## CAPLAWFAQ

A series of common legal questions and answers for the CAA network



### **WIOA Q&A for Community Action**

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By Christopher Logue September 2015

On July 22, 2014, President Obama signed the Workforce Innovation and Opportunity Act (WIOA, or the Act), which is designed to help job seekers access employment, education, training, and support services to succeed in the labor market and to match employers with the skilled workers they need to compete in the global economy. WIOA supersedes titles I and II of the Workforce Investment Act of 1998 (WIA), and amends the Wagner-Peyser Act and the Rehabilitation Act of 1973. As the largest single source of federal funding for workforce development programs, WIA has been connected to the Community Action Network by requiring some CAAs to partner with the WIA system. WIOA makes significant changes to its predecessor WIA and reauthorizes its programs through 2020. Some of WIOA's changes are noteworthy for the Community Action network and this set of FAQs addresses the basics of what has changed—and what hasn't.

#### 1. What is WIOA?

WIOA, like WIA, establishes a publicly funded workforce system which aims to align workforce development, education, and economic development programs with regional economic development strategies

WIOA establishes a publicly funded workforce system... providing access to one-stop centers that connect individuals with a range of services available in their communities... to meet the needs of local and regional employers. This is accomplished by providing access to one-stop centers that connect individuals with a range of services available in their communities, whether they are looking to find jobs, building basic educational or occupational skills, earning a postsecondary certificate or degree, or obtaining guidance on how to make career choices, or are businesses and employers seeking skilled workers.<sup>1</sup>

#### 2. Are WIOA workforce systems structured in the same way as those established under WIA?

Yes. Under WIOA, partner programs and entities that are jointly responsible for workforce and economic development, educational, and other human resource programs will still collaborate to create a one-stop delivery system that integrates service delivery across all programs and enhances access to the programs' services. The one-stop delivery system includes six core programs (Title I adult, dislocated worker, and youth programs; Title II adult education and literacy programs; Title III Wagner-Peyser program; and Title IV vocational rehabilitation program), as well as the programs offered by other required and optional partners identified in WIOA, including employment and training activities carried out under the Community Services Block Grant (CSBG). Under WIOA,

the goals of one-stop centers and their partners are to:

• Provide job seekers with the skills and credentials necessary to secure and advance in employment with family-sustaining wages;

 Provide access and opportunities to all job seekers, including individuals with barriers to employment, such as individuals with disabilities, to prepare for, obtain, retain, and advance in highquality jobs and high-demand careers;

• Enable businesses and employers to easily identify and hire skilled workers and access other supports, including education and training for their current workforce;

• Participate in rigorous evaluations that support continuous improvement of one-stop centers by identifying which strategies work better for different populations; and

• Ensure that high-quality integrated data inform decisions made by policy makers, employers, and job seekers.<sup>2</sup>

The management of the one-stop delivery system is the shared responsibility of states, local boards, elected officials, the core WIOA partners, other required partners, and one-stop center operators.

# 3. What terms are used to describe the WIOA structure?

While the language used to describe the main components of the workforce system has not changed, those who are new to WIOA will want to familiarize themselves with the following basic terms: • <u>One-Stop Delivery System</u>: Also known as the American Job Center (AJC) system, the name for the entire network of WIOA programs, partners, operators, centers, and boards.<sup>3</sup> Also known as the One-Stop System.

• <u>One-Stop Partner</u>: Any entity that is required, or may be allowed, to participate in the One Stop System<sup>4</sup>

• <u>One-Stop Operator</u>: An entity designated or certified by a local board to receive WIOA funds to operate a one stop center<sup>5</sup>

• <u>One-Stop Center</u>: Also known as American Job Centers, the physical location where WIOA services are provided<sup>6</sup>

### 4. When is a CAA a required partner?

WIOA continues to include the WIA mandate that any programs that provide "employment and training

