

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, California 95814

*January 5, 1999*

ALL-COUNTY INFORMATION NOTICE NO. I-05-99

TO: ALL COUNTY WELFARE DIRECTORS
ALL WELFARE-TO-WORK COORDINATORS
ALL CalWORKs ELIGIBILITY MANAGERS

SUBJECT: WORKFORCE INVESTMENT ACT OF
1998

REFERENCE: H.R. 1385 (Public Law 105-220, 1998)
SENATE BILL (SB) 645 (Chapter 771, Statute of 1996)

REASON FOR THIS TRANSMITTAL

- ☐ State Law Change
- ☐ Federal Law or Regulation Change
- ☐ Court Order or Settlement Agreement
- ☐ Clarification Requested by One or More Counties
- ☒ Initiated by CDSS

This transmittal is being sent to provide county welfare departments (CWDs) an overview of H.R.1385 (Public Law 105-220), the Workforce Investment Act (WIA), which was signed into law on August 7, 1998. Similar to welfare reform, effectuated by the passage of the federal Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, this bill is the U.S. Department of Labor's (DOL) effort to reform current federal law governing the job training, adult education, and vocational rehabilitation programs. It also establishes the framework for a national workforce preparation and employment system. Attachment I is a summary of WIA as it pertains to workforce development programs prepared by DOL and is referred to as the "white paper." Attachment II is a side-by-side analysis of WIA and current law and Attachment III provides the key implementation timelines. These documents and other information regarding WIA may be accessed on the Internet at: <http://www.doleta.gov> or <http://usworkforce.org>.

California Department of Social Services (CDSS) recommends CWDs become familiar with all aspects of WIA with emphasis on impacts to local operators and funding. Recently, CDSS met with several county welfare directors to begin initial roundtable discussions regarding the opportunities and the impacts of WIA. CDSS intends to have more of these discussions with other directors and county staff in the near future. CDSS is also collaborating at the state level with all of the workforce partners to better understand the implications and issues resulting from WIA, as well as to remove obstacles to local cooperation and coordination between CWDs and the new system.

Currently, CDSS is preparing an analysis of the provisions of WIA that may have a significant impact on programs administered by CWDs. For example, prior to WIA, the local one-stop service delivery system, known as the One-Stop Career Center System (OSCCS) in California, was developed on a voluntary basis nationwide with funds provided through grants obtained from DOL. With the passage of WIA, the one-stop system is now mandated. The required partners for the one-stops are: Title-I Youth, Adult, and Dislocated Worker Programs; Employment Service; Adult Education; Postsecondary Vocational Education; Vocational

Rehabilitation; Welfare-to-Work Grant Program; Title V of the Older Americans Act; Trade Adjustment Assistance; NAFTA Transitional Adjustment Assistance; Veterans Employment and Training Programs; Community Services Block Grant; employment and training activities provided by the U.S. Department of Housing and Urban Development; and Unemployment Insurance. The Temporary Assistance to Needy Families (TANF), Food Stamp Employment and Training, Food Stamp Workfare, National and Community Service and others may become additional partners in the local one-stop system upon approval by the local Workforce Investment Board and the chief elected official. Policy concerns that may affect the CalWORKs Program, CWDs and CDSS are also being examined. Some of the following issues may need to be resolved before implementing state legislation is drafted. Just a few of the concerns CDSS is reviewing are the:

- Membership of the State Workforce Investment Board and the participation of CWDs in local Workforce Investment Boards.
- Partner agencies' cost sharing ratios in the local one-stop system.
- WIA performance standards for local one-stop delivery system and whether or not they will have an impact on CalWORKs performance measurements for CWDs participating in local one-stop.
- Incentives and penalties under WIA.
- Sharing of confidential information between the one-stop partners.
- Impact of WIA on existing CalWORKs training and service providers.
- Affect of the eligibility criteria, performance measures and penalties applicable to service and training providers established under WIA.
- Priority for service in the local one-stop delivery systems.
- Provisions mandating the use of individual training accounts (ITAs) for adults to choose their own training providers from the "best of qualified" providers at a local one-stop through a Consumer Report System. How will ITAs fit into CalWORKs recipients' individual Welfare-to-Work plans?
- Opportunities for job-related services and training for foster, homeless and runaway youths not previously available.

WIA encourages a new system of delivery, accountability, strategic planning, employment statistics, funding and governance for a wide range of workforce-related programs. The attachments we are providing contain a more in-depth picture of WIA. The major principles of WIA identified by DOL are collaboration, one-stop, locally driven systems, enhanced

accountability, and empowered customers. The following provides a brief synopsis of WIA. This new law:

- Repeals the Job Training Partnership Act (JTPA) and amends the Adult Education and Literacy Act, effective July 1, 2000.
- Amends the Vocational Rehabilitation Act and its reauthorization through Federal Fiscal Year (FFY) 2003.
- Amends the Wagner-Peyser Act to require employment and job services becoming a part of the one-stop systems. The Wagner-Peyser amendments take effect on July 1, 1999.
- Establishes a State Workforce Investment Board, to assist the Governor in developing a state plan outlining a five-year strategy for a statewide workforce investment system.
- Establishes three separate funding streams for employment and training (or workforce investment) programs: adults, dislocated workers, and youth. The Governor must allocate 85 percent of the adult and youth grants and 60 percent of the dislocated workers grant to workforce investment areas for local services. Of the remaining 40 percent of the dislocated worker funds, 25 percent is required to be reserved for statewide rapid response activities. The Governor may reserve up to 15 percent from each of these funding streams for statewide activities which include five (5) percent of the total WIA allocation for state administration. The local workforce investment areas may retain up to 10 percent of their allocations for local administration.
- Requires the designation of local workforce investment areas and local Workforce Investment Boards.
- Mandates at least one one-stop delivery system in each local workforce investment area as the primary access point for employment-related services. Each one-stop is now required to provide an array of core services to adults, dislocated workers and youth. All core services must be available, at least, at one site in each local workforce investment area. Multiple additional sites and technological networks may supplement the one site. Priority of adult intensive and training services must be given to public assistance recipients and other low-income individuals when funding is limited.
- Requires performance accountability measurements for various workforce activities.
- Permits a state-unified plan.

The provisions of WIA went into effect the date it was signed by the President. It also requires all states to implement the workforce provisions by July 1, 2000. WIA directs DOL to publish interim final regulations by February 1999 (180 days after the effective date). According to DOL, there are several states that may implement as early as July 1, 1999. DOL has established workgroups to begin to dissect the provisions of WIA. The workgroup partners include all state agencies that may be affected by WIA. Federal workgroups have been formed to address the states' issues and draft federal implementing regulations. State representatives are participating in the regulation development in Washington D.C.

Until WIA is implemented in California, existing OSCCS will continue to operate and new ones will be formed. CDSS encourages continued CWD coordination at the local level with the OSCCS. Attachment IV provides general background information about the current operation of OSCCS, as well as information regarding the solicitation for proposals and funds available for Federal Fiscal Year 1999.

CDSS will continue to provide CWDs with updates regarding WIA. In the interim, please direct any questions regarding this letter to Gail Sullivan, Manager, Employment Bureau, at (916) 654-1464.

Sincerely,

***Original Document Signed By
Bruce Wagstaff on 12/31/98***

BRUCE WAGSTAFF
Deputy Director
Welfare to Work Division

Attachments

c: CWDA
CSAC

MESSAGE FROM THE SECRETARY OF LABOR

With an economy more vibrant than any we've seen in 30 years, America is looking forward to a new century filled with endless possibilities for growth and opportunity. Just this year, millions of new jobs have been created. Unemployment is at an all-time low, and wages are on the rise.

But with new high-skill jobs growing at nearly three times the rate of other jobs, many employers are having a hard time attracting qualified workers. And millions of workers with few or no skills feel trapped in jobs leading nowhere.

As Secretary of Labor, one of my chief goals is bridging the gap between job opportunities and the pool of workers who are qualified to fill them. I want to equip every American worker with skills that will not only secure a good job, but guarantee every step up the workforce ladder leads to even greater opportunities.

That is why the Department of Labor worked with Congress to create the historic Workforce Investment Act, signed into law this year. Five years in the making, the Workforce Investment Act represents a total overhaul of our country's job-training system -- a customer-driven overhaul that will help employers get the workers they need and empower job seekers to meet the challenges of the new century by getting the training they need for the jobs they want.

The Workforce Investment Act makes this possible through an innovative "One-Stop" system designed to provide a full menu of job training, education and employment services at a single neighborhood location where adults, veterans, dislocated workers and youth will receive skills assessment services, information on employment and training opportunities, unemployment, services, job search and placement assistance, and up-to-date information on job vacancies -- all at one center specifically tailored to meet the needs of the community it serves.

Best of all, job seekers will control their own careers by choosing the training programs and services that fit their needs. And they'll keep that control for life. So when it's time to make another move up the career ladder, sharpen a skill, learn a new one, or just get information, workers will be able to continue to rely on their local One-Stop Center.

The Workforce Investment Act also provides for increased accountability. The performance of states, localities and training providers will be monitored against goals set by the Act -- including job placement rates, earnings, retention in employment, and skill gains. Failure to meet the goals will lead to sanctions, while exceeding them will lead to incentive funds.

But the Workforce Investment Act is more than a new job training system. It's a strong network of interlinked programs designed to provide wide choices to Americans seeking new opportunities and valuable information. And, it's a chance for us to harness today's opportunities for success and invest them in the workforce of tomorrow.

And I am immensely proud that 15 million young out of school Americans will not be left out of this system. The law focuses on the needs of kids in left-out communities to ensure they are pulled into the inner circle of opportunity offering all of us a pool of talent for the future. That is why I am inviting everyone -- government, business, labor and communities to work together to prepare America's workforce for the challenges of the 21st Century.



Draft White Paper

Implementing the Workforce Investment Act of 1998

(10/08/98 DRAFT)

The Workforce Investment Act will empower all workers -- young and old -- with the skills and knowledge to build better lives for themselves and their families as we enter the new century.

Secretary of Labor Alexis Herman
August 8, 1998

Purpose

This paper sets forth in general terms the approach the Department of Labor is taking to implement titles I, III, and V of the Workforce Investment Act. The implementation of title V will be conducted in conjunction with the Department of Education.

Implementation is guided by the goals and specific requirements of the new law, as well as by the Act's legislative history, the bipartisan "reform" principles that have been articulated by the President and Members of Congress, the views of workforce investment system stakeholders, and specific Departmental and Administration principles that affect implementation (such as regulatory reform).

This paper is only one of a series of documents and other materials -- including regulations, questions and answers, technical assistance guides, etc. -- that will guide implementation of the Act. It is not intended to answer all questions relating to implementation, but rather to provide the general philosophy and approach to implementation. Other documents will address more specific issues. Comments on this paper and other implementation materials are welcome and should be sent to the address at the end of this paper.

