

# Reauthorization of the Workforce Investment Act (WIA): **The SKILLS Act and Its Impact on Education**

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## **Overview of WIA and the 113<sup>th</sup> Congress**

The Workforce Investment Act (WIA) was a bipartisan effort enacted in 1998 to enhance the capacities of the national workforce and to improve working conditions. Specifically, WIA aims to increase employment, retention, and earnings; reduce welfare dependency; and teach necessary skills to program participants. WIA funds provide workforce education, career pathway programs, and other services typically aimed at assisting the nation's most vulnerable populations (Department of Labor [DOL], 2013a).

WIA has not been reauthorized since 1998; however, the 113<sup>th</sup> Congress showed renewed interest in this law when the House of Representatives passed the Supporting Knowledge and Investing in Lifelong Skills (SKILLS) Act (H.R. 803) on March 15, 2013. It will be difficult, though, for the Senate to pursue WIA legislation this year due to membership changes and competing priorities of the Health Education, Labor, and Pensions Committee. Nonetheless, WIA renewal plans, submitted by both Republicans and Democrats in the House, will serve as important information for future Senate WIA legislation (Bidwell, 2013; Library of Congress, 2013; Klein, 2013).

## **SKILLS Act**

Supporters of SKILLS assert that the proposed reforms will cut down on program redundancy and allow for greater flexibility for funding. The House Republicans who presented this act point to the administrative complexities currently surrounding the workforce development system as evidence of the need to reform WIA (Education and the Workforce Committee [EWC], 2013; Klein, 2013).

The SKILLS Act proposes to simplify the WIA bureaucracy by consolidating and eliminating 35 programs and creating instead a single block grant called the Workforce Investment Fund (WIF). SKILLS will grant states more flexibility and authority by allowing them to further consolidate programs at the state level, but will require they produce plans outlining how they will continue to serve at-risk and vulnerable populations as well as their strategies for developing industry or sector partnerships. The Act plans to modernize services by promoting public-private partnerships (Bidwell, 2013; Bradley & Collins, 2013; EWC, 2013; Kusler, 2013).

Currently, WIA requires business, labor, government, and other stakeholders to be represented on Workforce Investment Boards (WIBs). SKILLS will eliminate 19 of the federal mandates governing WIBs and will make business representatives the only required members. This will increase business representation from 51 percent to two-thirds (66 percent), resulting in employers having greater input regarding training program content. Lifting these mandates will decrease the representation of colleges (another stakeholder) on WIBs, but will also make it easier for colleges to participate in job training programs. The Act gives states greater authority in determining training provider eligibility, and it also designates higher education institutions as key providers, granting them greater autonomy in terms of program curricula (Bradley & Collins, 2013; Bumphus & Brown, 2013; Klein, 2013).

Some components of the SKILLS Act have received criticism from opponents, namely the proposal to consolidate and eliminate 35 WIA Title I programs and no longer give priority to low-income individuals (see a list of consolidated and eliminated programs on p. 2). Some are also concerned that WIF's single-fund system will not be able to target low-income and other vulnerable populations (e.g., veterans, persons with disabilities, those with criminal records) and provide adequate services to everyone who needs them. This concern is compounded by the fact that SKILLS will cap funds for the remaining programs at \$6 billion. (Currently, each of these programs is appropriated funds on a yearly basis, with no cap on the total funding.)

Another concern is the proposed governance structure for WIA programs, which opponents say doesn't promote collaboration or balance of governance between federal and state nor between state and local governing bodies (Bradley & Collins, 2013; CEWD, 2013; DOL, 2013b; Nutter, Rogers, Rodgers & Moran, 2013; Royce-Bartlett, 2013).

### Consolidated and eliminated programs proposed by SKILLS Act

#### Consolidated

- WIA Adult Program\*
- WIA Dislocated Workers\*
- H-1B Job Training Grants
- Brownfield Job Training Cooperative Agreements
- SNAP Employment and Training
- Second Chance Act Prisoner Reentry Initiative
- Refugee and Entrant Assistance—Targeted Assistance Grants
- Refugee and Entrant Assistance—Social Services Program
- Refugee and Entrant Assistance—Targeted Assistance Discretionary
- WIA Youth Activities\*

#### Eliminated

- Employment Service/Wagner Peysner\*
- Community-Based Job Training Grants
- Veterans Workforce Investment Program\*
- National Farmworkers Job Program
- Native American Employment and Training\*
- WIA National Emergency Grants
- Reintegration of Ex-Offenders\*
- Women in Apprenticeship and Nontraditional Occupations\*
- YouthBuild\*
- Youth Conservation Corps
- Grants to States for Workplace and Community Transition Training for Incarcerated Individuals
- Senior Community Service Employment Program\*
- Projects with Industry
- State Supported Employment Services Program
- Migrant and Seasonal Farmworkers Program\*
- Disabled Veterans' Outreach Program\*
- Local Veterans Employment Representative Program\*

