grants are available in annual Training and Employment Guidance Letters (TEGLs) from DOL. The TEGL related to program year 2010 was released in June 2012 and is available at http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=9112.

[77] Prior to program year 2007, states also needed to achieve superior performance under Title III of the Carl D. Perkins Vocational and Technical Education Act of 1998 to receive an incentive grant.

[78] For the purposes of state grant allotments, the District of Columbia and Puerto Rico are classified as states.

[79] In the outlying areas, the federal share may not exceed 88%.

[80] If funding is insufficient to meet this threshold, each state's share of current year funding will be ratably reduced so that they receive the same proportion of current year funds as they received in the previous year.

aside for EL-Civics programs are distributed using a different formula that is described in the next subsection.

Section 222 of AEFLA specifies how states must allocate their grant funds:

- At least 82.5% of the state allotment must be competitively subgranted to local service providers. Up to 10% of the 82.5% may be granted to entities that provide services to individuals in correctional facilities or other institutionalized individuals.
- Up to 12.5% of the state's allotment may be allocated to state leadership activities (i.e., programs of statewide relevance such as the development and dissemination of curricula).[81]
- No more than 5% of the total grant or $65,000, whichever is greater, may be used for administrative expenses.

All recipients of local subgrants must use funds for the provision of one or more of the following services: adult education and literacy services, family literacy services, and/or English literacy programs. Entities eligible to receive local subgrants include local educational agencies, community and faith-based organizations, institutions of higher education, and other nonprofit organizations.[82]

AEFLA requires states to consider certain factors when selecting local subgrant recipients. Most of these considerations relate to a grantee's ability to successfully serve qualifying adults (particularly high-need populations) and accurately report performance data.[83]

English Literacy-Civics Grants

Since FY2000, appropriations legislation has set aside a portion of the AEFLA state grant funding for integrated English literacy and civics education services (EL-Civics) to populations with limited English proficiency.

The provisions of the EL-Civics grants are enumerated in annual appropriations legislation and are not established elsewhere in law. Funds are distributed to the states based on recent immigration data from the United States Citizenship and Immigration Services (USCIS). Typically, 65% of the EL-Civics funding is distributed based on each state's relative share of immigrants admitted for legal permanent residence in the 10 most recent years and 35% is distributed based on each state's relative share of immigrants admitted for legal permanent residence in the three most recent years.

Performance Accountability

The AEFLA includes accountability requirements for states.[84] These core measures are

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[81] Allowable state leadership activities are listed in section 223 of AEFLA (20 U.S.C. 9223).

[82] The full list of eligible providers is available in section 203(5) of AELFA (20 U.S.C. 9202(5)).

[83] The 12 statutory considerations are listed in section 231(e) of AEFLA (20 U.S.C. 9241(e)) .

[84] For full details, see 20 U.S.C. 9212.

- improvement in literacy skill levels in reading, writing, and speaking the English language; numeracy; problem solving; English language acquisition; and other literacy skills;
- placement or retention in, or completion of, postsecondary education, training, employment, or career advancement; and
- receipt of a secondary school diploma or the equivalent.

States may choose to require grantees to provide data on additional measures of performance. Each state must have its proposed performance measures approved by the Secretary of ED. Each state must develop a five-year plan that describes, among other things, how adult education and literacy activities will be annually evaluated and how the performance measures will be used to ensure improvements in performance.

ED established the National Reporting System for Adult Education (NRS) to implement the statutory accountability requirements in AEFLA. Each state must report annually to the Secretary on its progress with regard to its performance measures. States that fail to meet performance goals lose eligibility to share in the WIA Incentive Grants program. Local recipients who fail to meet the performance goals are less likely to receive future awards because past effectiveness is one of the criteria used in the competition for local awards.

The Secretary is required to make the information from annual state reports available to the public, including state-by-state comparisons. These data are available on the NRS' website (www.nrsweb.org) and through annual reports issued by ED.[85]

[85] In September 2011, ED published its report for the 2008-2009 program year. It is available from ED at http://www2.ed.gov/about/offices/list/ovae/resource/nrs-rtc-2008-09-part-1.pdf. State-level data are available at http://www2.ed.gov/about/offices/list/ovae/resource/nrs-rtc-2008-09-part-2.pdf.

