

**San Bernardino County Workforce Investment Board's
Reconciliation and Reauthorization
Principles
Gap Analysis, Recommendation, and Justification
Workforce Investment Act 2013**

**Prepared by
San Bernardino County Workforce Investment Board (SBWIB)**

Reconciliation and Reauthorization Gap Analysis, Recommendation, and Justification Workforce Investment Act 2013

I. CONSOLIDATION

H.R. 803, The SKILLS Act would eliminate 35 existing programs and consolidate funding into a single Workforce Investment Fund.

Gap: National Skills Coalition estimates that the consolidation of these programs would result in a net loss of more than \$1 billion in funding for workforce development activities.

Recommendation: Not recommended by SBWIB

Justification: Has the effect of reducing access to services for those individuals who face significant barriers to employment (National Skills Coalition and SBWIB, September 2013).

S. 1356 does not include consolidation language similar to the House but suggests:

- Added functions of developing guidance on program alignment, career pathways, and industry partnerships, developing planning regions, technical assistance, and case management information systems
- State board to recommend actions to align program
- Does not create the necessary infrastructure to support industry led partnerships at a systems level

Gap: This could be interpreted as consolidation depending on who writes the rules.

Recommendation: SBWIB recommends that Local Workforce Investment Boards (LWIBs) have oversight authority for allocating WIA workforce funds and managing the accountability for workforce funding allocations in their local areas. No loss of local control/rather expansion of local decision-making. Workforce Investment Boards (WIBs) with proven sustainable track records should be the provider on record for all workforce training activities including Business Services, Economic Development, and Adult, Dislocated, Veteran and Youth Training Initiatives and other federal and state workforce training programs and include Ryan-White Process and oversight.

Justification: Industry led partnerships are one of the few workforce interventions that statistical evidence shows to improve employment opportunities for workers and to increase wages on the job. Employers engaged in industry led partnerships report increases in productivity, reductions in customer complaints, declines in staff turn around, and added function of developing guidance on program alignment, career pathways, industry

partnerships, developing planning regions, technical assistance and case management information systems (National Skills Coalition, September 2013).

II. STATE BOARDS

The State Workforce Investment Board members will consist of the governor, representatives of business, chief elected officials, state agency officials responsible for economic development and other such representatives as the governor should designate to serve on the board (NSC September 2013). The legislation requires that governors appoint two-thirds of board members from representatives of the business community. H.R. 803 does not specify the appointment of business representatives from Local Workforce Investment Boards (LWIB).

In S. 1356, the majority of representatives must be employers or representatives of business or trade associations. At least 20 percent must be representatives of labor, Community Based Organizations (CBO), or youth serving organizations. S. 1356 adds representatives of joint labor-management programs or apprenticeship program as a required partner.

Gap: H.R. 803 has the potential to allow governors to mandate and/or instruct Local Workforce Investment Boards (LWIB) on how they should operate. The legislation puts funding in the hands of the governor, which could allow states having financial difficulties to sweep and transfer the funds to other purposes. H.R. 803 does not direct the governors to appoint LWIB business representatives to the state board.

Recommendation: SBWIB does not recommend this section of H.R. 803. Accept S. 1356's State Workforce Investment Board membership configuration, add college and university representatives, lead state officials of mandatory partner agencies and maintain 1998 WIA membership contained in the current law.

Justification: Curtails governors' ability to stack the State Board with political allies.

III. STATE BOARD FUNCTIONS

H.R. 803 requires State Boards to review and develop statewide policies and programs that determine whether the state should consolidate additional programs into the Workforce Investment Fund.

S. 1356 adds the function of developing guidance on program alignment, career pathways, industry partnerships, developing planning regions, technical assistance, and case management information systems.

- State board to recommend actions to align programs
- Development of performance accountability measures
- Identification and dissemination of best practices for one-stops and local boards
- Development and review of statewide policies for coordinated provision of services through the one-stop system

- Development of the statewide workforce and labor market information system

Gap: H.R. 803 is not recommended by SBWIB.