#### Consolidated and Eliminated

- Workforce Innovation Fund\*
- National Institute for Literacy
- ES Statistical Programs\*
- In-Service Training of Rehabilitation Personnel
- Youth Opportunity Job Grants
- Green Jobs Act
- Recreational Programs
- WIA Pilot and Demonstration Projects\*

\*Programs SKILLS Act will consolidate into WIF

Source: Committee on Education and the Workforce, Democrats, 2013

### Workforce Investment Fund

The purpose of a single block grant system, the Workforce Investment Fund (WIF), is to establish common performance measures which will promote accountability and make program evaluation more efficient (Committee on Education and the Workforce Democrats [CEWD], 2013; EWC, 2013; Klein, 2013). According to SKILLS, WIF will have \$6.25 billion in funds. From that, \$4.26 billion will be allocated to the states through a new four-factor formula measuring unemployment, civilian labor force, long-term unemployment, and youth poverty. The rest will be divided by the Department of Labor:

- \$31.2 million for technical assistance and evaluations
- \$62.5 million for Native American employment and training
- \$1.56 billion for Job Corps
- \$218.6 million for national emergencies/dislocated worker activities
- \$606 million for Adult Education and Family Literacy Education
- \$11 million for outlying costs (Bradley & Collins, 2013; Congress Budget Office [COB], 2013)

## Impact on Education

The biggest impact of the SKILLS Act will result from the elimination or consolidation of job training programs that have education components and programs aimed at helping high school dropouts and adults finish their education. Many concerns have been voiced regarding the Act's proposal to cut programs such as WIA Youth Activities, YouthBuild, and the Youth Conservation Corp and to consolidate JobCorps (CEWD, 2013; DOL, 2012; Klein, 2013; Nutter, Rogers, Rodgers, & Moran, 2013).

These programs are all aimed at helping young adults, especially disadvantaged and low-income youth, obtain their Graduate Equivalency Diploma (GED), access job training, and enter the workforce. Advocates for maintaining these programs worry that a single, adult-focused WIF fails to adequately address the needs of this population (DOL, 2012; Klein, 2013; Nutter et al., 2013).

WIA programs are viewed by many as pathways out of poverty and as important factors for closing society's class and achievement gaps. Without avenues to the necessary resources for obtaining an education or career training, WIA proponents are concerned that individuals will more likely turn to illegal means to sustain themselves and their families.

Rather than eliminating employment and education support services, opponents of SKILLS say these programs should be reinvested in services that support secondary school completion, summer job programs, alternative education, occupational training, adult mentors, and counseling and guidance (Bradley & Collins, 2013; CEWD, 2013; DOL, 2013a; DOL, 2012; Klein, A., 2013; Nutter et al., 2013).

Policy analysts at the American Association of State Colleges and Universities (2013) note that if SKILLS does result in higher unemployment and a shortage of skilled workers in the low-income population, an alignment between education systems and economic and workforce policies could have a significant impact on both the education and labor sectors. Universities may see an increase in the number of STEM (science, technology, engineering and mathematics) majors; community colleges and technical colleges may have a bigger role in workforce development and in facilitating adult education; and education institutions and communities may be heavily leaned on to recruit students into occupations experiencing a shortage of skilled workers.

Another implication is jeopardized funding for workforce-related education. The proposed amendments to the Rehabilitation Act in which SKILLS will authorize approximately \$317 million per year for grant programs administered by the Department of Education for FY2014–2020. This is equal to FY2012 appropriations, but funding will not be mandated for individual program areas, potentially leaving some former program participants unassisted (Bradley & Collins, 2013).

SKILLS will also change the name of WIA Title II, the Adult Education and Literacy Act, to the Adult Education and Family Literacy Education Act. Appropriations authorized for FY2014–2020 will be equal to those of FY2012, but the amount set aside for national activities is reduced from five to two percent. The program's accountability measures will also be changed to align with SKILLS' standardized measures (Bradley & Collins, 2013).

Furthermore, some education stakeholders fear that the political decision making surrounding WIA will be replicated when legislation such as the Elementary and Secondary Education Act (ESEA) is reauthorized and that there will be a similar reduction in education programs (Klein, 2013).

## Conclusion

The future of the SKILLS Act is still uncertain as it awaits consideration in the Senate. Both parties do agree that duplicities need to be integrated, administrative costs need to be reduced, and an enhanced program management system needs to be established. Therefore, if the Senate does not pass SKILLS, some of its components may still be considered for future WIA reauthorization plans (Bradley & Collins, 2013; Klein, 2013; Nutter et al., 2013).

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