Appendix A. Glossary of Selected WIA Terms

Areas of Substantial Unemployment (ASU)—This concept is used in the Title I state grant formulas 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 DOLETA 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."[86] 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.[87]

Economically Disadvantaged—This concept is used in one of the factors for the Title I state grant formulas 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."[88] Similarly, a "disadvantaged adult" is defined (in Section 132(b)(1)(B)(v)(IV)) the same as a disadvantaged youth with the exception that the reference individual is age 22 or older. In practice, for both the Youth and Adult Activities formulas, DOLETA has used the poverty calculations from the 1990 Census (for PY2001-PY2003) and the 2000 Census (for PY2004-present) for this factor.

Excess Unemployment—This concept is used in one of the factors for the Title I state grant formulas 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).

Local Workforce Investment Areas (LWIA)—This concept is used in identifying geographic areas within states that function as administrative units within the One-Stop delivery system. Section 116 of the WIA directs the governor of each state to designate—in consultation with the state WIB and with the chief elected local officials in the relevant areas—LWIAs within the state.

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[86] Jane Oates, Assistant Secretary, *Area of Substantial Unemployment Designation under the Workforce Investment Act (WIA) for Program Year (PY) 2010*, Employment and Training Administration, U.S. Department of Labor, TEGL No. 4-09, Washington, DC, September 3, 2009, http://wdr.doleta.gov/directives/attach/TEGL/TEGL04-09.pdf.

[87] Ibid.

[88] Poverty level and lower living standard income level are defined in WIA Sections 101(36) and 101(24), respectively.

WIA requires that each LWIA have a local WIB and a One-Stop center. In designating LWIAs, the governor is required to take into consideration geographic areas served by educational agencies and institutions, labor market areas, distances that individuals must travel to receive services, and the resources available from local areas to help carry out the WIA services. WIA does allow for "automatic designation" of substate areas as LWIAs under three conditions: a unit of local government with a population of at least 500,000; an area served by a rural concentrated employment program grant recipient that was a service delivery area (SDA) under the Job Training Partnership Act (JTPA); and an area that served as an SDA in a state with a population of no more than 1.1 million and a population density of no greater than 900 persons per square mile.

Long-Term Unemployment—This concept is used in one of the factors for the Title I state grant formulas for Dislocated Worker Activities. For the state formula grants for Dislocated Worker Activities, 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 Census bureau) for at least 15 weeks.

Relative Number/Share—This concept is used in the state grant formulas 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 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 PY2012 state formula allotments, Nevada had the following factor values:

- Regular Unemployment = 178,314;
- Excess Unemployment = 118,912; and
- Long-Term Unemployment = 117,600.

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 1.25% (178,314/14,259,148); its share of excess unemployment was 1.63% (118,912/7,299,720); and its share of long-term unemployment was 1.41% (117,600/8,358,500). Multiplying each of these individuals by 1/3 and summing the results would give Nevada a total share of 1.43% ((1.04%*1/3) + (1.45%*1/3) + (0.98%*1/3)). Finally, multiplying Nevada's share, 1.43%, by the total funding for all states ($1,008,151,464) yields $14,404,698, which Nevada received in PY2012.

