



## **WORKFORCE DEVELOPMENT COUNCIL**

317 W. Main Street  
Boise, ID 83735-0790

### **TRANSMITTAL # 2**

### **MEMORANDUM**

**October 21, 2003**

**TO:** Workforce Development Council

**FROM:** David Lehman, Workforce and Human Services Policy Advisor

**SUBJECT:** WIA Reauthorization

**ACTION REQUESTED:** Information only.

### **BACKGROUND:**

Senate Bill 1627 was reported out of the Senate H.E.L.P. committee on October 2, 2003. A final copy of the bill is not expected until next week, however, only minor amendments, if any, were anticipated during the committee mark-up because the bill was the product of extensive bi-partisan negotiation over the course of the summer. The Senate also established a very open legislative process by widely soliciting input from the workforce development stakeholders. The key features of the bill introduced by the committee are:

**State and Local Board Composition and Roles:** The Senate Bill offers more flexibility than the House in that it allows “grandfathering” or retention of boards in place prior to adoption of the WIA. The Senate Bill clearly articulates the role of State Boards as responsible for review of all workforce development plans and development of criteria for establishing the one stop system and the continuous improvement process. The State Board also would be required to establish guidance for cost allocation, processes for establishing and distributing a one stop “infrastructure fund” and general oversight of the system. At the request of state chairs, it does not include requirements for “chartering” or selecting one stop centers as is required in H.R. 1261.

**Designation and Redesignation of Local Workforce Areas:** The Senate Bill differs from the House in that it would allow designation of additional single state areas if no current areas apply and would require automatic designation of all existing areas unless they demonstrate substantial performance or financial failures.

**One Stop Infrastructure Funding:** Like the House, the Senate proposes the development of an “infrastructure” fund to pay for the non-personnel costs of delivering the common core services in the one stop system. It extends the limitation imposed by the House that allows payment of these costs only from administrative funds, by further limiting the amount of cost contributions from partner programs. The House would require any additional costs to be paid from WIA, while the Senate proposal allows these costs to be shared among one stop partners based on current negotiation processes. While the Senate made some changes by deleting a comprehensive definition of administration shared in an early draft, it is unclear whether this change was enough to avoid shifting costs of one stop operation to state and local government.

**Retention of Existing Funding Streams and Within State Distribution:** The House Bill consolidated WIA Adult, WIA Dislocated Workers and Wagner-Peyser Employment Service Funds into a single funding stream. The Senate retained the existing funding streams but changed the distribution formula. While the House required Governors to use 50% of the state reserve to provide funding or staff for delivery of core services at the local level, the Senate allows the Governor full discretion over use of state set-asides and Wagner-Peyser funds. As a compromise, the Senate includes a requirement to require all employment service offices to be co-located in “comprehensive” one stops. This could erode services in the rural areas if language changes are not made to allow participation in satellite or affiliate locations.

**Targeted Youth Program:** The Senate Bill offers far more discretion in the design and operation of the youth program than its House counterpart. The Senate expands the opportunity to deliver services to low-income at risk youth, lowers the age range for this group, allows services during school hours and generally provides greater flexibility than the House. The Senate also promotes greater funding by ensuring that funds are not siphoned off for Federal Youth Challenge Grants until the budget exceeds \$1 billion; it then limits the amount to \$250 million for these federally controlled program funds.

**Performance and Reporting:** The Senate substantially expands data collection and reporting requirements by adding requirements to capture data on individuals who are self-service and in receipt of core services and by requiring more detailed financial data for core, intensive and training services. The Senate also would award WIA incentives based on performance and achievement of integration goals. Although Carl Perkins and ABE performance would not be considered in the award of these funds, states could choose to use funds for these purposes as well as WIA purposes.

No date has been set yet for conference. It will be important to establish a position on the bills after the Senate has passed the legislation but before it is scheduled for conference.

Contacts:       David Lehman           (208) 334-2100  
                  Cheryl Brush           (208) 332-3570, ext. 3312