Highlights of H.R. 4227 – Workforce Investment Act of 2012

The House Democrats’ WIA reauthorization bill takes a substantially different tact, in many key respects, than H.R. 4297, the bill introduced by House Republicans. The most notable difference is that while the Republican bill would consolidate 27 job training programs into a single Workforce Investment Fund, H.R. 4227 would not consolidate any programs. Instead, it takes steps to better align the WIA funding streams and other programs. At the same time, there are also many similarities between the two bills.

**Governance:** Community colleges would retain their required presence on the state and local workforce investment boards. The board required memberships are relatively unchanged, with the most notable change being a requirement that at least 20% of the boards shall be representatives of the workforce. At least one of these representatives must be from a labor organization, and others may be representatives of community-based organizations and organizations that serve youth.

**State Plans:** States must submit plans that cover all of the WIA core programs (Title I adult, dislocated worker and youth funding streams; Title II adult basic education; Title III Wagner-Peyser employment services program; Title IV vocational rehabilitation.) In addition, states may file plans that cover the core programs plus a number of additional programs outside of WIA, including Perkins career and technical education, Temporary Assistance for Needy Families and Trade Adjustment Assistance programs. Unlike H.R. 4297, there is no option to consolidate the actual funding for these programs, just an option for joint planning. The requirements for the state plans’ contents are substantially overhauled, and place an emphasis on alignment between the core programs and other job training programs. There is also an emphasis, here and throughout the bill, on utilizing career pathways.

**Regional Planning and Service Delivery:** An option under current law, states must now require local boards in designated regions to collaboratively plan and deliver workforce investment services, including industry sector partnerships. Local plans for areas in regions with more than two local areas must be coordinated accordingly.

**One Stop Centers:** The Secretary of Labor is directed to develop a common identifier, or “brand” of sorts, that each local One-Stop Center would be required to use. This is an effort to increase public awareness of the workforce investment system, which goes by different names in different states.

**Training Provider Eligibility:** The bill leaves the training provider eligibility requirements in current law largely intact, but adds language that provides that a public institution of higher education be automatically maintained on the list. AACC believes the intent in this section was to exempt these institutions from at least some of the reporting requirements in this section, but the language needs further refinement to achieve that intent.
Training Contracts: The bill would provide for training contracts between WIBs and institutions of higher education and other training providers in situations where multiple people can be trained for jobs in high-demand occupations. H.R. 4227 would also add other allowable training contract scenarios, including registered apprenticeships, incumbent worker training, and entrepreneurial skills training. The bill also states that training can be provided through a combination of contracts and individual training accounts.

Performance Accountability: Like current law and the Republican bill, the bill would establish core indicators relating to entry and retention in employment and earnings. Like H.R. 4297, the Democrats’ bill also establishes indicators that count people that attain a postsecondary credential either while they are WIA participants or within one year after leaving the program, and an indicator that counts WIA participants that are still enrolled in an education or training program and are making progress towards a credential or employment. H.R. 4227 establishes an additional indicator to measure effectiveness in serving employers, to be defined by the Secretaries of Education and Labor. The Secretaries are also directed to establish performance indicators that measure the effectiveness of the system as a whole, including effectiveness in engaging employers, expanded access to training, and credential attainment.

Infrastructure Funding: H.R. 4227 would establish a budget line-item for funding the One-Stop Center infrastructure, to be distributed to states by formula. The amount of the funding would be 3% of the funds provided for the Title I funding streams.

Community College to Career Fund: The bill adds a new subtitle to Title I that authorizes (but does not fund) the Community College to Career Fund, largely as proposed by President Obama. The fund authorized for $8 billion, with $7 billion of that total going to competitive grants to community colleges, working with businesses and other partners, to build or expand education and training programs for workers. Community colleges, with few exceptions, would be the lead grantees. Priority would go to proposals that have employers paying some of the costs and agreeing to hire program completers, partner with labor to provide technical expertise, serve individuals with barriers to employment, serve areas with high unemployment, or are led by institutions that are Higher Education Act Title III or Title V grantees. The uses of funds are fairly straightforward and similar to those under the Community-Based Job Training Act or the Trade Adjustment Assistance Community College and Career Training Grant Program. The new subtitle also authorizes the other three components of the Obama proposal: pay for performance grants to successful job training programs, funds for local areas to attract jobs back to America, and grants for entrepreneur and small business training. These last grants would also go to community colleges.

Title II – Adult Education and Literacy

In general, H.R. 4227 places much greater emphasis within the adult basic education program on programs that lead to employment and self-sufficiency, as well as the transition to higher education. The basic operation of the program is not substantially altered, with one exception
being that state ABE plans are now part of the plans that cover all the core WIA programs and ABE is subject to the performance indicators established in Title I. The bill would allow the states to retain slightly more of the formula funds for activities at the state level. There is also support throughout the bill for integrated basic skills and occupational training, as well as language that specifically allows co-enrollment in both WIA Title I and Title II programs. Credit bearing postsecondary coursework may also be supported.