Introduction

The Workforce Investment Act of 1998 represents the first major reform of the nation's job training system in over 15 years. The enactment of this legislation is the culmination of a four year bipartisan effort on the part of the Administration and Congress to design, with States and local communities, a revitalized system that provides workers with the information, advice, job search assistance, and training they need to get and keep good jobs -- and provides employers with skilled workers.

This reform comes at an opportune time. The American economy is stronger than it has been in a generation, and it is increasingly driven by creativity, innovation and technology.

New high-skill jobs are growing at nearly three times the rate of other jobs. Many employers are finding it increasingly difficult to locate and attract qualified workers for high-skilled, high-paying jobs -- as well as qualified workers for entry-level jobs. At the same time, millions of workers with little or no skills feel trapped in low-wage, dead end jobs. Reforms under the Workforce Investment Act will permit us to build a delivery system in which any adult interested in advancing his or her career -- regardless of income -- can keep on learning, and where job seekers -- such as low-income adults including welfare parents, disadvantaged youth, unemployed or displaced workers, and others willing to learn and work -- can access high quality information and services. This delivery system should be designed with the participation of employers, labor, education and community groups which have a large stake in its success.

The enactment of the Workforce Investment Act provides unprecedented opportunity for major reforms that will result in a reinvigorated, integrated workforce investment system. States and local communities should seize this historic opportunity by thinking expansively and designing a customer-focused, comprehensive delivery system. New, strong, business-led local boards can contribute fresh thinking about the labor market and its needs -- as well as about quality and continuous improvement -- in a way that earns sustained support by local business leaders. We will know if we have successfully implemented this legislation if in less than five years, businesses actively use the workforce investment system to fill their labor force needs, "graduates" increase their skills and earnings, and more and more Americans seek access to the system's services.

States and communities will be able to strengthen ongoing reforms that have been supported by the Department of Labor through the One-Stop initiative, the School-to-Work Opportunities initiative which is administered jointly with the Department of Education, and through flexibility provided through waivers and Work-Flex. By eliminating many of the administrative and regulatory barriers that have previously existed, this Act provides States and local communities with the tools they need to finally build the comprehensive systems they have been striving towards.

Background

The current patchwork of Federal job training programs has taken shape over the last six decades, each element responding to a particular concern at a specific time, but never fully brought into alignment with the other components of the "system". The effects of this approach include:

- **Limited choice.** In most programs, choices about job training are made through bureaucratic processes. Men and women seeking new opportunities must settle for what the system has available rather than being permitted to search the market to select the job training that is right for them.
- **Lack of quality information.** Good choices call for reliable data about what jobs are available, what skills they require, and which training institutions offer the best value and performance. But, the current system too often does not provide this type of information to individual job seekers and employers.
- **Weak strategies.** Confronted with splintered and disorganized programs, States and

local communities have found it challenging to devise effective strategies for deploying Federal resources, or for effectively integrating Federal efforts with one another and with their own resources. As a result, the private sector has questioned the value of the system.

- **Absence of strong accountability.** The quality of training and related services is highly uneven. Institutions can continue to get Federal funds regardless of performance. Too often, rewards are not targeted to the best programs.

By integrating numerous Federal education, training and employment programs into a comprehensive, streamlined system, the Workforce Investment Act strives to overcome these and other shortcomings of the nation's job training system.

Principles

The Workforce Investment Act gives American workers the chance to equip themselves with the skills and information needed to compete in the new economy, and helps workers take responsibility for building a better future for themselves and their families. To accomplish the goals of the new legislation, the new workforce investment system will be built around several key principles:

- **Streamlining services.** Multiple employment and training programs will be integrated at the "street level" through the One-Stop delivery system. By building on One-Stop implementation efforts already underway in the vast majority of States, this integrated system will simplify and expand access to services for job seekers and employers.

- **Empowering individuals.** Individuals will be empowered to obtain the services and skills they need to enhance their employment opportunities. This empowerment will be accomplished through Individual Training Accounts which will enable eligible participants to choose the qualified training program that best meets their needs. The development of "consumer reports" containing information for each training provider will allow individuals to make informed training choices.

- **Universal access.** Through the One-Stop system, every individual will have access to core employment-related services. Customers can obtain job search assistance as well as labor market information about job vacancies, the skills needed for occupations in demand, wages paid, and other relevant employment trends in the local, regional and national economy.

- **Increased accountability.** States, localities and training providers will be held accountable for their performance. The Act identifies core indicators of performance -- including job placement rates, earnings, retention in employment, skill gains, and credentials earned -- that States and local areas would have to meet. Failure to meet the performance goals will lead to sanctions, while exceeding the levels could lead to the receipt of incentive funds. Training providers will have to meet performance goals to remain eligible to receive funds under the Act.

- **Strong role for local boards and the private sector.** Local boards will become business-led "Boards of Directors" for the local areas. By relieving them from "nitty-

gritty" operational details, the Act ensures they will be able to focus on strategic planning, policy development and oversight of the local system.

- **State and local flexibility.** States and localities will have exceptional flexibility to build on existing reforms in order to implement innovative and comprehensive workforce investment systems. Through such mechanisms as unified planning, waivers, and Work-Flex -- as well as through the Act's grandfathering provisions which allow States to continue innovative practices -- States and their local partners have the flexibility to tailor delivery systems to meet the particular needs of individual communities.

- **Improved youth programs.** Youth programs will be linked more closely to local labor market needs and the community as a whole, and will provide a strong connection between academic and occupational learning. In addition, traditional employment and training services will be augmented by an array of youth development activities. The establishment of a youth council in every local area will raise the visibility of youth programs and facilitate coordination and strategic design. The Act also authorizes Youth Opportunity Grants that are designed to provide funding to increase job opportunities for youth in high poverty areas. In addition, the Act reforms the Job Corps program by strengthening linkages among Job Corps centers, the State workforce investment systems, the local communities in which they are located, and employers.

A fundamental reform of Federal programs and policies based on these principles will permit communities and States to craft a workforce investment system that respects individual choices, reflects local conditions, and delivers results.

Goals

Through the establishment of comprehensive State and local workforce investment systems that are constructed around the basic principles described above, the Act strives **to increase the employment, retention, and earnings of participants, and increase occupational skills attainment by participants.** In achieving these goals, the new system will also:

1. **Improve the quality of the workforce.** Finding workers to sustain America's economic growth is becoming one of the most crucial concerns of business owners and managers across the United States. Changing job requirements and the resulting demand for new skills, the desire for reliable worker credentials, and shifting company and industry structures mean continuing intense demand for high-quality services that enable workers to meet the needs of the labor market. The Act was developed with the recognition that, as the 21st century approaches, we have to develop training opportunities that respond to market needs and provide consumer choices.

2. **Enhance the productivity and competitiveness of the Nation.** The world of work is continuously changing. Economic progress greatly benefits many American workers and American businesses, but it poses important challenges as well. New technologies, changes in international trade, deregulation, and greater competition have led to structural changes in the U.S. labor markets. Research suggests that rapid technological progress, fierce competition, further integration of the U.S. economy with other economies, and significant demographic changes will continue. This Act will create a system that can

quickly respond to such changes, and that is intended to efficiently prepare workers to meet the needs of the labor market, provide key labor market information, and help provide businesses with the resources to remain competitive. An integrated, highly accountable workforce investment system is critical if American workers and businesses are to keep pace in this rapidly changing economic environment.

2. Reduce welfare dependency. Working with the hardest to serve is a major challenge in welfare reform despite reduced caseloads. This Act aims to reduce welfare dependency and provide the tools to do so through the One-Stop system that includes the Welfare-to-Work program, and is able to integrate TANF and other programs that serve the welfare customer -- in order to invest in the employment and job retention of the hardest to serve. In areas where adult funding is limited, welfare recipients and other low wage individuals will receive priority for intensive and training services. Collaboration between the workforce investment and welfare systems is important for several reasons. Both systems now focus on helping clients become employed. In addition, the two systems serve many of the same customers. Common customers also include employers who hire clients of the two systems. Finally, given scarce resources, strong collaboration will ensure that efforts are not duplicated.

Fundamental Change in Service Delivery

This bill is tailored to meet the local needs of both workers and business for years to come. It will help all Americans who want to take advantage of the new high paying jobs that our economy is creating. It will provide business with the skilled employees they need to compete in the global high-tech economy. Above all it will make sure that as our economy moves into the 21st century, our job training system does too.

Secretary of Labor Alexis Herman
July 31, 1998

One-Stop Service Delivery

The cornerstone of the new workforce investment system is One-Stop service delivery which will unify numerous training, education and employment programs into a single, customer-friendly system. The underlying notion of "One-Stop" is the integration of programs, services and governance structures. The Employment Service plays a critical role in One-Stop service delivery as the primary job finding source, especially for unemployment insurance (UI) claimants. It provides quality information to the public about jobs, the dynamics of the labor market, available training and education opportunities, and the links to other public and private services.

It is envisioned that each State could use common intake and case management systems in order to take full advantage of the One-Stops' potential for efficiency and effectiveness. A wide range of services from multiple training and employment programs will be available

to meet the needs of a variety of customers -- employers and job seekers. In addition, these local One-Stop centers will be places where all Americans can access high quality local information on available jobs, skill requirements, and training provider performance.

The Act requires the establishment of a One-Stop system in each local area. The local board, in collaboration with the local elected official, is responsible for overseeing the One-Stop system in their local area. While the Act establishes certain minimum requirements for the structure of the local system, it allows local communities significant flexibility in the design and implementation of their One-Stop systems.

Each local One-Stop system will be comprised of numerous partners that will provide core services through the One-Stop system. It is envisioned that every local system will represent true collaboration between all of the One-Stop partners. Partners will provide such services in a way that is consistent with their authorizing legislation.

Required Partners:

- Adult, Dislocated Worker, and Youth Activities
 - Employment Service
 - Adult Education
 - Postsecondary Vocational Education
 - Vocational Rehabilitation
 - Welfare-to-Work
 - Title V of the Older Americans Act
 - Trade Adjustment Assistance
 - NAFTA Transitional Adjustment Assistance
 - Veterans Employment and Training Programs
 - Community Services Block Grant
 - Employment and training activities carried out by the U.S. Department of Housing and Urban Development
 - Unemployment Insurance
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The Act specifies several Federal programs and activities that are required to participate in each local One-Stop system. The local area may also include other appropriate Federal, State or local programs -- as well as private sector initiatives -- as partners in the One-Stop system. Ultimately, a local community could have dozens of designated partners in their system.

Each One-Stop partner is required to enter into a Memorandum of Understanding (MOU) with the local board. The MOU will describe: (1) the services to be provided through the One-Stop system; (2) how the costs of the services and the operating costs of the system will be funded; (3) methods of referral of individuals between the One-Stop Operator and the One-Stop partners; (4) the duration of the MOU; and (5) the procedures for amending the MOU. The MOU may also be used to address such other issues as the parties determine are appropriate. One-Stop partners also are required members of the local

board --in order to provide them with an integral role in policy development and overall system evaluation.