Appendix B. Funding for WIA Titles I and II

Table B-1. WIA Title I, Appropriations for FY2009 to FY2012

(dollars in thousands)

Program	FY2009	ARRA	FY2010	FY2011	FY2012
State Formula Grant Programs	$2,969,449	$2,950,000	$2,969,449	$2,660,268	$2,605,268
Youth Activities Formula Grants	924,069	1,200,000	924,069	825,914	825,914
Adult Activities Formula Grants	861,540	500,000	861,540	770,922	770,922
Dislocated Worker Activities	1,466,891	1,450,000	1,413,000	1,287,544	1,232,544
Formula Grants	*1,183,840*	*1,250,000*	*1,183,840*	*1,063,432*	*1,008,432*
National Reserve	*283,051*	*200,000*	*229,160*	*224,112*	*224,112*
Job Corps	1,683,938	250,000	1,708,155	1,706,171	1,706,171
National Programs					
Native Americans	52,758	0	52,758	52,652	47,652
Migrant and Seasonal Farmworkers	79,668	0	84,620	84,451	84,451
Veterans' Workforce Investment	7,641	0	9,641	9,622	14,622
Ex-Offender Activities	108,493	0	108,493	85,390	80,390
Responsible Reintegration of Young Offenders	*88,500*	*0*	*0*	*0*	*0*
Prisoner Reentry	*19,993*	*0*	*0*	*0*	*0*
Reintegration of Ex-Offenders	*0*	*0*	*108,493*	*85,390*	*80,390*
Career Pathways Innovation Fund[a]	0	0	125,000	0	0
Green Jobs Innovation Fund	0	0	40,000	0	0
Job Training in High Growth Industries[b]	0	750,000	0	0	0
Workforce Data Quality Initiative	0	$0	12,500	12,475	6,475
YouthBuild	70,000	50,000	102,500	79,840	79,840
Technical Assistance	0	0	0	0	0
Pilots, Demonstrations, and Research	48,781	0	92,999	9,980	6,616
Evaluation	6,918	0	9,600	9,581	9,581
Workforce Innovation Fund	0	0	0	124,750	50,000
WIA Title I Grand Total	**$5,313,649**	**$4,200,000**	**$5,544,875**	**$5,145,892**	**$4,915,178**

Source: Compiled by CRS from the Omnibus Appropriations Act, 2009, (P.L. 111-8), the American Recovery and Reinvestment Act (P.L. 111-5), the Consolidated Appropriations Act, 2010 (P.L. 111-117), Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10), the Consolidated Appropriations Act, FY2012 (P.L. 112-74), and Department of Labor Congressional Budget Justifications.

Notes: For state formula grant allocations, see http://www.doleta.gov/budget/statfund.cfm. Job Corps funding includes administration, operations, and construction. The amount for "National Reserve" under "Dislocated Worker Activities" is included in the "Grand Total" but not in the total for "State Formula Grant Programs."

a. Prior to FY2010, the "Career Pathways Innovation Fund" (CPIF) was named the "Community-Based Job Training Grant" (CBJTG) program. Funds for the CBJTG were drawn from the Dislocated Workers' "National Reserve" and are included in the "National Reserve" amount shown in the table for FY2009

($125 million). There was no appropriation for the CPIF (CBJTG) program in the ARRA. In FY2010, the CPIF was not funded out of the "National Reserve" and is reflected as a separate appropriation of $125 million.

b. Of the $750 million in the ARRA, $500 million was for training workers for employment in green industries. Of the remaining $250 million, a priority was established for training in health care careers.

Table B-2. WIA Title I, Appropriations for FY2000 to FY2008

(dollars in thousands)