Recommendation: In addition to S. 1356's state board functions, SBWIB recommends the following:

- Adding and allowing LWIBs the ability to operate business resources, advertising, marketing and public relations processes
- Oversight of workforce dollars for all programs; distributed by local workforce boards according to usage plans submitted through an MOU or provider contract process by the program entities

Justification: S1356 and SBWIB recommendations would ensure programs address processes for:

- Development of performance accountability measures
- Development and review of statewide policies for coordinated provision of services through the one-stop systems
- Identification and dissemination of best practices for one-stops and local boards
- Development and review of statewide policies for coordinated provision of services through the one-stop system
- Development of the statewide workforce and labor market information system

The work of WIBs is often unknown, business resources processes are not in the original legislation, but are used by many to aid businesses who are in trouble and may close without the aid of these processes.

IV. UNIFIED STATE PLAN

H.R. 803 requires a three-year term. H.R. 803 micro-manages the state plan process.

S. 1356 requires four-year plans and state boards to review the plan after two years and the governor to submit modifications to reflect changes in the labor market or economic conditions.

Gap: SBWIB does not recommend H.R. 803's three-year term. S. 1356 could be seen as an effort to consolidate programs depending on how the rules and regulations are written to carry out the operational planning

Recommendation: Maintain the 1998 WIA current term that requires a state plan to outline a five-year strategy for the statewide workforce investment system with the added caveat; that requires state boards to review the plan after three years and the governor to submit modifications to reflect changes in the labor market or economic conditions.

Justification: Based on the current differences in funding years and program years, LWIBs need time to implement strategic programmatic processes that include performance evaluations

at the LWIB levels. One size does not fit all. The states need flexibility to capture the nuances of WIA specific to their workforce environments and their industry led requirements.

V. CONTENTS OF PLAN

H.R. 803 eliminates current requirements for detailed plans relating to activities carried out under the Wagner-Peyser Act and adds requirements that state plans include description of state criteria for determining eligibility of training providers.

Requires:

- Description of procedures that will be taken by the states to assure coordination of and avoid duplication among programs and descriptions of common data collection and reporting processes, used for such programs
- State plans to include descriptions of how states will serve certain populations, including low income individuals, youth, dislocated workers, and others

Eliminates:

- Opportunities for businesses and labor to comment on plans prior to submission
- Requirements for state plans to include information on youth activities

Adds requirements that state plans will include:

- Strategies and services that will more fully engage businesses
- How states will utilize technology to facilitate access to services in remote areas and across state borders
- Actions it will take to foster communication and partnerships with non-profits
- Descriptions of processes and methodologies for determining one-stop partners' contributions for the cost of one-stop infrastructure
- Strategies states will use to assist at-risk and out-of-school youth in acquiring the education and skills needed to succeed in the labor market
- How states will furnish employment, training, and supportive services to veterans, and, how states will convene or help convene sector partnerships

S. 1356 requires strategies for states and LWIBs aligning core programs and other resources to achieve the strategic vision and goals that will be used to facilitate employer engagement; meet the needs of business; better coordinate programs and economic development; and strengthen linkages between one-stop delivery system and UI, in addition to current law.

Gap: S. 1356 could be seen as an effort to consolidate programs depending on the rules and regulations.

Recommendation: A portion of federal funds, based on formulas established by state boards, should be made available to states for partner programs participating in the one-stop delivery system. These federal funds should be dedicated to payments through Memorandum of Understanding (MOU) or mandatory contract funding issued in a timely manner for one-stop infrastructure costs including but not limited to maintenance, rent, utilities etc. The legislation

should require the governors to allocate funds to local areas and transfer funding directly to the provider responsible for the operation of the one stop.

The states strategic planning elements should include analysis of economic conditions in the state; knowledge and skill needs of employers and the state's workforce including educational and skill levels. Workforce development activities should include strengths, weaknesses, and descriptions of states' strategic vision and goals for preparing an educated and skilled workforce.

Justification: It is a well-known fact that one-stop partners demand services, in some jurisdictions, but fail to pay or agree on eligible criteria to maintain one-stops.

VI. OPERATIONAL PLANNING

H.R. 803 does not specifically address an Operational Planning section.

S. 1356 Operational Planning elements include descriptions of how state agencies will implement strategy; what state operating systems, and policies will support implementation of the strategy; program specific requirements for core programs; and assurances relating to stakeholder review, fiscal, and administrative compliance.

Gap: H.R. 803 outlines its strategies in the legislative section Contents of Plan and micro manages the states strategic planning internal processes for states' program criteria.