A One-Stop operator will be designated to manage the day-to-day functioning of the local One-Stop system. One-Stop operators may be designated or certified through a competitive process or in accordance with an agreement reached between the local board and a consortium of entities that, at a minimum, includes three or more of the mandatory One-Stop partners. A wide range of organizations and entities -- such as postsecondary educational institutions, local Employment Service offices, community-based organizations, private for-profit entities, or government agencies -- are eligible to be designated or certified as a One-Stop operators. However, a local board may only be designated or certified as a One-Stop operator with the agreement of the chief local elected official and the Governor.

Each local area is required to have at least one physical "full service" center at which customers can access services from each of the One-Stop partners. This comprehensive center can be augmented by additional "full service" centers and through a network of affiliated sites, or a network of One-Stop partners that can consist of physical sites or electronic access points. Regardless of the design that a local area chooses, it must be based on a "no wrong door" approach which will assure customers that information on the availability of all of the core services will be available regardless of where the individuals initially enter the system. This means it does not matter whether an individual enters the system as a UI claimant or as a job seeker seeking information through the Employment Service -- in either case, he or she will have access to the full range of services available through the local system.

Adults and Dislocated Workers -- A Continuum of Services It is envisioned that One-Stop centers will offer a wide spectrum of services -- ranging from self-service activities such as using a computer to get information from America's Job Bank, to intensive staff-assisted services such as group counseling, and include access to training and other services for which the individual may be eligible. While this range of services is to be made available, the levels to be offered are not prescribed in the Act. Individuals with special needs -- for example, persons with disabilities, non-English speaking persons, or those who lack computer skills -- will be accommodated so that they can access all services offered for which they are eligible.

There are separate funding streams for adults and dislocated workers. For both, the Act provides for three levels of services: core services; intensive services; and training. These levels of services are to be accessed sequentially -- that is the more extensive levels of services are provided when the individual is unable to obtain employment with the more basic services.

In the new system, "placement" no longer needs to be immediately followed by "termination." This will result in a shift from short-term "episodic" fixes to a system where individuals can access information and services continuously throughout their lifetime. This focus will provide new opportunities for low-wage workers to benefit from the workforce investment system. For example, former welfare recipients who are placed in a job through the Welfare-to-Work initiative will be able to remain in the workforce investment system and continue to obtain the information and services they need in order

to progress through the labor market.

Core Services: In the new workforce investment system, all Americans will see the One-Stop Centers as a community resource they can use throughout their lifetime to enhance their job skills as they move up the career ladder -- rather than just a place to go in times of a crisis, such as when they lose their jobs. Previously, only Wagner-Peyser funds could be used to provide labor market information and labor exchange services for any employer or job seeker without regard to specific program eligibility. This Act expands the concept of universal access to all core services provided through the One-Stop Centers. By integrating the services offered through multiple programs and using available technology, the One-Stop system will be able to offer customers -- job seekers and employers -- a choice of any or all core services and information. The combination of Wagner-Peyser funds, funds from the Workforce Investment Act, and funds from other One-Stop partners should result in a dramatic expansion of accessibility to core services.

Core Services:

- Determination of eligibility of services.
 - Outreach, intake (which may include worker profiling), and orientation to the One-Stop system.
 - Initial assessment.
 - Job search and placement assistance, and career counseling.
 - Provision of labor market information.
 - Provision of information on:
 - eligible training providers;
 - local performance outcomes;
 - one-stop activities;
 - filing claims for Unemployment Insurance;
 - supportive services
 - Assistance in establishing eligibility for Welfare-to-Work and financial aid assistance.
 - Follow-up service.
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Consistent with the MOU and the legal requirements applicable to each One-Stop partner, the core services in the centers and One-Stop system may be provided by the partners, the operator, or through other arrangements. Local boards cannot directly provide core services unless the chief local elected official and the Governor agree to allow the board to provide such services.

It is important to note that the Employment Service has been and will continue to be an essential component of any One-Stop system. The Act requires that all basic Wagner-Peyser-funded labor exchange services be provided as part of the One-Stop system. Similarly, the One-Stop system is intended to maintain close linkages to the unemployment insurance system. In addition to providing information on filing for UI as a core service, the system would also be the provider of reemployment services to UI

claimants who are "profiled" as needing these services to become reemployed. The UI program may be co-located in the centers, the centers may be a source for filing telephone claims for UI assistance, or other arrangements may be made. Finally, through the Employment Service component of the One-Stop, the system will continue to assist the UI program in verifying that UI claimants are actively seeking employment.

Intensive Services: Intensive services may be provided to adults and dislocated workers who are unemployed and are unable to obtain employment through core services, if the One-Stop operator determines that the individual is in need of more intensive services in order to obtain employment. Adults and dislocated workers who are employed, but who are determined by the One-Stop operator to be in need of intensive services in order to obtain or retain employment that allows for self-sufficiency are also eligible to receive intensive services.

Intensive Services:

- Comprehensive and specialized assessments of skill levels (i.e. diagnostic testing);
 - Development of an individual employment plan;
 - Group counseling;
 - Individual counseling and career planning;
 - Case management;
 - Short-term prevocational services
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Intensive services may be provided by One-Stop operators or through contracts with service providers, including contracts with public, private for-profit and private nonprofit service providers, approved by the local board. Local boards cannot directly provide intensive services unless the chief local elected official and the Governor agree to allow the board to provide such services. If the local board and the Governor determine that there is a shortage of adult funds in the local area, they will direct the One-Stop operator to give priority in the use of these funds for intensive services to welfare recipients and other low-income individuals.

Training Services: Individuals who have met the eligibility requirements for intensive services, and are unable to obtain or retain employment through intensive services may receive training services. Through the One-Stop system, these individuals will be evaluated to determine whether or not they are in need of training and if they possess the skills and qualifications needed to participate successfully in the training program in which they express an interest. Training services must be directly linked to occupations that are in demand in the local area, or in another area to which the individual receiving services is willing to relocate. As with intensive services, in areas where the local board and the Governor determine that adult funds are limited, welfare recipients and other low-income individuals shall receive priority in the use of such funds for training services.

The underlying principle of the provision of training services under the Act is customer choice. One-Stop centers will provide access to consumer information relating to training providers that can assist individuals in gaining relevant skills -- including information on

the performance of such providers in placing graduates in employment. Through local boards, each State will compile a list of eligible training providers that meet performance levels as set by the Governor, and adjusted upward, as appropriate, by local boards. Individuals may choose any provider from the list of approved providers, whether or not the provider is located in the local area where the individual resides. In addition, States may enter into agreements on a reciprocal basis which allow individuals to access training in another State.

The Act creates a market-based system for training services, and will provide "a level-playing field" for a wide array of providers -- large and small, public and private. Those who provide training services under the Act will have to meet the test private businesses face every day. They will have to deliver value to their customers, or risk losing them. With individuals making their choices based on past performance, ineffective training providers will not survive.

With limited exceptions, training services will be provided through the use of Individual Training Accounts (ITAs). States and local boards will determine how to structure the ITA system in their local areas. For example, an ITA could take a variety of forms such as a voucher, credit, debit card, or even a repository for training funds from other programs. In addition, the law does not prescribe a limit on the amount that may be provided to assist an individual in obtaining training, but does not preclude a State or locality from establishing such limits.

Training services may be provided through a contract for services instead of an ITA only if: (1) such services are on-the-job training provided by an employer or customized training; (2) the local board determines there are an insufficient number of eligible providers of training services in the local area (such as rural areas) to accomplish the purposes of the ITA system; or (3) the local board determines that there is a training program of demonstrated effectiveness offered in the local area by a community-based organization or another private organization to serve special participant populations that face multiple barriers to employment (e.g. individuals with substantial language or cultural barriers, offenders, homeless individuals, or other hard-to-serve populations as determined by the Governor). Local boards may not directly provide training services unless they receive a waiver from the Governor. Since the intent of the Act is to reform the local service delivery system, and to move away from the current practice of contracting for blocks of services, and then finding participants to fill them -- these exceptions are meant to be limited.

Youth Programs Through the reform of the current youth training system and the Job Corps program, and the authorization of the Youth Opportunity Area initiative, the Act provides a variety of activities that will prepare youth for academic and employment success. The youth programs authorized under this Act are designed to create youth systems that are closely linked to the labor market and are designed to provide participants with a comprehensive set of service strategies.

Formula Youth Program: Through the combination of the Year-Round Youth Training funding stream and the Summer Youth Employment Program funding stream into a single youth funding stream, local areas will have greater discretion in determining how to allocate resources to serve youth. The new single youth program fuses youth

development activities (i.e. leadership growth opportunities such as community service) with traditional employment and training activities. It is based upon several key elements: integrated academic and vocational education; integrated work-based and classroom-based instruction; effective connections to intermediaries with strong links to the job market and employers; and intensive private-sector involvement.

A Youth Council will be established as a subgroup of the local board in each local area and will include representatives of: youth service agencies; parents; public housing authorities; Job Corps; former youth program participants; and other appropriate individuals. The Youth Council will be responsible for developing portions of the local plan relating to youth, recommending the providers of youth activities to be awarded grants by the local board, conducting oversight of these providers, and coordinating youth activities in the local area. The creation of these councils will be an unprecedented opportunity for a broad range of entities to play an integral role in the development and oversight of the youth development and training system, and facilitate the enhanced coordination of youth services.

Youth services are to be delivered by entities that are competitively awarded a grant or contract by the local board to provide such services. Such entities may or may not be the same as those providing services under the One-Stop system in the local area. Each local area can determine the extent to which they want to integrate youth services with the adult and dislocated worker delivery system based in the One-Stop. It is envisioned that States and localities would make connections to the adult system through relationships with the private sector and higher education institutions, and through their streamlined administrative structure.

In order to be eligible for services, a youth must be ages 14-21, low income, and meet at least one of the six specified barriers to employment. Five percent of the youth served in a local area may be non-low-income if they experience one or more specified barriers to school completion or employment. In addition, in an attempt to focus resources on those most in need, thirty percent of funds in each local area must be expended on out-of-school youth. Youth that do not meet the eligibility requirements must be referred to the One-Stop or another appropriate program for further assessment in order to meet the basic skills and training needs of the individual.

Eligible Youth - Barriers to Employment:

- Basic skills deficient;
 - A school dropout;
 - Homeless, a runaway, or a foster child;
 - Pregnant or a parent;
 - An offender;
 - An individual who requires additional assistance to complete an educational program, or to secure and hold employment.
-

The new law requires an individual assessment of skill levels and service needs and the development of a service strategy for each youth participant. The Act also outlines the required elements of the youth program. These elements are to include such activities as: tutoring, study skills training and instruction; alternative secondary school services; summer employment opportunities; paid and unpaid work experiences; occupational skill training; leadership development activities; supportive services; adult mentoring; and comprehensive guidance and counseling. An emphasis is placed on longer-term service through the provision of adult mentoring both during and after participation, for a total of not less than one year, and followup services for not less than one year after the completion of participation. In addition, each participant must be provided information on the full array of appropriate services that are available through the local One-Stop system.