...any programs that provide "employment and training activites carried out by the Community Services Block Grant Act" are required partners. activities carried out under the Community Services Block Grant Act" are required partners.<sup>7</sup> This requirement is reinforced by the CSBG Act's requirement that CSBG state plans describe how the state and CAAs in the state will coordinate the provision of employment and training activities in the state and in communities with entities providing activities through statewide and local

workforce development systems under WIOA.<sup>8</sup> "Employment and training activities" are defined as any activity described in Section 134 of WIOA, and includes activities such as job search and placement assistance, career counseling, job recruitment, providing workforce and labor statistics such as job vacancy listings and job market information, providing information regarding filing of claims for unemployment compensation, assistance in establishing eligibility for programs of financial aid assistance for training and education programs that are not funded under WIOA, or referrals to any such services.<sup>9</sup> CAAs that are unsure whether they provide CSBG-funded employment and training activities should review <u>this</u> <u>section of WIOA at 29 U.S.C. §3174.</u>

The Act also lists 12 other federally funded programs that will trigger the required partner designation. If a CAA operates any of these federally funded programs, the CAA is a required partner and must integrate those programs into the one stop system. (See Question 4 below for more information on what a CAA must do if it is a required partner). Programs that will trigger the required partner designation include:

 $\bullet$  Programs authorized under Title I of WIOA  $^{\rm 10}$ 

- Employment and training activities carried out by the Department of Housing and Urban Development;
- Temporary Assistance for Needy Families (TANF) (unless the governor makes a determination to exclude TANF from the state's WIOA systems)<sup>11</sup>

CAAs should consult the full list of programs that trigger the required partner designation at <u>29 U.S.C. § 3151</u>.

#### 5. Have these required partners changed since the WIA?

For the most part, the same federally funded programs are required partners under the old WIA and the new WIOA.

One-stop partners are not required to contribute more than 1.5% of the federal funds provided for the program. However, there are some notable changes. Programs funded under the Second Chance Act of 2007 are now included.<sup>12</sup> The Second Chance Act, designed to assist individuals recently released from incarceration, funds programs related to adult and juvenile reentry services, drug treatment and mentoring, and technology career training. These programs are administered through the

Office of Justice in the U.S. Department of Justice.

Also significant is the addition of TANF to the list of required partners. Any entity that administers programs under TANF (referred to as part A of title IV of the Social Security Act) must participate in the one-stop system, unless their state's governor determines otherwise, pursuant to the notification requirements in the Act.<sup>13</sup>

## 6. What are required partners required to do?

If a CAA is a required partner under WIOA, it must do the following:

i. Provide access through the one-stop delivery system to the relevant programs or activities.<sup>14</sup> For example, a CAA that provides employment or training services under its CSBG funding must provide access to those employment or training services through the one-stop system. ii. Use a portion of the funds available for the program and activities to maintain the one-stop delivery system, including payment of the infrastructure costs of one-stop centers.<sup>15</sup> For example, a CAA that runs a CSBG-funded job training program must be willing to dedicate a portion of its CSBG funding to developing the infrastructure of the local one-stop center. The process for determining how the infrastructure of one-stop centers will be funded is laid out in the statute<sup>16</sup> and more guidance will be provided in future regulations.<sup>17</sup> This process requires one-stop partners, along with the local board and chief elected officials, to reach a voluntary agreement on infrastructure funding and incorporate that agreement into a memorandum of understanding.<sup>18</sup> If the partners fail to reach an agreement by July 1, 2016, the Act creates a mechanism for the state to determine funding for each program year the partners are unable to agree. One-stop partners may not be required to contribute more than 1.5 percent of the amount of federal funds provided to carry out the program, such as a CAA's CSBG-funded employment and training programs, in the state for a fiscal year.<sup>19</sup> The Act also requires the state to establish a process under which a required one-stop partner may appeal a determination regarding the portion of funds to be provided on the basis that the determination is inconsistent with the Act's infrastructure funding requirements.<sup>20</sup>

iii. Enter into a local memorandum of understanding (MOU) with the local board relating to the operation of the one-stop system.<sup>21</sup> The content of the MOU must meet the requirements of act.<sup>22</sup> iv. Participate in the operation of the onestop system consistent with the terms of the MOU, the requirements of the Act, and the requirements of the Federal laws authorizing the program or Activities.<sup>23</sup>

v. Provide representation on the state board to the extent provided under the Act.<sup>24</sup> One-stop partners are not guaranteed representation on the state board but may have a representative appointed at the discretion of the governor.<sup>25</sup>