Recommendation: Add the following from H.R. 803 to the S. 1356 requirement that state plans include descriptions of strategies and services that will more fully engage businesses. The state plan should require descriptions of procedures that will be taken by the states to assure coordination and avoid duplication among programs, along with descriptions of the programs common data collection and reporting processes. Eliminate all other H.R. 803 provisions under Contents of Plan. Add a requirement that the Department of Labor develop a national accountability system-approach such as contained in the Ryan-White Care Act legislation (bi-partisan legislation, National Health Policy Forum September 14, 2005).

Justification: One size does not fit all. The states need flexibility to capture the nuances of WIA that are specific to their statewide workforce environments and industry led requirements.

VII. STATE UNIFIED PLAN/COMBINED STATE PLAN

In the current law and in the House bill, this section of the legislation is Titled "State Unified Plan" and "Combined State Plan" in Senate bill (National Skills Coalition, September 2013).

H.R. 803 State Unified Plan permits states to develop and submit combined plans for programs authorized by Titles I and II. In addition, the plans must include one or more of the programs authorized by the Rehabilitation Act of 1973, and secondary and postsecondary career

education programs authorized under the Carl D. Perkins Career and Applied Technology Education Act. Other authorized activities and programs are the Trade Adjustment Assistance, registered apprenticeship programs; CSBG, TANF block grant, UI, SNAP E&T, CDBG, and programs and activities authorized under the Public Works and Economic Development Act of 1965, and VET programs.

S. 1356 combines the states plans into a "Combined State Plan" in the same manner as H.R. 803 with less micro management.

Gap: It remains unclear how states will be able to demonstrate that they have met the reporting requirements for individual programs if the funds for those programs are consolidated into a single fund. Given that challenge, it appears that this provision may have the effect of "waiving" the reporting, accountability, and evaluation requirements of those individual programs

Recommendation: SBWIB recommends that Local Workforce Boards (LWIBs) have oversight authority for allocating WIA workforce funds and managing the accountability for workforce funding allocations in their local areas. This allocation should be based and distributed by an allocation formula developed by DOL and the state boards. State boards would develop and be responsible for the accountability standards, criteria, rules and regulations, and evaluation processes established with DOL. LWIBs would serve as oversight, distribute, and implementers of the state rules and regulations and be allocated 5% from each program's workforce funds for administrative purposes. Performance accountability for workforce funding would become uniform. The legislation should streamline and transfer oversight and distribution of all workforce funds to LWIBs to administer based on the allocation formula developed by state boards with no loss of local control/rather expansion of local decision-making. LWIBs with proven sustainable track records who are the providers on record for all 1998 WIA workforce activities including Business Services, Economic Development, and Adult, Dislocated, Veteran and Youth Training Initiatives and other federal and state workforce training programs. The programs would disburse funds and evaluate outcomes. Existing job-training programs that support similar workforce training activities to aid individuals in finding and retaining employment that would be included in these WIA oversights, administrative, and evaluation processes are Employment Services (ES) and Wagner-Peyser Funded Activities:

- 1) Community- Based Job Training Grants
- 2) Reintegration of Ex-Offenders
- 3) Grants to States for Training for Incarcerated Individuals
- 4) 21st Century Workforce Commission
- 5) SNAP (aka Food Stamps) Employment and Training
- 6) Senior Community Service Employment Program (SCSEP)
- 7) Brownfield Job Training Cooperative Agreements (Environmental Workforce Development and Job Training Grants)
- 8) Women in Apprenticeship and Nontraditional Occupations (WANTO)
- 9) Second Chance Act Prisoner Reentry Initiative

- 10) Refugee and Entrant Assistance—Targeted Assistance Grants
- 11) Refugee and Entrant Assistance—Social Services Program
- 12) Refugee and Entrant Assistance— Targeted Assistance Discretionary
- 13) Projects with Industry
- 14) State- Supported Employment Services Program
- 15) WIA Pilot and Demonstration Projects
- 16) Workforce Innovation Fund
- 17) ES Statistical Programs
- 18) Green Jobs Act
- 19) National Institute for Literacy

In addition, the Trade Adjustment Assistance (TAA), which is similar to Dislocated Worker programs, should be included with this group. SBWIB believes programs serving Veterans, Youth, Migrant Seasonal Farmworkers, Native American Populations, State, and National Emergencies (National Emergency Grants) should remain separate.