Program	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008
State Formula Grant Programs	$3,472,185	$3,489,997	$3,532,125	$3,083,395	$3,059,662	$3,060,570	$2,986,030	$2,967,256	$2,969,449
Youth Activities Formula Grants	1,250,965	1,377,965	1,353,065	1,038,669	995,059	986,288	940,500	940,500	924,069
Adult Activities Formula Grants	950,000	950,000	945,372	894,577	893,195	889,498	864,199	851,760	861,540
Dislocated Worker Activities	1,587,525	1,437,540	1,542,110	1,425,086	1,445,939	1,466,714	1,461,303	1,453,385	1,464,707
Formula Grants	*1,271,220*	*1,162,032*	*1,233,688*	*1,150,149*	*1,171,408*	*1,184,784*	*1,181,331*	*1,174,996*	*1,183,840*
National Reserve	*316,305*	*275,508*	*308,422*	*274,937*	*274,531*	*281,930*	*279,972*	*278,388*	*280,867*
Job Corps	1,357,776	1,399,148	1,454,241	1,509,094	1,564,294	1,575,774	1,602,868	1,606,855	1,610,506
National Programs									
Native Americans	58,436	55,000	57,000	55,636	54,676	54,238	53,696	53,696	53,696
Migrant and Seasonal Farmworkers	74,195	76,770	80,770	77,330	76,874	76,259	79,252	79,252	79,752
Veterans' Workforce Investment	7,300	7,300	7,550	7,377	7,505	8,482	7,425	7,435	7,351
Ex-Offender Activities	13,907	55,000	55,000	54,643	49,705	69,440	68,746	68,746	73,493
Responsible Reintegration. of Young Offenders (non-add)	*13,907*	*55,000*	*55,000*	*54,643*	*49,705*	*49,600*	*49,104*	*49,104*	*54,039*
Prisoner Reentry (non-add)	*0*	*0*	*0*	*0*	*0*	*19,840*	*19,642*	*19,642*	*19,454*
Reintegration of Ex-Offenders (non-add)	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Community-Based Job Training Grants[a]	0	0	0	0	0	124,000	0	0	0
YouthBuild[b]	0	0	0	0	0	0	0	49,500	58,952
Technical Assistance	5,000	15,000	15,000	10,548	2,982	2,958	1,980	480	0
Pilots, Demonstrations and Research	65,095	97,432	130,149	68,015	58,547	85,167	29,700	14,700	48,508
Evaluation	9,098	9,098	9,098	9,234	8,986	7,936	7,857	4,921	4,835

Program	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008
WIA Title I Grand Total	**$5,379,297**	**$5,480,253**	**$5,649,355**	**$5,150,210**	**$5,157,762**	**$5,346,754**	**$5,117,526**	**$5,131,730**	**$5,186,387**

Source: Compiled by CRS from Department of Labor Congressional Budget Justifications.

a. From FY2006 through FY2008, approximately $125 million per year for the "Community-Based Job Training Grant" (CBJTG) program was drawn from the Dislocated Workers' "National Reserve." Funding for the CBJTG program in FY2005 was drawn from the Dislocated Workers' "National Reserve" ($125 million) and from a separate appropriation ($124 million). Prior to FY2005, the CBJTG program did not exist.

b. Prior to FY2007, the YouthBuild program was administered and funded by the Department of Housing and Urban Development.

Table B-3. WIA Title II, Adult Education and Family Literacy Act, Appropriations for FY2009 to FY2012

(dollars in thousands)

Program/Fiscal year	FY2009	FY2010	FY2011	FY2012
Adult Education State Grants total	$554,122	$628,221	$596,120	$596,120
English Literacy and Civics Education[a]	*67,896*	*75,000*	*74,850*	*74,850*
Incentive Grants[b]	*9,760*	*11,035*	*10,448*	*10,448*
Net Allocation for Adult Education State Grants[c]	*476,466*	*542,186*	*510,822*	*510,822*
National Leadership Activities	6,878	11,346	11,323	11,323
National Institute for Literacy	6,468	0	0	0
WIA Title II Grand Total	**$567,468**	**$639,567**	**$607,443**	**$607,443**

Source: Compiled by CRS Department of Education Budget Justifications, Consolidated Appropriations Act, 2010 (P.L. 111-117), Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10), and the Consolidated Appropriations Act, FY2012 (P.L. 112-74).

a. English Literacy and Civics Education grants are reserved from the appropriation for Adult Education State Grants, at a level specified in the annual appropriations.

b. Incentive Grants are reserved from the appropriation for Adult Education State Grants, at a level equal to 1.72% of the Adult Education and Family Literacy Act (AEFLA) total, and transferred to the Secretary of Labor for distribution to states for Title V Incentive Grants under the Workforce Investment Act of 1998 (WIA).

c. Actual Adult Education State Grant allocations are distributed from the remainder of the appropriation for Adult Education State Grants after reserving amounts for the English Literacy and Civics Education and Incentive Grants programs.