Youth Opportunity Grants: The Act authorizes the Youth Opportunity Grants initiative to direct resources to Empowerment Zones, Enterprise Communities, and other high-poverty areas, to provide comprehensive services designed to increase employment and school completion rates of youth. Through a national competitive grant process, the initiative will provide employment and training services to all disadvantaged youth in high-poverty areas for an extended period to change the culture of joblessness and high unemployment. Local boards will be the recipients of these grants, thus ensuring a strong linkage between these targeted investments and the formula youth program. The funds provided are to be used for the youth activities required under the formula program, and youth development activities such as leadership development, community service, and recreation activities. In addition, the program must provide intensive placement services and follow-up services for not less than two years after a youth has completed participation in other activities.

Job Corps: The Act contains several changes designed to strengthen the Job Corps program and to ensure that it functions as an integral part of the workforce investment system. The new provisions will ensure strong linkages among Job Corps centers, State workforce investment systems, employers, and local communities. It also assures that applicants are assigned to centers nearest to their homes.

Due to the size and scope of the Job Corps investment, the Act holds the program and individual Job Corps centers accountable to additional requirements. The Act identifies core indicators of performance including vocational completion and placement rates of students, earnings and retention in employment. It also requires the provision of continued services to graduates for one year after completion of the program.

The Act requires Job Corps centers to have a business and community liaison and an industry council to enhance cooperation with business. These requirements ensure connections between local labor markets and Job Corps centers, that the vocational training offered is relevant to labor market needs, and that participants learn occupational skills that are in demand in their home communities.

National Programs

Native Americans: Grants to support employment and training activities for Indian, Alaska Native, and Native Hawaiian individuals are authorized in order: (1) to develop

more fully the academic, occupational, and literacy skills of such individuals; (2) to make such individuals more competitive in the workforce; and (3) to promote the economic and social development of Indian, Alaska Native, and Native Hawaiian communities in accordance with the goals and values of these communities. Provisions are similar to those contained in the Job Training Partnership Act. The Native American Employment and Training Council is retained to provide the Secretary of Labor with advice on program operations and administration. In addition, authority was added allowing the Secretary to waive statutory or regulatory requirements of this program (other than labor standards) pursuant to a request from a grantee.

Migrant and Seasonal Farmworkers: Similar to provisions in the Job Training Partnership Act, grants to support migrant and seasonal farmworkers and their dependents are authorized to: (1) strengthen the ability of the eligible individuals to obtain or retain unsubsidized employment or stabilize their unsubsidized employment; and (2) provide supportive services and related assistance. The Act adds specific eligibility criteria for migrant and seasonal farmworkers. In addition, funds are specifically earmarked for migrant youth activities.

Veterans: The Act retains the current law veterans' employment program (JTPA title IV-C) and expands the eligibility for the program to include, in addition to veterans with service-connected disabilities and recently separated veterans, veterans who have significant barriers to employment and veterans who served on active duty in the armed forces during a war or in which a campaign badge has been authorized (e.g. the Persian Gulf War).

National Activities

The Act requires the Secretary to conduct a wide variety of national activities. Every two years the Secretary must publish a plan that describes the national activity priorities for the next five-years. This plan, which will be published in the Federal Register and shared with Congress, will ensure that investments are planned in a strategic manner. The Act also requires the Secretary to conduct a study on improving the formulas for allocating funds contained in Act.

National Activities:

- Technical Assistance.
 - Dislocated Worker Technical Assistance.
 - Pilot, Demonstration, Multiservice, Multistate and Research projects.
 - Dislocated Worker Pilot, Demonstration, Multiservice, Multistate and Research projects.
 - Evaluation.
 - National Emergency Grants.
-

Through this broad range of authorized activities, the Department will develop and

implement techniques and approaches, and demonstrate the effectiveness of specialized methods, of addressing employment and training needs of individuals. Funds will also be used to evaluate the impact of workforce investment activities. In a change from current law, most awards are subject to competitive requirements, matching requirements, peer review, and time limits. These provisions will ensure the continued integrity of these investments.

Holding States and Localities Responsible for Results

Consistent with the performance-based approach provided in the Government Performance and Results Act (GPRA), the Department is placing a special emphasis on the area of program performance. This includes a focus on: outcomes rather than inputs; results rather than process; and continuous improvement rather than management control. The performance provisions contained in the Act reflect this emphasis, and provide increased flexibility in service delivery in exchange for increased accountability for results. Through these provisions, the Act strives to establish a comprehensive performance accountability system in order to optimize the return on investment of Federal funds in State and local workforce investment activities. This accountability system will assess the effectiveness of States and local areas in achieving positive results as well as the continuous improvement of their workforce investment systems.

Core Indicators of Performance: The Act establishes core indicators of performance for all adult, dislocated worker, and youth programs to be applied to States as well as local areas. The core indicators of performance for adult and dislocated worker activities (except for self-service and informational activities) and for youth participants age 19-21 include:

1. Entry into unsubsidized employment;
2. Retention in unsubsidized employment 6 months after entry into employment;
3. Earnings received in unsubsidized employment 6 months after entry into the employment; and
4. Attainment of a recognized credential relating to achievement of educational or occupational skills for individuals who enter employment. (For youth age 19-21, educational and skill attainment is measured for all individuals who enter postsecondary education, advanced training, or employment.)

The core indicators of performance for youth age 14-18 include:

1. Attainment of basic skills and, as appropriate, work readiness or occupational skills;
2. Attainment of secondary school diplomas and their recognized equivalents; and
3. Placement and retention in postsecondary education or advanced training, or placement and retention in military service, or employment -- including qualified apprenticeship.

In addition, a customer satisfaction indicator must be established that measures

employers' and participants' satisfaction with the services received under this Act. The inclusion of a customer satisfaction indicator is important because securing employment is not the sole concern when job-seekers enter the workforce investment system. Customers are also concerned with their access to quality information, their treatment by program staff, and their access to services -- in short, how well they feel that the system met their needs. Recent research suggests that satisfaction with these other aspects of a system are important to individuals whether or not they find a stable job as a result of a training program or other service.

States also have the ability to identify additional indicators of performance, and must report annually on a number of other indicators specified in the Act, including employment, retention and earnings (12 months after entry into employment) and performance information on specific population groups.

Negotiated Levels of Performance: For each core indicator, and the customer satisfaction indicator, the State will negotiate its expected levels of performance for the State as a whole with the Secretary. These levels must be included in the State Workforce Investment Plan and the negotiation must be completed before a State receives any funds under the Act. Several factors are to be taken into account in this negotiation process: (1) the extent to which the levels will assist the State in attaining a high level of customer satisfaction; (2) how the levels compare with the levels for other States -- taking into account differences in economic conditions, characteristics of participants, and the services to be provided; and (3) the extent to which the levels promote continuous improvement in performance and ensure optimal return on the investment of Federal funds.

The State will carry out a similar negotiation with the local areas within their State -- taking into account specific economic, demographic and other characteristics of the areas -- to establish their expected levels of performance for each core indicator.

Incentives, Sanctions and Technical Assistance: In an effort to drive positive results and continuous improvement, the Act contains strong ties between performance and funding. If a State fails to meet its expected levels of performance in any year, it can request technical assistance from the Department of Labor. If a State continues to fail to meet its agreed-upon performance levels for a second year -- or if a State fails to report its performance information in any year -- its funding can be reduced by up to five percent. If a State exceeds its expected levels of performance -- as well as its levels of performance under Adult Education and Vocational Education -- it will receive an incentive grant which must be used to finance innovative workforce investment projects within the State. The linking of performance for these three programs -- workforce investment, adult education, and vocational education -- illustrates the importance of collaboration of those systems.

New Roles and Flexibility

Partnerships at all levels -- local, State and Federal -- and across the system is the hallmark of the new workforce investment system. All levels will be required to coordinate and collaborate with agencies and entities that have not been a part of the "traditional" workforce development system. The incorporation of programs and activities

administered by agencies other than the Department of Labor into the One-Stop system will require enhanced coordination between Labor, Education, Housing and Urban Development, Transportation, Health and Human Services, and Agriculture -- and will require these entities to develop collaborative strategies for service delivery and work towards common goals. In addition, it is envisioned that business, labor organizations, community organizations, school, and other interested entities will be fully involved in the design and quality assurance of the new system. Dialogue with customers, partners, stakeholders, and Congress will be ongoing and consistent -- at every level, and between levels.

Accountability and responsibility for outcomes at all levels of the system will exist, with each level having unique and integral roles and responsibilities. This will result in high quality, effective services for customers.

Local: In the new system, the local level remains key for policy and administrative decisions. It is where customers access services and where the design for the new One-Stop system and the consumer-driven training system will be implemented. Local Workforce Investment Boards will have important roles in the new system. Some of these roles include the development of a 5-year local plan, the identification of eligible providers of training services, and coordination of activities across programs. Through the local plan, the operation of the workforce investment system can be tailored to meet local needs.

The chief local elected officials continue to have a central role in the administration of workforce investment activities. Specifically, the chief local elected official:

- Appoints the members of the local board, which is responsible for establishing workforce investment policies in the local area;
- Develops, in collaboration with the local board, the local workforce investment plan, which specifies the types of services that will be provided, such as summer youth employment and training;
- Serves, or designates an entity to serve, as the grant recipient for job training funds provided under the Act, which includes the responsibility for receiving and disbursing formula grant funds;
- Works with the local board to conduct oversight of the One-Stop customer service system in the local area, designates and certifies One-Stop operators, appoints One-Stop partners (i.e. participating programs) and develops and approves the memoranda of understanding under which the One-Stop system will be administered; and
- Works with the local board to negotiate with the Governor the performance levels that will be applicable to local areas and that could result in incentive funds or sanctions.

Additionally, representatives of chief elected officials are members of the State board that develops the State plan and carries out other statewide activities.

State: The Act includes numerous features designed to provide States with increased flexibility in designing and implementing workforce investment systems. It also prescribes

new roles for Governors. For example, the Workforce Investment Act:

- Eliminates mandatory set-asides for education coordination grants and older worker programs, and combines the year-round and summer youth programs into a single funding stream -- resulting in far fewer funding constraints.
- Requires that each State establish a business-led State Workforce Investment Board, consisting of the Governor and appointees of the Governor representing business, education, labor, local elected officials and others, to develop a comprehensive 5-year strategic State plan for all workforce investment activities, and monitor the operation of the workforce investment system.
- Allows Governors to submit a single "unified" State plan covering numerous Federal education, training and employment programs. This provision also includes a requirement for joint planning and coordination through which the entities responsible for planning or administering such programs will review and comment on all components of the plan.
- Allows, through the inclusion of grandfathering provisions, features of State laws enacted prior to December 31, 1997 relating to designation of service areas and sanctioning of local areas for poor performance that are inconsistent with the Act. In addition, all States may retain their existing State councils and local boards created under JTPA if they substantially meet the requirements of the Act and were in existence on December 31, 1997.
- Assures that States retain any existing waivers that they have received from the Department of Labor and codifies the Secretary of Labor's waiver authority that previously only existed in annual Appropriations language. In addition, the Act expands eligibility for "Work-Flex" to all States -- flexibility that is currently limited to a six State demonstration.
- Increases, significantly, the Governor's flexibility in using State reserve funds to finance activities that are State priorities. Under the Act, the State reserves fifteen percent from each of the three funding streams and may merge those funds and use them for an array of workforce investment activities -- including incumbent worker projects.
- Provides the Governor with a significant new role in developing performance measures. They will have an important new opportunity to affect the measures that will be used to evaluate the effectiveness of the workforce investment system in their State.