#### 7. What are the requirements and opportunities for CAA membership on state and local boards?

WIOA generally maintains the structure of state and local workforce development boards from its predecessor WIA, although the size of the boards has been reduced and the composition requirements have changed significantly. State boards must be composed of the governor, one member of each chamber of the state legislature, and representatives appointed by the governor,

State boards must be composed of the governor, one member of each chamber of the state legislature and representatives appointed by the governor... a majority of which must be representatives of business in the state.<sup>26</sup> Local boards, like the state boards, must be comprised of a majority of members from the business community and must be chaired by a business representative.<sup>27</sup> Numerous other requirements for both the local and state boards can be found in the Act.

WIOA has made some changes to the composition of local boards that are noteworthy for CAAs. Under the former WIA, each one-stop partner had a representative on the local board.<sup>28</sup> WIOA has eliminated that requirement and instead made CAA representation discretionary.<sup>29</sup>

Although there is no language that explicitly gives one-stop partners a seat on the local board, the following is a list of provisions in the local board requirements section under which a CAA could be appointed a seat on the local board. The local board:

• "...may include representatives of community-based organizations that have demonstrated experience and expertise in addressing the employment needs of individuals with barriers to employment." 29 U.S.C. § 3122(b)(2)(B) (iii).

• "...may include representatives of organizations that have demonstrated experience and expertise in addressing the employment, training, or education needs of eligible youth, including representatives of organizations that serve out-of-school youth." 29 U.S.C. § 3122(b)(2)(B)(iv).

 "...shall include a representative of eligible providers administering adult education and literacy activities under title II [of WIOA]." 29 U.S.C. § 3122(b)(2) (C)(i).

• "...may include representatives of... community-based organizations with demonstrated experience and expertise in addressing the education or training needs of individuals with barriers to employment." 29 U.S.C. § 3122(b)(2)(C)(iii).

• "...shall include a representative of economic and community development entities." 29 U.S.C. § 3122(b)(2)(D)(i). • "...may include representatives of agencies or entities administering programs serving the local area relating to transportation, housing, and public assistance." 29 U.S.C. § 3122(b) (2)(D)(iv).

### 8. What are the Combined State Plans?

As with WIA, WIOA allows states to create a combined state plan that includes all of the WIOA core programs (also known as "career services") as well as the option to include a number of other programs, such as CSBG-funded programs.<sup>30</sup> The proposed regulations on combined state plans indicate that states may include in their combined plans the WIOA-related

The effective date of the WIOA is the first full program year after enactment, which began on July 2, 2015... CSBG programs and services (i.e., CSBG-funded employment and training services ), but all other CSBG plans would be submitted separately in the typical CSBG state plan. This arrangement, whereby the state will include only portions of CSBG-funded programs in the WIOA state plan, comes out of a recognition that

CSBG-funded employment and training services are only a subset of a broad range of anti-poverty activities addressed in the overall CSBG plan.<sup>31</sup>

On August 6, the Departments of Labor, Education, Health and Human Services, Agriculture, and Housing and Urban development released proposed WIOA Unified and Combined State Plan Requirements in the form of an "Information Collection Request." The agencies are soliciting comments on the proposed requirements, which can be found <u>here</u>.

### 9. When do these changes take effect?

The effective date of the WIOA is the first full program year after enactment, which began on July 2, 2015,<sup>32</sup> although WIOA contains numerous provisions that take effect on later dates. While most of the provisions with later start dates are relevant to states and to state and local workforce boards, some are directly relevant to CAAs, such July 1, 2016, when one-stop infrastructure costs requirements take effect<sup>33</sup> and use of the common one-stop delivery identifier must be implemented.<sup>34</sup> The Department of Labor has created a chart of WIOA key implementation dates which can be accessed on their website by clicking here.