Eliminate H.R. 803 language pertaining to consolidation. Adopt S. 1356 and add to S. 1356 language directing the Department of Labor (DOL) to divert workforce dollars from these programs and direct states to develop LWIB oversight strategic plans. The plans' foundation would be DOL guidelines, provider MOUs or contracts. The strategic plan would provide the criteria for workforce service delivery, evaluation, reporting, data gathering, tracking employers and workers, and evaluation. Other program providers must meet these criteria and be located in local workforce areas that:

- i. Are consistent with labor market areas in the State;
- ii. Are consistent with regional economic development areas in the State; and
- iii. Have available the Federal and non-Federal resources necessary to effectively administer activities under Title II and other applicable provisions of this Act, including whether the areas have the appropriate education and training providers, such as institutions of higher education and area career and technical education schools. In addition, states should require local areas in designated regions to prepare a single regional plan that is submitted and approved in lieu of separate local plans.

Justification: The performance accountability requirements for the programs named previously, who receive workforce funds, are not as rigorous as the ones applied to the 1998 WIA funded programs. Other programs are not required to track workforce outcomes only inputs. These non 1998 WIA programs, federal programs, and existing job-training programs that support similar workforce training activities to aid individuals in finding and retaining employment would maintain control of their programmatic funding (i.e. SNAP, TANF LWIBs would act as oversight for workforce funds only).

Although WIA one-stops house many agency partners, each partner operates as a separate entity with individual program agendas and unless deemed necessary, very little intersection between agency partners occurs. This happens with most of the listed programs, but most

often, with Wagner-Peyser and EDD. Even when goals are aligned and plans are made, sometimes they are hindered by major projects that take up enormous amounts of time on the part of a partner agency (i.e. the great REA comeback of 12-13). A portion of federal funds, based on formulas established by state boards, should be made available to states for partner programs participating in the one-stop delivery system

VIII. LOCAL WORKFORCE INVESTMENT AREAS

H.R. 803 eliminates provision relating to automatic and temporary designation of local workforce investment areas and local control by authorizing any state to be designated a single workforce area.

S. 1356 requires designation of local workforce investment areas whether the areas have the necessary federal and non-federal resources to administer employment and training activities. S. 1356 leaves existing areas that have performed successfully and sustained fiscal integrity intact.

Gap: H.R. 803 modifies factors governors must use in designating local areas. H.R. 803 authorizes any state to be designated a single workforce area and that could eliminate local control, and more importantly local strategic investment of public funds.

Recommendation: S. 1356 language requires governors, in designating a local area, to consider the extent to which the areas are consistent with labor market and regional economic development areas. Keep automatic and temporary designation for local workforce areas. Include these criteria in designating local workforce areas the extent to which the areas are consistent with labor market and regional economic development areas in the State. In addition, SBWIB recommends consideration of whether the areas have available Federal and non-Federal resources necessary to administer effective activities under Title II and other applicable provisions of this Act including the appropriate education and training providers, such as institutions of higher education, area career, and technical education schools.

Justification: This criterion leaves existing areas that have performed successfully and sustained fiscal integrity intact. Workforce development is local. The investment made in local communities and regions requires local elected officials and other civic leaders to decide if they are interested in receiving these federal funds and have the ability to adhere to all performance and administrative requirements.

IX. LOCAL BOARDS

H.R. 803 eliminates requirement that LWIBs include representatives from local educational entities, labor organizations, community-based organizations, economic development agencies, and one-stop partners.

S. 1356 requires that Labor, Community Based Organizations and youth serving organizations must make up at least 20 percent of the LWIB. Entities administering education and training activities including ABE, higher education, labor-management programs, economic and community development entities including a representative of state employment service and a representative of a local vocational rehabilitation program comprise the balance of the LWIB's membership.

Gap: H.R. 803 language is not recommended unless the requirement for membership is reinstated and reflects the same language as S. 1356, which includes local business leaders as members of the board. Youth Councils need to be added H.R. 803's language. Change S. 1356 language to youth councils instead of youth standing committee.

Recommendation: Local business representatives know and understand what the area industry led sectors require related to business process services, certifications for their industries, training, and education. Therefore, SBWIB recommends that language remains requiring local business leaders hold majority seats on boards. Youth Councils have flexibility to partner and develop youth programs with agencies serving youth and contracted service providers as they are seen as an independent arm of the LWIB s. SBWIB recommends the elimination of the term "youth committee" to be replaced with "youth council". S. 1356 should maintain youth councils as an arm of local boards. SBWIB recommend S. 1356 with the youth council included.