State Workforce Investment Boards will also play an important role in the design and implementation of State systems. For example, the Board will assist the Governor to develop a 5-year strategic plan, continuously improve the system, designate local workforce investment areas, develop State performance measures, and develop allocation formulas.

Federal: The Federal role also is changing. The Federal role in the new workforce investment system will be one of a leader and an enabler -- with a focus on ensuring overall accountability for results rather than adherence to administrative process. The Federal role can be separated into the following areas that range from the most "hands-on" activities, to facilitating progress, to the administrative and support functions needed

in this new system:

- Strategic planning and policy formulation which defines and focuses the direction of the public system.
- Performance accountability to ensure that States and localities meet program performance requirements and provide the highest level of service to customers.
- Knowledge development which provides important research and evaluation findings to the workforce investment system to facilitate better ways of delivering workforce investment-related activities.
- Technical assistance which provides expert assistance to State and local partners and other stakeholders.
- Administration and oversight to ensure financial accountability of programs and compliance with legal requirements.
- Prototype information systems which design and support national information and communication needs.

Transition Efforts

The Department is in the process of organizing for the transition to the new workforce investment system. An implementation task force has been appointed, and a number of workgroups have been established to focus on a wide variety of transition issues. The following workgroups have been established: (1) Policy Development; (2) Performance Accountability; (3) Outreach and Communications; (4) Administration and Close-Out; (5) Program Services; and (6) Technical Assistance.

Although States are not required to fully implement all of the requirements of the Act until July 1, 2000 -- the Department encourages States that are ready to implement early, beginning July 1, 1999. In order to enable States to implement beginning in July of 1999 -- the Department intends to work quickly to develop planning guidance. The Department intends to publish interim final regulations in the Federal Register by early February, 1999.

The Department recognizes that flexibility is key to implementing the legislation. The Act is not the status quo; and a "do it this way" approach dictated by the Federal government will not work. States and local areas must be able to work in partnership to address the needs of workers and employers by designing systems that make sense for local labor markets and produce results. We can help as a partner, but the most important linkages will be ones forged at State and local levels.

Consultation Process: The transition can only be enhanced by tapping into established networks to draw on the broadest possible participation and contribution to the planning, implementation and follow up of the Workforce Investment Act by the organizations and people who will be the ones to make it happen. The Department of Labor is taking an all inclusive approach to engaging the system in the implementation of the Act. A variety of

strategies will be used to ensure continuous, two-way communication between the Federal, State, and local partners, stakeholders, and other interested organizations and individuals.

Information will be openly shared throughout the planning and implementation process. Input will be sought on a continuous basis to ensure that this process is truly a collaborative one. Various meetings of workforce investment partners, customers, and other stakeholders will be used as an arena to share current information on proposed implementation policies/strategies as well as seek input from the system. In addition, various roundtables and policy forums will be held in each of the Department's ten regions to facilitate and encourage a continuous face-to-face dialogue throughout the planning and implementation process.

A workforce investment website (<http://usworkforce.org>) has been established to provide a vehicle for continuous, ongoing communications. The website is intended to function as an open forum for dialogue between federal, state, local partners, stakeholders and other interested individuals and organizations. This website will enable implementation plans to be shared as they are developed, questions to be raised, issues to be surfaced, and solutions to be proposed. A question and answer system is being developed to provide a medium through which the Department can respond to questions raised by State and local partners and individual stakeholders. Once answers are developed, they will be posted promptly on the website. Hard copies of questions and answers will be prepared and distributed to the system on a periodic basis.

Regulations: The Department intends to publish interim final regulations by early February, 1999, with final regulations scheduled to be issued by the end of 1999. The Department has developed a set of principles to guide the regulations writing process. These principles include:

- **Customer First.** The first consideration in writing regulations will be to consider how they may impact on service to the customers -- participants and employers.
- **Consistency.** The regulations will be internally consistent, in terms of the message, tone, length and quality, and written in a style that conveys information in a manner that is easy to read and understand.
- **Input on Key Issues.** Input will be sought from the workforce investment community as a whole through various media and through individual workgroups, as appropriate, on issues which need to be addressed in regulations before and during regulation writing.
- **Minimal Regulations.** Regulations will be prepared only when:
 - clarifications are needed to implement legislative provisions;
 - explanations on how the agency intends to interpret the Act are necessary;
 - specific issues are not addressed in the legislation requiring a rule to fill gaps in the legislation; and
 - policy guidance would be insufficient to allow grantees to ensure that critical provisions are implemented.
- **Lean Regulations.** Provisions of the legislation will not be repeated in regulations. Responses to questions raised by employment and training community will be brief, but

they will be sufficiently complete so that those who must abide by the rules can do so confidently. If additional guidance is required on a provision, it will be included in policy or administrative issuances.

- **Non-Duplication.** Rather than rewriting other requirements, we will rely on already existing documents which apply to our grantees.
- **Flexibility.** All regulations will permit the maximum flexibility to customers as well as State and local governments in terms of service and implementation of legislative provisions.
- **Administrative Feasibility.** Regulations will be written in a manner which permits persons at State and local levels to use them under a variety of circumstances.

Technical Assistance: By early 1999, a comprehensive technical assistance strategy will be in place. It is envisioned that the technical assistance effort will focus on three areas: (1) assisting States and localities in closing-out the JTPA system; (2) assisting "early implementers"-- States that will begin operating under the Act in 1999; and (3) assisting States that will not begin implementing the new requirements until the year 2000.

Initial Implementation Timeline

The Department intends to meet the following timeline for the implementation of the new system:

Begin Consultations on Planning/Program/Policy Guidance
September 1998

Regions and States Identify Closeout Issues
October 1998

Publish Planning Guidance
November 1998

Publish Interim Final Regulations
February 1, 1999

Early States Submit Plans
April 1, 1999

Early State Implementation and Operation
July 1, 1999

Publish Final Regulations
December 31, 1999

All States Implementing Workforce Investment Act
July 1, 2000

For Further Information Contact:

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(10/08/98 DRAFT)

Key Features of H.R. 1385 as Compared to Current Law

ELEMENT	CURRENT LAW	H.R. 1385 -- WORKFORCE INVESTMENT ACT*
Structure Funding Streams	<p>Separate funding streams and authorizing legislation for JTPA, Wagner Peyser, vocational education, adult education, and vocational rehabilitation.</p> <p>JTPA: separate funding streams for disadvantaged adults, dislocated workers, disadvantaged youth, and summer youth.</p>	<p>Bill is organized into five titles: (1) job training; (2) Adult Education; (3) amendments to Wagner-Peyser and related Acts; (4) amendments to the Vocational Rehabilitation Act; and (5) general provision. Does not include vocational education, which is addressed in separate legislation.</p> <p>Maintains separate funding streams for adults, dislocated workers, and youth.</p>
Target Populations	<p><u>Economically Disadvantaged Adults</u> - Must be age 22 or older, economically disadvantaged (10% window for non-disadvantaged if they have serious barriers to employment). 65% must be "hard-to-serve" in identified categories.</p> <p><u>Dislocated Workers</u> - Eligible dislocated workers defined to include four categories.</p> <p><u>Youth</u> - Defined to include ages 16-21, plan may include 14 and 15. In year-round program, must be economically disadvantaged (10% window for non-disadvantaged if they have serious barriers to employment). 65% must be "hard-to-serve" in identified categories. At least 50% must be out-of-school youth. In summer program, must be economically disadvantaged.</p>	<p><u>Adults</u> - Eligibility for core services open to all adults ages 18 and older. Priority for intensive and training services must be given to recipients of public assistance and other low-income individuals.</p> <p><u>Dislocated Workers</u> -Excludes long-term unemployed from definition of dislocated worker, and adds displaced homemakers.</p> <p><u>Youth</u> -Youth must be ages 14- 21, low income, and meet at least 1 of the 6 specified barriers to employment. 5 percent window for non-low-income youth if they experience one or more specified barriers to school completion or employment. In addition, at least 30% of funds must be expended on out-of-school youth.</p>
One-Stop Service Delivery	<p>One-stop implementation grants are currently awarded with Wagner-Peyser funds, but there are no statutory requirements to provide services through the One-Stop system.</p>	<p>Establishes the one-stop delivery system as the access point for employment-related and training services. All core services must be available at at least one physical site which may be supplemented by multiple additional sites and technological networks. Specifies designated One-Stop partners that are to provide core services through the one-stop, including programs authorized under this Act, Wagner-Peyser, Welfare-to-Work, vocational-rehabilitation, etc. Provides for memorandum of understanding between partners and local board to address issues such as services to be provided, referrals, and operating costs. Local board selects operator of a one-stop center through a competitive process or may designate a consortia of not less than three partners to operate a center.</p>