### 10. Where can I find out more?

To learn more about WIOA and changes to the American Job Center system, CAPLAW recommends the <u>Department of Labor's</u> <u>WIOA website</u>, where you can find links to <u>the Act</u>, <u>the proposed regulations</u>, <u>a</u> <u>number of WIOA fact sheets</u>, <u>several sets</u> <u>of FAQs</u>, and more.

#### **Endnotes**

<sup>1</sup> United States Department of Labor, Employment and Training Administration, Training and Employment Guidance Letter No. 04-15 (http://wdr.doleta.gov/directives/corr\_doc.cfm?D0CN=6455)

<sup>2</sup> United States Department of Labor, Employment and Training Administration, Training and Employment Guidance Letter No. 04-15 (<u>http://wdr.doleta.gov/directives/corr\_doc.cfm?DOCN=6455</u>)

<sup>3</sup> 29 U.S.C. § 3151

<sup>4</sup> 29 U.S.C. § 3102(42)

<sup>5</sup> 29 U.S.C. § 3151(d)

<sup>6</sup> 29 U.S.C. § 3102(40)

<sup>7</sup> 29 U.S.C. § 3151(b)(1)(B)(ix)

<sup>8</sup> 42 U.S.C. § 9908(b)(5), 113 P.L. 128, 512(f)

<sup>9</sup> 29 U.S.C. § 3174(c)(2)

<sup>10</sup> 29 U.S.C. § 3151(b)(1)(B)(i)

<sup>11</sup> 29 U.S.C. § 3151(b)(1)(B)(xiii)

<sup>12</sup> 29 U.S.C. § 3151(b)(1)(B)(xii)

<sup>13</sup> 29 U.S.C. § 3151(b)(1)(C)

<sup>14</sup> 29 U.S.C. § 3151(b)(1)(A)(i)

<sup>15</sup> 29 U.S.C. § 3151(b)(1)(A)(ii)

<sup>16</sup> 29 U.S.C. § 3151(h)

<sup>17</sup> See, for example, Department of Labor and Department Education Joint Notice of Proposed Rulemaking, Proposed §§ 463.700 through 463.755, pp. 448-461

<sup>18</sup> 29 U.S.C. § 3151(h)(1)(A)(i)(l)

<sup>19</sup> 29 U.S.C. § 3151(h)(2)(D)(ii)(II). For federal direct spending programs (also known as mandatory spending programs, such as Social Security, Medical, or TANF), contributions are capped at the equivalent to the cost of the proportionate use of the one-stop centers for the one-stop partner for such program in the State. 29 U.S.C. § 3151(h)(2)(D)(iii)

<sup>20</sup> 29 U.S.C. § 3151(h)(2)(E)

<sup>21</sup> 29 U.S.C. § 3151(b)(1)(A)(iii)

<sup>22</sup> 29 U.S.C. § 3151(c)

<sup>23</sup> 29 U.S.C. § 3151(b)(1)(A)(iv)

<sup>24</sup> 29 U.S.C. § 3151(b)(1)(A)(v)

<sup>25</sup> 29 U.S.C. § 3111

<sup>26</sup> 29 U.S.C. § 3111(b)(1)

<sup>27</sup> 29 U.S.C. § 3122(b)(2)

<sup>28</sup> Former section 117, 29 U.S.C. § 2832(b)(2)(A)(vi), local workforce investment boards shall include "representatives of each of the one-stop partners."

<sup>29</sup> 29 U.S.C. § 3122(b)(2)

<sup>30</sup> 29 U.S.C. § 3112

<sup>31</sup> Department of Labor and Department Education Joint Notice of Proposed Rulemaking, Proposed § 676.140(h), p. 33

<sup>32</sup> 29 U.S.C. § 3101.

<sup>33</sup> 29 U.S.C. § 3151(h)

<sup>34</sup> 29 U.S.C. § 3151(e)(4)

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