

# The Workforce Investment Act

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## Federal law mandates job training consolidation; "One Stop" brings many programs under one roof

**A**s the new century commences, preparing the state's workforce is more important than ever before. New skills and new knowledge for workers are demanded, and many Alaskans want to be better prepared. Employers report difficulty finding skilled workers. Both new entrants into the labor force and those already there are challenged to adapt to a constantly changing job market. The challenges are large and complex, but new federal legislation signed into law by the President in 1998 changes the approach. Called the Workforce Investment Act (WIA), the new law mandates integration of national and state job training programs and is the first major reform of its type in more than 15 years.

The act is the result of a four-year bipartisan effort on the part of the Administration and Congress. The WIA's stated purpose is:

"...to provide workforce investment activities, through statewide and local workforce investment systems, that 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."

By rewriting federal job training laws, the legislation reduced the number of funding

streams from 70 to three—for adults, dislocated workers and youth—and consolidated a patchwork of some 60 federal job training programs generated over the last six decades. By integrating these widespread education, training and employment programs into a comprehensive design, the WIA may overcome the effects of the long established piecemeal approach to getting the national labor force ready for the ever-changing world of work. The private sector's questioning of the value of job training, and the flow of federal funds to institutions regardless of performance may become history. For Alaska, some training will be easier to achieve and accountability will be the watchword.

By July 1, 2000, two principal changes are called for in the way state labor departments—the traditional venue for employment and training program administration—must conduct the business of preparing job seekers for work, actually assisting them in finding jobs, and getting employers the skilled workers they need.

1) The WIA repeals the Job Training Partnership Act (JTPA) and replaces it with an employment and training system for adults, dislocated workers, and youth. It remains locally focused, but with increased flexibility in the use of program dollars; and

2) A locally driven "one-stop" service delivery system is mandated, integrating a broad array of employment and training programs.

There were also amendments to existing programs such as the Wagner-Peyser Act, which governs the Employment Service program, legislation governing adult education and literacy, and the Rehabilitation Act. The new act also strengthens the focus on employment statistics at the local, state and national levels, which will provide sought-after labor market information about job vacancies, occupations in demand and the skills and earnings associated with them.

The cornerstone of the new workforce investment system is "one-stop" service delivery. "One-stop" brings together under one roof a choice of training, education and employment programs. One-stop offices are already open in local communities across the state. The employment security system, in place in Alaska since 1937, plays a critical role in a one-stop system as the primary job-finding source, especially for eligible unemployed workers who receive cash benefits while temporarily out of work. Under WIA, more intensive services are required to assist those in low wage jobs to increase their earnings.

Alaska's current workforce development system has been primed to implement the WIA by several recent initiatives. The Alaska Job Center Network, a result of a three-year, federal implementation grant, established a one-stop delivery system in the state. The purpose of the grant was to consolidate and simplify employment and training services for both job seekers and employers at easy-to-reach sites. There are currently 10 full service job centers in Alaska, and 11 satellite offices, mostly in rural areas. (See Exhibit 1.) In 1999, legislation (House Bill 40) consolidated related employment, education, training and vocational rehabilitation programs into the newly renamed Alaska Department of Labor and Workforce Development. In June, 1999, Governor Knowles signed Administrative Order No. 182 designating the state workforce investment board and local workforce investment

areas, all required under the new federal law. Collectively, these measures codify the one-stop career center approach currently in place in Alaska and ensure that the state can take advantage of the flexibility and innovation available under the Workforce Investment Act.

The law allows one-stops to be run by the best available operator, who must ensure the major elements of the WIA are incorporated. These are:

- Increased coordination – to encourage joint ventures with emphasis on coordination of plans, programs and activities to improve services and to avoid duplication.
- One-stop delivery systems – to conveniently deliver choice of services to participants and link the new workforce development system to the employer; over twelve federal workforce development programs will be represented in one-stop service delivery systems.
- Universal access – to make assessment, counseling, job search assistance, and information on jobs and job prospects available to everyone. Access to intensive services and job training is based on eligibility with priority given to recipients of public assistance or low-income individuals.
- Work first – to help individuals gain employment as the first stage of service delivery and prior to offering training.
- Empowered customers – to give customers the ability to make informed choices that meet their employment goals by providing easy access to a wealth of labor market information, information on the performance of training providers, and the use of individual training accounts (vouchers).
- Increased flexibility – to meet local training

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# 1 Alaska's One-Stop Offices

Alaska Job Centers

Go to:

<http://www.jobs.state.ak.us/offices.htm>

to find the nearest Alaska Job Center in your area.

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needs and use available resources more creatively through partnerships with local governments and boards to develop systems that are responsive to the needs of the workforce and businesses in the local labor market.

➤ Business focused – to make business a critical partner in the development and design of service delivery systems with strong linkages to economic development.

➤ Increased accountability – to require state and local entities managing the system to meet core indicators of performance, or suffer sanctions. Through vouchers, participants choose training based on program outcomes. To survive in the market, training providers must make accountability for performance a top priority.

To put these themes into practice, the WIA provides new guidelines for both state and local governance and service delivery with business in the lead. At the same time, it offers the option of capitalizing on the workforce investments in place through a "grandfather" option. Long term strategic plans (five years) are required at both the state and local levels to help maximize the use of employment and training resources and to ensure results. Alaska is now in the process of writing a five-year plan with input from seven mandated Work Groups drawn from the private sector, state and local governments, organized labor and education.

It is important to note that, although JTPA is going away, many of the services delivered and functions required under JTPA are not. The Workforce Investment Act continues to provide funding for services to adults, dislocated workers, and youth. Unquestionably, there are significant changes: funding is more flexible, performance will be measured differently, and local governance is different. However, Alaska's JTPA system has been a strong one with measurable success and has much to offer as Alaska makes the transition under the new law.

## Summary

Job training reform comes at an opportune time. In shifting economic times, where creativity, innovation and technology are facilitators of labor market activities, and where the level of skills needed in the workplace has increased, making education and job training even more critical, reforms under the Workforce Investment Act may bring welcome possibilities in Alaska.

Many employers are having difficulty locating and attracting qualified workers for entry-level jobs, while at the same time, many workers with little or no skills are trapped in low-wage, dead end jobs. WIA will permit Alaska to continue building a delivery system in which any adult interested in advancing his or her career, regardless of income, can keep on learning. Also, it permits any job seeker, such as low-income adults and welfare parents, disadvantaged youth, unemployed or displaced workers, and others willing to learn and work, access to high quality information and services.

In Alaska, workers will continue to need jobs and employers will continue to need workers. With the advent of WIA, both will be given a more ordered, accessible array of public employment and training services, now called a workforce investment system.