Summer Jobs	The summer jobs program is specifically authorized under Title IIB of JTPA.	Includes summer jobs as a required component of the youth program, but no separate appropriations are authorized for the program.
Youth Services	Requires individual assessment of skill levels and service needs; service strategy; availability of basic skills, occupational skills, and work maturity skills training; work experience and supportive services; and authorizes an array of training and training-related services.	Retains requirement for assessment and service strategy, adds as required elements: preparation for postsecondary educational opportunities or unsubsidized employment (as appropriate); strong linkages between academic and occupational learning; and effective connections to intermediaries with strong links to the job market and employers. The other required elements of youth programs include: tutoring, study skills training and instruction leading to completion of secondary school, including dropout prevention; alternative school services; adult mentoring; paid and unpaid work experiences, including internships and job shadowing; occupational skills training; leadership development opportunities; supportive services; follow-up services for not less than 12 months as appropriate; and comprehensive guidance and counseling.
Youth Opportunity Area Grants for Out-of-School Youth	Administration proposal calls for saturation grants to increase employment rates among youth ages 16-24 in high poverty areas in EZ/ECs. The DOL FY 98 Appropriations Act provides an advance FY 1999 appropriation of \$250 million for this program.	Reserves amounts appropriated for youth in excess of \$1 billion (up to \$250 million) for youth opportunity grants, which the Secretary may provide to assist youth ages 14-21 in high poverty areas located in Empowerment Zones/Enterprise Communities, high poverty areas located on Indian reservations, or other high poverty areas designated by the States.
Adult and Dislocated Worker Services	Title II prohibits stand-alone employment services (e.g. job search assistance). Title III authorizes readjustment and retraining services.	Funds will be used at the local level to pay for core services through the one-stop system, as well as for intensive and training services for program participants. Core services funded by the adult stream would be available on a universal basis with no eligibility requirement. Funds for dislocated workers would be used exclusively for services to dislocated workers. Intensive services (e.g. counseling and prevocational services) available for unemployed individuals who have been unable to obtain jobs thru core services and those who are employed but need additional services to reach self-sufficiency. Training is available for those who met intensive services eligibility but were unable to find employment through those services.
Skill Grants for Training	Most training is provided through contracts with training providers. Vouchers are only used on a limited basis.	For adult and dislocated worker training, requires the use of Individual Training Accounts (ITAs), through which a participant chooses among qualified providers. The three exceptions where a contract for training may be used in lieu

		of ITAs are: on-the-job training and customized training; an insufficient number of providers; and programs provided by CBOs or other private organizations serving special participant populations that face multiple barriers to employment.
Accountability	Performance standards applicable to local areas are established by the Secretary which is to include factors identified in the law. States adjust the standards based on economic, demographic, and other factors within parameters established by the Secretary. States may award incentive funds or impose sanctions based on local performance.	Establishes indicators of performance for all adult, dislocated workers, and youth programs to be applied to States as well as local areas. There are four core indicators relating to adult, dislocated worker programs, and youth ages 19-21(i.e. placement, retention, and earnings, and skill attainment), and three core indicators relating to the youth ages 14-18 (i.e. basic skills attainment and as appropriate occupational skills; high school diplomas; and placement and retention in postsecondary education, advanced training, or employment). The Secretary of Labor is to negotiate the expected levels of performance for each indicator with each State, and the State in turn is to negotiate expected levels of performance with each local area. Negotiations are to take into account special economic and demographic factors. Technical assistance, sanctions, and Federal incentive funds are tied to whether States meet the expected levels of performance.
Eligibility of Training Providers Consumer Reports	Other than general procurement requirements, there are not eligibility requirements for training providers. No requirement for consumer information on training providers.	Requires that to be eligible to receive adult/dislocated worker funds a training provider must either be certified under the HEA, the National Apprenticeship Act, or an alternative procedure established by the Governor. All providers must submit annual specified performance-based information relating to outcomes of their students (i.e. completion rates, placement and earnings). To remain eligible, providers must meet or exceed minimum levels of performance established by the State and localities. Grants and contracts are to be awarded providers of youth activities by the local partnership on a competitive basis. Consumer information relating to each provider is to be disseminated to one-stops and available to assist participants in the training selection process. The information is the performance-based information relating to outcomes of students and participants described above.
State and Substate Shares of	<u>Disadvantaged Adults</u> (II-A) -	<u>Adults</u>

Funding and State Reserve Activities	<p>77% allocated to local areas.</p> <p>23% reserved by State, of which:</p> <p>5% State administration,</p> <p>5% State incentives,</p> <p>8% Education and Coordination Grants,</p> <p>5% Older Worker program.</p> <p><u>Dislocated Workers (III) -</u></p> <p>60% allocated to local areas.</p> <p>40% reserved by the State to carry out administration, rapid response, and special projects.</p> <p><u>Disadvantaged Youth</u></p> <p>Summer (II-B) -</p> <p>100% allocated to local areas.</p> <p>Year-Round (II-C) -</p> <p>82% allocated to local areas.</p> <p>18% reserved by the State. Same State reserves as II-A except does not include Older Worker program.</p>	<p>85% allocated to local areas.</p> <p>15% reserved for Statewide activities which must include incentive grants, technical assistance, MIS, evaluation and one-stop system building. Permissible Statewide activities include incumbent worker projects, authorized youth and adult activities, and additional system building. Not more than 5% may be used for administration.</p> <p><u>Dislocated Workers</u></p> <p>60% allocated to local areas</p> <p>40% reserved by State, or which:.</p> <p>15% reserved for Statewide activities as described above.</p> <p>25% reserved for rapid response activities.</p> <p><u>Youth</u></p> <p>85% allocated to local areas.</p> <p>15% reserved for Statewide activities as described above.</p> <p><u>Note:</u> State 15% reserve amounts from each stream may be merged to carry out the activities.</p>
Interstate Allocation Formulas	<p><u>Adults</u></p> <ul style="list-style-type: none"> • 1/3 number of unemployed residing in areas of substantial unemployment (6.5%), • 1/3 excess unemployment (> 4.5%), • 1/3 economically disadvantaged adults. • 0.25% small state minimum. • 90% hold harmless. <p><u>Dislocated Workers</u></p> <ul style="list-style-type: none"> • 1/3 unemployed, • 1/3 excess unemployment (> 4.5%), • 1/3 long-term unemployed (15 weeks or longer). 	<p><u>Adults</u></p> <p>Factors same as JTPA</p> <ul style="list-style-type: none"> • If appropriation is less than \$960 million, JTPA hold harmless and small State minimums apply. • If the appropriation is \$960 million or more: <p>-- The hold harmless for each State is the greater of 100% at the State's actual allotment under JTPA in FY 98 or 90% of the allotment percentage of the State in the preceding year.</p> <p>-- Subject to the hold harmless for all States, the minimum for small States would be .3 % up to \$960 million plus .4% of any amount in excess of \$960 million.</p> <ul style="list-style-type: none"> • Stop gain of 130%. <p><u>Dislocated Workers</u></p>

	<p><u>Youth</u></p> <ul style="list-style-type: none"> • 1/3 number of unemployed in areas of substantial unemployment (6.5%). • 1/3 excess unemployment (> 4.5%), • 1/3 economically disadvantaged youth. • 0.25% small state minimum. • 90% hold harmless. 	<p>Same as JTPA.</p> <p><u>Youth</u></p> <p>Factors same as JTPA</p> <ul style="list-style-type: none"> • If appropriation is less than \$1 billion, JTPA hold harmless and small State minimums apply. • If appropriation is \$1 billion or more: <ul style="list-style-type: none"> -- The hold harmless for each State is the greater of 100% of the State's actual allotment under JTPA in FY 98 or 90% of the allotment percentage of the State in the preceding year. -- Subject to the hold harmless for all States, the minimum for small States would be .3 % up to \$1 billion plus .4% of any amount in excess of \$ 1 billion. • Stop gain of 130%.
<p>Substate Allocation Formulas</p> <p>Transfers</p>	<p><u>Adult</u></p> <p>Same as interstate factors.</p> <p><u>Dislocated Workers</u></p> <p>Governor prescribes, must include at least 6 specified factors.</p> <p><u>Youth</u></p> <p>Same as interstate factors.</p> <p>With approval of Governor, locals may transfer up to 10% between adult and year-round youth and may transfer 20% from summer to year-round youth. Appropriations Acts have recently allowed 20% transfer between adult and dislocated workers, and 100% between summer and year-round youth.</p>	<p><u>Adult</u></p> <p>State may allocate all (but not less than 70% of) substate funds in accordance with interstate factors or may, for up to 30% of funds, use alternate formula that incorporates additional factors developed by the State board relating to excess poverty or excess unemployment.</p> <p><u>Dislocated Workers</u></p> <p>Same as current law.</p> <p><u>Youth</u></p> <p>State may allocate all (but not less than 70% of) substate funds in accordance with interstate factors or may, for up to 30% of funds, use alternate formula that incorporates factors developed by state board relating to youth poverty or excess unemployment.</p> <p>With approval of Governor, local areas may transfer 20% between adult and dislocated workers funding streams.</p>
<p>Governance/Local</p>	<p>JTPA is administered on the local level by Private Industry Councils (PICs) in partnership with local elected officials. PICs and LEOs responsible for development of local plan and oversight.</p> <p>Members of PICs are appointed by LEO.</p>	<p>Local Workforce Investment Boards in partnership with local elected officials, are responsible for planning and overseeing the local program. The board is responsible for developing the local plan to be submitted to the Governor for approval, designating local one-stop operators, designating eligible providers of training services, negotiating local performance</p>

	<p>Composition of PICs: majority to be representatives of business; not less than 15% representatives of organized labor and community-based organizations; and representatives for 5 other specified public agencies (e.g. ES, Vocational Rehabilitation, public assistance and economic development).</p> <p>PICs may operate programs.</p>	<p>measures, and assisting in developing a employment statistics system.</p> <p>In addition, a youth council is to be established in each local area as a subgroup of the local boards. The youth council develops portions of the local plan relating to youth, recommends the providers of youth activities to be awarded grants by the local board, and coordinates youth activities in the local area.</p> <p>Members of Workforce Investment Boards are appointed by LEO in accordance with criteria established by Governor.</p> <p>Composition of Workforce Investment Boards: Boards must have a majority of business representatives, and include representatives of education providers, labor organizations, community-based organizations (including those representing the disabled and veterans), economic development agencies, and each of the one-stop partners (i.e., programs participating in the one-stop system). It may include other representatives the local elected official determines are appropriate.</p> <p>The board is prohibited from directly providing training services unless the Governor waives the prohibition based on a determination that another entity is not available to meet local demand for such training. In addition, the board may not directly provide non-training services unless the local elected official and the Governor agree to allow the board to provide such services.</p>
Designation of Sub-State Areas	<p>Governor is to take into account specified factors, including consistency with labor market areas, in designating local areas. Governor must approve any request from any unit of general local government or consortia of such units with a population of 200,000 or more to be a Service Delivery Area</p>	<p>The Governor is to take into account similar factors as current law (e.g., labor market areas) in designating areas. The Governor must approve a request for designation from units of general local government with a population of 500,000 or more. In addition, pursuant to their request, units of local government (or combinations of such units) with a population of 200,000 or more that were service delivery areas under JTPA are to receive temporary designation if they met JTPA performance measures during the preceding two years and had sustained fiscal integrity. If such areas substantially meet local performance measures for up to two subsequent years, the designation extends through the end of the state plan. Finally, local areas designated pursuant to previously enacted State laws are grandfathered.</p>
Governance/St	States are to establish SJTCC or SHRIC to	States are to establish State Workforce