Table B-4. WIA Title II, Adult Education and Family Literacy Act, Appropriations for FY1999 to FY2008

(dollars in thousands)

Program/Fiscal Year	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008
Adult Education State Grants total	$365,000	$450,000	$540,000	$575,000	$571,262	$574,372	$569,672	$563,975	$563,975	$563,975
English Literacy and Civics Education[a]	*0*	*25,500*	*70,000*	*70,000*	*70,000*	*69,545*	*69,135*	*68,582*	*67,896*	*67,896*
Incentive Grants[b]	*6,622*	*8,084*	*9,641*	*10,166*	*10,100*	*10,152*	*10,071*	*9,971*	*9,968*	*9,765*
Net Allocation for Adult Education State Grants[c]	*358,378*	*416,416*	*460,359*	*494,834*	*491,162*	*494,675*	*490,466*	*485,422*	*486,111*	*476,461*
National Leadership Activities	14,000	14,000	14,000	9,500	9,438	9,169	9,096	9,005	9,005	7,000
National Institute for Literacy	6,000	6,000	6,500	6,560	6,517	6,692	6,638	6,572	6,583	6,583
AEFLA Grand Total	385,000	470,000	560,500	591,060	587,217	590,233	585,406	579,552	579,563	577,558
Literacy Programs for Prisoners[d]	0	5,000	5,000	5,000	5,000	5,000	5,000	0	0	0
WIA Title II Grand Total	**$385,000**	**$475,000**	**$565,500**	**$596,060**	**$592,217**	**$595,233**	**$590,406**	**$579,552**	**$579,563**	**$577,558**

Source: Department of Education Congressional Budget Justifications and H.R. 3293 (H.Rept. 111-220 and S.Rept. 111-66).

a. English Literacy and Civics Education grants are reserved from the appropriation for Adult Education State Grants, at a level specified in the annual appropriations.

b. Incentive Grants are reserved from the appropriation for Adult Education State Grants, at a level equal to 1.72% of the Adult Education and Family Literacy Act (AEFLA) total, and transferred to the Secretary of Labor for distribution to states for Title V Incentive Grants under the Workforce Investment Act of 1998 (WIA).

c. Actual Adult Education State Grant allocations are distributed from the remainder of the appropriation for Adult Education State Grants after reserving amounts for the English Literacy and Civics Education and Incentive Grants programs.

d. The Literacy Programs for Prisoners program was authorized by § 601of the National Literacy Act of 1991 (NLA), P.L. 102-73. This literacy program, along with the rest of the NLA, was repealed by § 251(a) of WIA in 1998. Its repeal notwithstanding, however, annual appropriations from FY2000 through FY2005 continued this program, with funding at the indicated levels. http://www.ed.gov/programs/lifeskills/funding.html.

Table B-5. Wagner-Peyser Act, U.S. Employment Service Funding, FY2001-FY2012

(dollars in thousands)

Program	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	ARRA	FY2010	FY2011	FY2012
Employment Service Grants to States	$796,735	$796,735	$791,556	$786,887	$780,592	$715,883	$715,883	$703,376	$703,576	$396,000	$703,576	$702,169	$702,169
Labor Market Information	150,000	120,000	99,350	98,764	97,974	81,662	63,855	52,059	51,720	0	63,720	63,593	63,593
Subtotal	**$946,735**	**$916,735**	**$890,906**	**$885,651**	**$878,566**	**$797,545**	**$779,738**	**$755,435**	**$755,296**	**$396,000**	**$767,296**	**$765,762**	**$765,762**

Source: Compiled by CRS from the Omnibus Appropriations Act, 2009 (P.L. 111-8), the American Recovery and Reinvestment Act (P.L. 111-5), the Consolidated Appropriations Act, 2010 (P.L. 111-117), Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10), the Consolidated Appropriations Act, FY2012 (P.L. 112-74), and Department of Labor Congressional Budget Justifications.

Note: This table does not include funding for Employment Service National Activities.

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