Justification: H.R. 803 eliminates current partnerships with representatives from local educational entities, labor organizations, community-based organizations, economic development agencies, and one-stop partners. The elimination of these partnerships challenges regional and partnerships required to establish long-term career pathways' launch initiatives as a means of overcoming poverty and obtaining much need education. S. 1356 meets the needs of LWIBs and is in keeping with the development and implementation of state plans without partnership constraints. Youth councils in WIA as currently written have more program and service provider flexibility.

X. LOCAL PLAN

H.R. 803 Plan Term-Three years.

S. 1356 Plan Term -Four years. Local board must review two years into the four-year plan and submit modifications to reflect changes in the labor market and economic conditions. Includes current law, strategies, and services used to facilitate employer engagement, programs, and economic development strategies:

Gap: The local plan term limitations and H.R. 803 eliminating requirement that local plans provide opportunity for business and labor organizations to comment on plan prior to submission is not recommended

Recommendation: Five years provides LWIBs to have implemented and evaluated the plans progress in three (3) years and submit modifications to reflect changes in the labor market and economy. Adding conditions that remove the barriers that prevent LWIBs from marketing, advertising, utilizing social media, business processes services and programs, and other public relations strategies currently forbidden by 1998 WIA would allow LWIBs to expand their provision of core, intensive and long-term career pathways training services.

Justification: Regional planning initiatives are combined with LWIBs' local plans and should receive local, input from all stakeholders before adoption. Expansion of core, intensive and long-term career pathways training services programs and services is the gateway out of poverty and into full employment and increased economic development.

XI. STATE PERFORMANCE ACCOUNTABILITY SYSTEM

H.R. 803 sets up core indicators for Titles I, II, III related to the percentage and number of program participants who are in "unsubsidized employment, during the second and fourth full calendar quarter after exit; obtained a recognized postsecondary credential, within one year after exit...and the percentage and number of participants who obtain unsubsidized employment in the field relating to the training services received (H.R. 803 Skills Act, 2012)."

S. 1356 sets up core indicators for Titles II, III, IV, and V the first two years and adjusted levels for third and fourth years prior to third year using the same nomenclature as H.R. 803 with the exception of measurement by percentage and not numbers.

Gap: H.R. 803 requires the Secretary of Labor to use core indicators of performance to assess the effectiveness of the programs and activities carried out by the one-stop delivery system. It permits states to identify additional indicators along with eliminating the requirement that state levels of performance be negotiated for the fourth and fifth program year. The action of not requiring negotiations eliminates accountability.

S. 1356 gap is the same as H.R. 803.

Recommendation: Planning year performance measurements should occur during the first three years. Adjustments to the performance levels for years four and five should be set prior to the fourth year. Current law is in keeping with recommendation for planning processes. The language in both H.R. 803 and S. 1356 should be adjusted to meet the recommended planning year requirements. The language should be adjusted to request performance measurement accountability in numbers and percentages.

SBWIB recommends that the Department of Labor (DOL) and the states develop a reporting system similar to the Ryan White Act that requires participants to report status after obtaining and/or completing services or be sanctioned. Add new state reporting and data validation requirements. Mandate that states report for each local area and/or regional area, number of

individuals receiving: services in the Career Center system, work ready and training services during the most recent program, fiscal, and the preceding five program years, and where individuals received training, disaggregated by the type of entity that provided the training.

The number of individuals successfully exiting out of work ready and training services during: the most recent program and fiscal years, the preceding five program years, and where individuals received training, disaggregated by the type of entity that provided the training. A pilot program should be developed to support states in developing and implementing system-process measures to increase efficiency. The pilot programs should demonstrate how a coordinated states' workforce development system leads to better performance and obtainable measurements. At a specified designated time, DOL and the Employment Development Department of California (EDD) would request an independent evaluation and return on investment analysis of workforce programs. After adjustments and modifications to the pilot programs and implementation nationwide the evaluation and return of investment analysis would take place at least once every three years.