ate	<p>advise Governor on coordination of workforce programs and carry out other activities.</p> <p>Under title II, the Governor submits a biennial Coordination and Special Services Plan describing how programs within the State will be coordinated, and the use of certain State reserve funds. Under title III, the State submits a biennial plan providing assurances relating to the services to be provided to dislocated workers and the activity of the State dislocated worker unit.</p> <p>State approves local plans and is responsible for oversight of local programs.</p>	<p>Investment Board to develop State plan and carry out other activities.</p> <p>The state board develops a 5-year strategic plan to be submitted to the Secretary of Labor, advises the Governor on developing the statewide workforce investment system and the statewide labor market information system, and assists the Governor in reporting to the Secretary of Labor and monitoring the statewide system. The comprehensive state plan developed by the board describes the workforce development activities to be undertaken in the state, how the state will implement the key requirements of the Act, and how special populations, including welfare recipients, veterans and individuals with multiple barriers to employment, will be served. The plan is also to incorporate the detailed state plans under the Wagner-Peyser Act relating to the delivery of employment services.</p> <p>Similar to current law. In addition, the State can decertify a local board in cases of fiscal noncompliance or nonperformance.</p>
Unified State Plan	Separate plan required for each Federal program.	<p>The bill permits and encourages the submission of "unified" state plans to ensure coordination of, and avoid duplication between, workforce development activities. The plan continues to be subject to the requirements of the plan or application under the Federal statute authorizing the program. Fourteen programs are specified that may be included, including programs authorized under this Act, the Wagner-Peyser Act, the Food Stamp Act, etc. Plans are approved unless the appropriate Secretary indicates within 90 days of receipt that the plan is not consistent with the requirements of the Federal statute authorizing the activity. The state legislature must approve the inclusion of secondary vocational education in the unified plan.</p>
Governance/Federal Regulatory Authority	<p>Federal role includes plan review and approval, performance awards/ sanctions, MIS, oversight, administration and management of national activities.</p> <p>General authorization for regulations as the Secretary deems necessary</p>	<p>Similar to current law.</p> <p>The state plan is to be approved within 90 days unless the Secretary determines the plan is inconsistent with the provisions of the title or the Wagner-Peyser plan does not meet the approval standard of that Act.</p> <p>Authorizes rules and regulations only to the extent necessary to administer and ensure compliance with the specific requirements of the Act.</p>

Labor Market Information	JTPA Title IV-E requires the Secretary to maintain a comprehensive labor market/occupational information system. Governors must designate the SOICC or other entity to oversee and manage a statewide comprehensive labor market and occupational supply and demand information system that meets BLS standards. Secretary to reimburse States thru NOICC.	A national employment statistics system is established, which is to be planned, administered, overseen, and evaluated through a cooperative governance structure involving the Department of Labor and the States. Requires the Secretary, through the Bureau of Labor Statistics, and in cooperation with the states, to prepare an annual plan to manage the nationwide system.
Job Corps	Currently authorized, under JTPA, as a separate national program.	Job Corps is retained as a separate national program. Job Corps provisions are amended to strengthen linkages between Job Corps centers and the state workforce development systems and the local communities in which they are located (e.g., each Job Corps center must establish an Industry Council to recommend appropriate vocational training for the center to meet local labor market needs). Applicants would be assigned to centers nearest to where they reside, with certain exceptions. Job Corps center performance indicators and expected levels of performance would be established for graduation, placement, retention, earnings, entry into postsecondary education or advanced training, and skill gains of graduates, and students would be provided with follow-up counseling for up to 12 months after graduation. The bill also codifies current administrative practices relating to a zero tolerance policy for the use of drugs or violence committed by an enrollee.
National Activities <u>National Reserve Account</u> <u>Indian & Native American Grants</u> <u>Migrant & Seasonal Farmworkers</u> <u>Veterans Employment Program</u>	<p>JTPA Title III-B establishes a National Reserve Account through which the Secretary may award grants to assist in addressing mass layoffs and carrying out other special dislocated worker projects. Disaster relief currently funded through dislocated worker demonstration authority. Separate DCA and DDP programs authorized to assist Defense workers affected by base closings and downsizing.</p> <p>JTPA section 401 authorizes a nationally-administered Indian and Native American Grant program. Grants are awarded competitively.</p> <p>JTPA section 402 authorizes a nationally-administered Migrant and Seasonal Farmworker Grant program. Grants are awarded competitively.</p>	<p>Establishes National Emergency Grants which would merge National Reserve Account authority for dislocated workers and disaster relief assistance.</p> <p>Similar to current law, but adds authority for Secretary, with specified exceptions, to waive provisions of the title that are inconsistent with the needs of the grantees pursuant to a plan submitted by the grantees to improve the program.</p> <p>Similar to current law, but specifies eligibility criteria in law.</p> <p>Broadens eligibility to add veterans with significant barriers to employment and veterans who served on active duty during war or campaign for which badges have been authorized.</p>

	JTPA section 441 authorizes the Secretary to conduct programs to meet the employment needs of veterans with service connected disabilities, from the Vietnam Era, and who are recently separated from service.	
National Incentive Grants	N/A	Beginning on July 1, 2000, the Secretary is required to award an incentive grant to each State that exceeds the State adjusted levels of performance for each of these workforce investment, adult education, and vocational education and submits an application for funds. The funds are to be used by the State for carrying out an innovative program consistent with the requirements of any one or more of the three programs. An incentive grant provided to a State shall be awarded in an amount that is not less than \$750,000 and not more than \$3,000,000. If the amount available for grants under this section for a fiscal year is insufficient to award a grant to each State or eligible agency that is eligible for a grant, the Secretary shall reduce the minimum and maximum grant amount by a uniform percentage.
Technical Assistance	<p>The Secretary must establish a Capacity Building and Information and Dissemination Network to provide training and technical assistance and related activities. Note: Congress has not appropriated funds for this activity in recent years.</p> <p>Dislocated worker program technical assistance separately authorized. Up to 5% of national reserve funds may be used for staff training and technical assistance.</p>	<p>The bill authorizes the Secretary to provide, coordinate and support the development of appropriate technical assistance, staff development, and other activities, including assistance in replicating programs of demonstrated effectiveness. The Secretary is also authorized to assist States in making transitions from carrying out activities under the provisions of law repealed by this title to carrying out activities under this title.</p> <p>The Secretary may use not more than 5 percent of the dislocated worker funds reserved at the national level to provide technical assistance to States that do not meet the State performance standards for dislocated workers. These funds may also be used to provide assistance to States, localities and other entities involved in providing assistance to dislocated workers, to promote the continuous improvement of assistance provided to dislocated workers.</p>
National Partnership Grants	The Secretary is authorized to award grants to eligible entities to carry out programs that are most appropriately administered at the national level.	Multiservice projects and multistate projects over \$100,000 must be funded competitively , selected pursuant to peer review process (for grants over \$500,000), and are subject to 3-year time limits.
Research, Pilots and	The Secretary is authorized to conduct	The Secretary is required to award grants or contracts to carry out research projects. Awards

Demonstration Grants	<p>continuing research.</p> <p>The Secretary is authorized to conduct pilot and demonstration programs, through grants and contracts, for the purpose of developing and improving techniques and demonstrating the effectiveness of specialized methods in addressing employment and training needs. Demonstration programs may not be funded for more than 7 years. Pilot programs may not be funded for more than 3 years.</p> <p>Dislocated worker program has separately authorized demonstration programs. Not less than 10% of national reserve funds must be expended on such programs.</p>	<p>over \$100,000 must be made on a competitive basis. However, a noncompetitive award may be made in the case of a project that is funded jointly with other public or private sector entities that provide a substantial portion of assistance for the project. The Secretary is required to utilize a peer review process to review and evaluate all grants in amounts that exceed \$500,000.</p> <p>Demonstration and pilot projects are only to be awarded on a competitive basis, except that a noncompetitive award may be made in the case of a project that is funded jointly with other public or private sector entities that provide a portion of the funding for the project.</p> <p>The Secretary is to use not use more than 10 percent of dislocated worker funds reserved at the national level to carry out demonstration and pilot projects, multiservice projects, and multistate projects, relating to the employment and training needs of dislocated workers.</p>
Evaluation	The Secretary is authorized to provide for the continuing evaluation of programs conducted under JTPA, as well as of federally-funded employment-related activities under other provisions of law.	Similar to current law.
Wagner-Peyser	Currently, separate authorization and funding stream.	Retains separate authorization and funding stream. Public labor exchange activities are required to be part of the one-stop system. Integrates Wagner-Peyser plan into State Workforce Development plan.
Twenty-First Century Workforce Commission	N/A	A "Twenty-First Century Workforce Commission" would be established to study matters relating to the information technology workforce in the United States. Composed of 15 members, the Commission is required to submit to the President and Congress their report within 6 months of their first meeting and terminate within 90 days after submitting their report.
Funding Authorization Level	No funding levels specified (such sums only) for all but Vocational Rehabilitation.	No funding levels included (such sums only). Includes percentage earmarks for specific categories of national activities.
General Waiver of Statutory Requirements	FY 96, 97 and 98 appropriations acts have provided the Secretary with general waiver authority over JTPA provisions, except for specified provisions that may not be waived, pursuant to State requests. Waivers are for one year in duration.	Includes waiver authority similar to current appropriations acts, except waivers may be granted for the full 5-year authorization period..

Work-Flex	The Department of Labor Appropriations Act of 1997 authorized the Secretary to grant Work-Flex authority for the provision of workforce training and employment activities to a maximum of six States. Work-Flex States are authorized to waive certain statutory and regulatory provisions of titles I-III of JTPA and section 8-10 of Wagner-Peyser.	Eligibility for "Work-Flex (currently authorized for six States by appropriations law) is expanded to all States. Pursuant to an approved plan, Governors would be granted authority to approve requests for waivers of statutory or regulatory provisions of title I submitted by their local workforce areas (except for labor standards and certain other provisions). Work-Flex States also would be authorized to waive section 8-10 of the Wagner-Peyser Act and provisions of the Senior Community Service Employment Program.
Extended Transition/Grandfathering	N/A	Allows state law provisions, enacted prior to December 31, 1997, relating to designation of service areas, and sanctioning of local areas for poor performance that are inconsistent with title I requirements to continue in effect for the 5-year authorization period. In addition, all states and localities may retain their existing state councils and local boards created under JTPA if they substantially meet the requirements of this Act.
Labor Standards	Requires participants to be paid at same rates as similarly situated employees, prohibits displacement of employed workers, and use of funds to encourage employer relocation, limits use of funds for economic development, contains separate nondiscrimination protections. Requires State and local grievance procedures.	Similar to current law.
Miscellaneous Administrative Provisions	OMB circulars do not apply, Secretary prescribes regulations relating to cost principles and administration of funds. State responsible for repaying disallowed costs from non-Federal funds (including stand-in costs), although Secretary may allow States to use future allotments as offset in certain cases. Program to be carried out on program year cycle (July 1 - June 30). Funds available for expenditure by States and localities during year of obligation and two succeeding years. Contains reporting, recordkeeping, administrative adjudication and judicial review provisions.	Applies OMB circulars to the administration of funds and cost principles. States are provided authority to repay disallowed local costs by deducting future year local administrative funds. Program year cycle retained, but youth funds available April 1. Expenditure period shortened for local areas to year of obligation and the succeeding year. Similar to current law with respect to other administrative provisions.
Implementation Schedule Authorization Period	N/A Unlimited Authorization	The Secretary of Labor and the Secretary of Education are each authorized to take such actions as they determine to be appropriate to provide for orderly transition to the new programs under their purview. The Act is effective on the date of enactment, except as otherwise provided in the Act.