Justification: WIA one-stops need to be able to count and report the number of participants receiving universal services during the most recent program year. DOL and EDD need to conduct a return on investment analysis of workforce programs at least once every three years. Past House and Senate Workforce hearings have asked this question and have not received an appropriate answer. There is no workforce investment system that provides return on investment information on dollars expended for services rendered. The recommendation outlined states that until there is a uniform method of allowing LWIBs to allocate, distribute, analyze, and evaluate usage of all WIA funds we will not have the ability to determine the return on investment or justify the need to adjust program expenditures using effective use of funds as a foundation.

XII. ONE-STOP DELIVERY SYSTEM: PARTNERS

H.R. 803 eliminates requirement that the Senior Community Service Employment (SCSE) and Temporary Assistance to Needy Families (TANF) as mandatory partner programs. It eliminates reference to Supplemental Nutrition Assistance Program Employment and Training (SNAP E&T) and TANF as optional partner programs. These required partners must provide access through the one-stop delivery system to programs and activities carried out by the entity.

S. 1356 maintains the required partners under current WIA law and programs under the Second Chance Act and TANF unless the governor makes a written determination to exclude TANF. The partner requirements are in keeping with current law and add additional partners with approval of the LWIBs, elected officials, and S. 1356 incorporates most of the language pertaining to the responsibilities of required partners from H.R. 803.

Gap: Although mandatory program “partners,” LWIBs, and their mandatory partners, TANF, SCSE, etc. operate with individual program agendas. These mandatory partners and their

participants are the primary users of workforce funding. Yet, these participants are not counted toward meeting performance measure requirements for the state boards and DOL, unless they receive direct program services from LWIBs.

Recommendation: In addition to language in current law, add from S. 1356 the language under required partners, responsibilities additional partners Memorandums of Understanding (MOU), and one-stop operators. Eliminate language in H.R. 803 under required partners, additional partners, one-stop operators. Add language that allows LWIBs to account for all recipients of WIA funding toward meeting the performance goals and objectives of WIA. This would aid in determining accurately WIA findings' return on investment and viability.

Justification: The bill should streamline and transfer oversight of the workforce funds to LWIB to administer based on an allocation formula developed by the state board with no loss of local control/rather expansion of local decision-making. WIBs with proven sustainable track records being the provider on record for all workforce funds. See language under State Unified Plan/Combined State Plan (Titled "State Unified Plan" in current law and in the House bill and "Combined State Plan" in Senate bill (National Skills Coalition, September 2013).

Although we are "partners," we operate with individual agendas. This happens with most of the listed programs, but most often, with Wagner-Peyser, EDD. Even when goals are aligned and plans are made, sometimes they are hindered by major projects. Other programs are not required to track workforce outcomes only inputs.

XIII. ESTABLISHMENT OF ONE-STOP DELIVERY SYSTEM

H.R. 803 and S. 1356 essentially maintain current law language.

Gap: One-stop partners often fail to pay or agree on eligible criteria to maintain the one-stop.

Recommendation: In addition to current language, the language in S. 1356, and H.R. 803 add the mandatory transfer of funds based on MOU or contract directly to the one-stop provider responsible for infrastructure and maintenance.

Justification: One-stop partners often fail to pay or agree on eligible criteria to maintain the one stop. This creates additional work and staffing to collect monies owed.

XIV. IDENTIFICATION OF ELIGIBLE PROVIDERS OF TRAINING SERVICES

S. 1356 and H.R. 803 maintain current law for eligibility.

Recommendation: Add language to identify in-demand sectors, occupations, and industry certifications.

Justification: Specifically identify top industry sectors based on the regional economics and industry credentials.

XV. STATE ALLOTMENTS FOR YOUTH WORKFORCE INVESTMENT ACTIVITIES

H.R. 803 repeals the Youth Activities section of the Workforce Investment Act.

S. 1356 eliminates requirement that the secretary reserve excess funding for youth opportunity grants and caps funding for youth activities under migrant and seasonal farm worker programs at \$10 Million.

Gap: Eliminates youth activities.

Recommendation: Reinstate youth activities and opportunity grants.

Justification: Youth and at risk youth are the future workforce. Programs and grants geared to these youth groups establish and launch a pathway for their future. The youth opportunity grants are given to these at-risk populations who are often less educated. Without training, this repeal has the potential to increase TANF, corrections and health care expenditures.

H.R. 803 Creates a Workforce Investment fund. S. 1356 Alters the % distribution of the current law.