		Authorizes appropriations for five years (FY 1999-FY 2003).
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KEY IMPLEMENTATION BENCHMARKS

Date	Activity
September 1998	Open Web Site/FEDERAL REGISTER Notice
September 1998	Engage Stakeholders in Identifying Issues
September 1998	Public White Paper: Goals and Principles
October 1998	Begin Consultation on Planning/Program/Policy Guidance
October 1998	Regions and States Identify Closeout Issues
November 1998	Publish Planning Guidance
December 1998	Begin Technical Assistance for Early States
February 1, 1999	Publish Interim Final Regulations
April 1, 1999	Early States Submit Plans
April 1999	Begin Technical Assistance for Non-Implementing States
April-June 1999	Review Plans, Negotiate Performance
July 1, 1999	Early State Implementation and Operation
As Plans are Approved	Additional States Begin Implementation
August 1999	Agency Reorganizes/Taskforce Disbands
December 31, 1999	Publish Final Regulations
April 1, 2000	Last Day to Submit State Plans
July 1, 2000	All States Implementing Workforce Investment Act

CALIFORNIA'S ONE-STOP CAREER CENTER SYSTEM

On November 17, 1996, the U.S. Department of Labor (DOL) announced the award to California of a \$24 million grant over a three-year period to implement the state's One-Stop Career Center System. Early three-quarters of the \$24 million dollars is being invested in local One-Stop partnerships over the three-year period. California's One Stop Career Center System strongly supports the integration of education; job training; and employment programs, services, and information to ensure they are delivered in a manner that is integrated, comprehensive, customer-focused, and performance-based to meet economic and workforce preparation needs.

California received an initial allocation of \$8 million, of which the majority was made available to local partnerships through a Solicitation for Proposal (SFP) process. In July 1997, Governor pet Wilson announced the award of 18 grants, totaling nearly \$5 million, to One-Stop Career Center System partnerships at the local level. During this first funding cycle, county welfare departments (CWDs) administering California's then Welfare-to-Work Program, the Greater Avenues for Independence (GAIN) Program, were considered to be "required invitees." Local partnerships were directed to invite their respective CWDs to participate in the planning and development of their One-Stops but, should a CWD decline to do so, the partnership remained eligible to receive funding.

In 1998, California received second-year funding from DOL in the amount of \$7.5 million. After a competitive process that concluded in July 1998, 21 local One-Stop Career Center partnerships were awarded a combined total of over \$6 million. The 21 funded partnerships demonstrated a high level of joint planning, policy development, and linkages among local One-Stops, School-to-Career efforts, the California Work Opportunity and Responsibility to Kids (CalWORKs) Program, and economic development activities. Beginning with this second round of funding, CWDs were no longer considered to be "required invitees." Instead, in the spirit of collaboration and in an effort to be more inclusive, the Governor's One-stop Career Center System Task Force adopted the policy to categorize CalWORKs, and related welfare-to-work programs administered by CWDs, as "mandatory participants." Partnerships not containing representatives from all mandatory programs are not eligible to compete for One-Stop Career Center System funding. Other mandatory participants include Job Service, Job Training Partnership Act, Unemployment Insurance, and Veterans Employment Service programs.

Recently, DOL announced that California would soon receive the third (and final) One-Stop Career Center System grant allotment of \$7.5 million. It is anticipated that the state, through the State job Training Coordinating council and the One-Stop Career Center System Task Force, will release an SFP in regard to these funds, on November 23, 1998. For your reference, we have attached specific information on the SFP process for the One-Stop funds to be awarded in 1999.



**One-Stop Career Center
System Task Force**



William M. Maguy In Cooperation with the State Job Training Coordinating Council
Chairman Pete Wilson
Governor

October 5, 1998

To: Interested Party

From: William M. Maguy, Chairman
One-Stop Career Center System Task Force

Over the past decade, California has made significant investment in and progress toward developing its One-Stop Career Center System. For the past two years the One-Stop Career Center System Task Force has been making funding available to One-Stop partnerships to support the development of local systems. California will soon receive its third (and final) One-Stop System grant allotment from the Department of Labor. Planning is now underway to make grants available to local partnerships by July 1, 1999.

On September 23, 1998, the Task Force approved the basic framework and timeline for the 1999 One-Stop Solicitation for Proposal (SFP) grant process. In responding to customer feedback from last year's SFP, many changes are being made to the 1999 SFP to improve and streamline the process. The Task Force directed the State One-Stop Office to disseminate the 1999 SFP information to partnerships as soon as possible in an effort to assist local areas in their 1999 One-Stop planning efforts. Enclosed is this information along with an Intent to Apply form. I encourage you to review this material and return the Intent to Apply form to the State One-Stop Office if your partnership plans to participate in this process.

Sincerely,

A handwritten signature in cursive script, reading "William M. Maguy", is positioned above the typed name.

William M. Maguy, Chairman

Enclosure

**CALIFORNIA'S ONE-STOP CAREER CENTER SYSTEM
1999 SOLICITATION FOR PROPOSALS (SFP) OUTLINE AND INTENT TO APPLY
FORM**

INTRODUCTION

On November 17, 1996, the U.S. Department of Labor (DOL) announced the award to California of a \$24 million grant over a three-year period to implement its One-Stop Career Center System. Nearly three-quarters of the \$24 million will be invested in local One-Stop partnerships over the three-year grant period. The One-Stop Career Center System, known as California WorkNet, strongly supports the integration of education, job training, and employment programs, services, and information to ensure they are delivered in a manner that is integrated, comprehensive, customer focused, and performance based.

California will soon receive the third (and final) grant allotment from the Department of Labor in the amount of \$7.5 million. From this grant funding, \$5 million will be available for One-Stop local grants. An additional, \$5 million in Job Training Partnership Act Title III Governor's Discretionary funding will also be made available to local One-Stop partnerships as part of this Solicitation.

A fundamental consideration in deciding which local projects are funded will be the level of joint planning, policy development, and linkage among One-Stop, School-to-Career, Welfare-to-Work, California Work Opportunity and Responsibility to Kids (CalWORKs), and economic development activities. In addition, the 1999 SFP will also be influenced by the following major factors:

- The Workforce Investment Act of 1998 (WIA) – This legislation, which takes effect no later than July 2000, will have a profound influence on the One-Stop service delivery system. The 1999 SFP will incorporate One-Stop service delivery changes required by this legislation.
- Reduced planning time –It is essential that funding be in place and available for grantees by July 1, 1999, to align with the final implementation date of July 1, 2000, required by the WIA. To accomplish this, it will be necessary to release the 1999 SFP by November 23, 1998 (see attached timeline).

MAJOR CHANGES

The 1998 SFP document will provide the framework for the 1999 document with the following major changes:

- Workforce Investment Act criteria specific to One-Stop Service Delivery will be incorporated in this SFP. For all grant categories, local areas will be asked to detail how they plan to meet the One-Stop service delivery requirements of this legislation.
- Rather than being a stand-alone category, technology will be built into all appropriate funding categories with a separate method for identifying, scoring, and grading this component.
- Existing One-Stop service delivery Memorandums of Understanding (MOUs) among partners will be accepted rather than separate MOUs for this purpose. Partnership MOUs will not be required to be submitted initially but will be required as a condition of final grant award. Applicants will be asked to clearly describe partner commitments, resources, and relationships.

EVALUATION

SITE VISITS

- Site visits will be made **ONLY** to those implementation applicants whose proposals meet a minimum score (not yet determined).

SCORING

- A scoring and evaluation tool will be developed prior to Bidders' Conferences.
- Implementation Grant final scores will be determined by combined reader and site visit scores.
- Final scores will be based on the overall quality of the proposal, readiness of the applicant to implement the proposed plan and the degree to which the applicant's proposal is in the best interest of the statewide One-Stop Career Center System.

BIDDERS' CONFERENCES

- Will be scheduled according to need.
- Will provide suggestions for successful submission.
- Will clarify proposal submission requirements.
- Will offer grant writing technical assistance.

FUNDING CATEGORIES

CATEGORY #1 - TRANSITIONAL PLANNING GRANTS

Purpose - To provide funding to local One-Stop areas to assist in planning activities associated with bringing their systems into compliance with the provisions of the Workforce Investment Act of 1998.

Grant Amounts – Up to \$100,000

CATEGORY #2 - REGIONAL PARTNERSHIP PLANNING GRANTS

Purpose: To provide funding to local partnerships for regional planning and partnering. To the degree possible, these regional partnerships will be encouraged to be consistent with the provisions of WIA specific to One-Stop Service Delivery.

Grant Amounts – Up to \$100,000

CATEGORY #3 - IMPLEMENTATION GRANTS

Purpose - To provide funding to implement local One-Stop Systems and support planning to comply with the provisions of WIA specific to One-Stop Service Delivery.

Grant Amounts – Up to \$750,000

1999 SFP TIMELINE

KEY DATES

Release SFP to Local Areas (Proposals will be available via mail, e-mail, and the Internet)	11/23/98
Bidders Conferences	Weeks of 01/4 and 01/11/99
Proposal Submission Deadline	02/17/99
Evaluation and Scoring	Weeks of 03/01 and 03/8/99
Site Visits	Weeks of 03/15 and 03/22/99
Final Scoring and Ratings	03/31/99
Governor Announces Award	05/21/99
Funding In Place	07/01/99

**CALIFORNIA'S ONE-STOP CAREER CENTER SYSTEM
1999 SOLICITATION FOR PROPOSAL (SFP)**

INTENT TO APPLY

If you intend to submit a proposal for One-Stop Career Center System grant funds, please complete the information below and return this form by October 28, 1998.

Submitting this form will not obligate your organization in any way nor will your organization be ineligible if you do not submit it. The SFP will be released and available on or about November 23, 1998, in hard copy or in electronic format.

The proposal and forms will be available at:

<http://www.sjtcc.cahwnet.gov/SJTCCWEB/ONE-STOP/DEFAULT.HTM>

or you may e-mail a request for forms to ggibson@edd.ca.gov.

If you are planning to submit a proposal, please complete the information below and submit this form by mail, or fax to:

Employment Development Department

One-Stop Office

Attn: Greg H. Gibson

P.O. Box 826880, MIC 77

Sacramento, CA 94280-0001

Fax: (916) 654-9135

Applicant:		Contact Person:	
Address:		Telephone:	
		Fax:	
		E-mail	
<p>Please Indicate which Grant(s) your partnership will be applying for:</p> <p><input type="checkbox"/> Transitional Planning Grant</p> <p><input type="checkbox"/> Regional Partnership Planning Grant</p> <p><input type="checkbox"/> Implementation Grant</p>			
Preferred Proposal Format: <input type="checkbox"/> Hard Copy <input type="checkbox"/> E-Mail <input type="checkbox"/> Diskette			

NOTE: Please do not mail this form if you have faxed us a copy. Thank you.