Gap: Establishes one fund management by the state. This effectively caps funding at this level for FY 2014 and each of the six succeeding fiscal years. Provisions included in the FY 2011 and FY 2012 appropriations bills reduced the governor's set-aside to five percent Funds could be diverted.

Recommendation: Current law or S. 1356

Justification: See language in State Unified Plan/Combined State Plan (Titled "State Unified Plan" in current law and in the House bill and "Combined State Plan" in Senate bill. National Skills Coalition, September 2013). H.R. 803 fixed amount cannot guarantee that all applicants will receive benefits. S. 1356 Appropriations such sums as may be necessary for fiscal years FY 2014-2018.

XVI. STATE ALLOTMENTS FOR ADULT AND DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

H.R. 803 creates a Workforce Investment Fund, with specific percentage allocations and appropriations of \$6,245,318,000 for FY 2014 and each of the six succeeding fiscal years.

S. 1356 alters the percentage distribution of the current law, while maintaining current law regarding holding harmless and small state minimum allotments, outlying areas' Dislocated Worker State Allotment. S. 1356 provides for reallocation of unobligated balance of adult or dislocated worker funds and requires secretary to reserve .25 percent for assistance in outlying areas. Appropriations are such sums as may be necessary for FY 2014-2018.

Gap: H.R. 803 establishes one fund management by the state.

Recommendation: Current law or S. 1356

Justification: See language in State Unified Plan/Combined State Plan (Titled "State Unified Plan" page 6 of 15 CWA Reauthorization Principles), current law, H.R. 803 and "Combined State Plan" in the Senate bill (National Skills Coalition, September 2013). H.R. 803 fixed amount cannot guarantee that all applicants will receive benefits. S. 1356 appropriates such sums as may be necessary for fiscal years FY 2014-2018.

XVII. WITHIN-STATE ALLOCATIONS FOR ADULT AND DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

H.R. 803 eliminates references to separate adult and dislocated worker funding. S. 1356 maintains current law and provides reservations for Governor's percentage and statewide rapid response activities. At the local level provides local boards with the authority to transfer 100% of funds between adult and dislocated worker programs. Maintains a within-state formula, maintains 90% minimum for allocations, and describes reallocation procedures.

Gap: H.R. 803 eliminates references to separate adult and dislocated worker funding.

Recommendation: S. 1356 essentially maintains current law and amends provision regarding transfer authority to allow the governor to move up to 100 percent of funds between adult and dislocated worker programs.

Justification: The division allows LWIBS to distribute to those with the most need.

XIII. LOCAL ACTIVITIES FOR ADULTS AND DISLOCATED WORKERS

H.R. 803 eliminates provision relating to supportive services and needs-related payments. The Act amends the current law to eliminate separate references to adults, dislocated workers, and eliminates provision relating to supportive services and needs-related payments.

S. 1356 allows local areas to provide work support activities to help low-wage workers retain and enhance employment; stipulates required local activities, sequence of services, permissible local activities, and the use of individual accounts. Allows local areas to provide work support activities to help low-wage workers retain and enhance employment.

Gap: H.R. 803 amends current law to eliminate separate references to adults and dislocated workers, and eliminates provision relating to supportive services and needs-related payments.

Recommendation: Keep services in current law and in S. 1356. Maintain current language allowing local areas to provide needs-related payments to adults or dislocated workers who are unemployed and do not qualify for unemployment compensation.

Justification: S. 1356 allows local areas to provide work support activities to help low-wage workers retain and enhance employment and refer to agencies that extends help through local partnerships with other approved agencies.

XIX. NATIONAL PROGRAMS

H.R. 803 repeals Native American, migrant and seasonal farm worker, veterans' workforce investment, and youth opportunity grant programs.

S. 1356 largely retains provisions under current law with exceptions.

Gap: In keeping with previous accountability recommendations, four (4) year performance indicators need to be added.

Recommendation: Accept S. 1356 language **except** for the repeal of youth opportunity grants.

Justification: The youth opportunity grants are given to these at risk populations who are often less educated. Without training, this repeal has the potential to increase TANF, corrections and health care expenditures.

XX. YOUTH BUILD

H.R. 803 repeals these grants.

S. 1356 maintains the current language with additional provisions

Gap: Repeals existing grant programs.

Recommendation: Accept current law and additions provided in S. 1356.

Justification: Some LWIBs and education partners are currently engaged in these types of activities

REFERENCES

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