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## Senate WIA Reauthorization Bill Should Not Adopt the Administration's Consolidation or WIA Plus Proposals

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The Administration has proposed two Workforce Investment Act (WIA) reauthorization initiatives that would effectively eliminate requirements that existing employment and training funding streams be targeted for populations and purposes specified by Congress. The first proposal would require states to consolidate funding for the following programs: WIA adult, WIA dislocated worker, WIA youth, and the Employment Service. The second proposal—called WIA Plus—would give governors the option for unprecedented, broad waiver authority and allow for consolidation of a range of federal programs, including: Adult Education, Vocational Rehabilitation, Trade Adjustment Assistance, Food Stamps Employment and Training, and Veterans Employment.<sup>2</sup> For reasons outlined below, the Senate should reject both proposals in its WIA reauthorization bill.

### Consolidation

**The 2003 bipartisan Senate WIA reauthorization bill (S. 1627) rejected the Administration's previous proposal to consolidate the adult, dislocated worker, and Employment Service funding streams. S. 9, the bill introduced by Senator Enzi in January, which incorporates S. 1627, does not include the Administration's current proposal to consolidate the three adult funding streams and the youth funding stream. This year's Senate bill should similarly reject consolidation proposals for the following reasons:**

**Consolidation of the adult funding stream is unnecessary, given the flexibility available under current law.** Improving efficiency and reducing duplication of services are laudable goals. However, sweeping changes consolidating separate funding for targeted populations and services could have serious harmful effects, making it difficult to ensure effective targeting of resources for the purposes intended by Congress. Rather, Congress should consider other mechanisms to improve coordination. For example, S. 9 requires that statewide WIA activities include expanded local coordination of the Employment Service and WIA core services and requires collocation of Employment Service offices with one-stop centers. Further, under current law, local areas, with approval of the state, have the authority to transfer up to 30 percent of funds between the adult and dislocated worker funding streams. At the of end Program Year 2003, the amount of funds transferred nationally did not even approach the 30 percent maximum.<sup>3</sup>

**Consolidating youth funding with adult funding streams poses a number of risks.**

Current law recognizes that the service needs of disadvantaged youth are distinct from the needs of adults and provides separate and well-defined youth services with separate rules, performance standards, and requirements around use of funds. Under current law, funding for WIA youth programs is allocated to local areas using a formula based on unemployment, poverty rate, and disadvantaged youth population. There are mandated levels of service for out-of-school youth, and local Workforce Investment Boards, in partnership with local elected officials, are responsible for planning and overseeing a local program that is responsive to the challenges in the local area. If youth funds are consolidated, there would be no assurance that services to youth would receive the priority for funding when competing with the adult, dislocated worker, employer, industry, and economic development priorities of the state. Further, there would be no assurance that out-of-school youth will get the level of attention needed, especially given that this target group is over-represented in often neglected, poorer urban and rural communities. Finally, there would be no assurance that funding would be distributed proportionally to communities with high youth unemployment rates, drop-out rates, and poverty rates—particularly given that such decisions, in absence of legislated formulas, are highly subject to the political environment.

**WIA Plus**

**The Senate should reject proposals to include WIA Plus in its WIA reauthorization bill for the following reasons:**

**Targeted funding for disadvantaged populations would be eliminated.** According to the Administration’s description of WIA Plus, “Program-specific requirements will be minimized.” If program-specific requirements are minimized, funds could be shifted away from targeted, disadvantaged populations to more advantaged populations with fewer barriers to employment. Program requirements, which Congress put in place to meet the workforce needs of specific populations, could be eliminated. For example, individualized services for individuals with disabilities, targeted re-training and job placement services for workers laid off due to out-sourcing, and services geared specifically to assist veterans in finding employment could be abolished.

**States could be driven to provide less expensive—and potentially less effective—services to disadvantaged populations.** Presumably to avoid a dramatic reduction in services to at least some target populations, the Administration’s description states that “drops in participant levels for targeted populations such as individuals with disabilities will not be allowable.” However, it appears that there would be no guarantee that states would be required to maintain current levels of spending per participant. A requirement that “participant levels” be maintained would simply invite a numbers game, in which states could serve the same numbers by reducing expenditures per individual served. Thus, states could meet the requirement by providing the least expensive and least intensive services to vulnerable populations who need comprehensive, individualized services. The Administration states that WIA Plus would provide enhanced services to veterans because “They would become part of the customer base of the workforce development system most directly connected to and accessed by employers.”<sup>4</sup> However, veterans are already eligible for services through the WIA one-stop system, so consolidating funding and eliminating

targeted programs for veterans would not result in any enhanced services; to the contrary, it could result in significant reduction in services.

**Funds could be shifted away from economically depressed local areas or local areas with high concentrations of disadvantaged populations.** Federal funds that currently flow to urban and rural areas, based on formula factors such as excess unemployment, could be redirected to more affluent areas if a governor chose to favor one part of a state over another. Funding allocations based on political popularity rather than economic need would weaken the effectiveness of federally funded programs in accomplishing their established objectives.

**WIA Plus would give governors unprecedented and inappropriate discretion in setting priorities for local labor markets and populations.** Local service delivery models are dictated by local economic conditions, industry make up, and workforce demographics. Strategies to address local workforce and economic development needs cannot be well orchestrated at the state level. Discretion for decision-making to address local labor market needs should be retained at the local level.

**WIA Plus would undermine Congressional authority.** While precise details remain unclear, the proposal seems to contemplate providing the Administration with authority to waive a variety of provisions central to the core of the affected programs, upon a governor's request. Therefore, states would be in a position to ignore Congressional intent with regard to program purposes, rules, and protections.

**If WIA statutory limitations on waivers could be removed, WIA Plus is an even more troubling proposal.** It is unclear what provisions could and could not be waived under WIA Plus. Under the current WIA statute, waivers are broadly available under Section 189. However, the original WIA legislation specified key statutory requirements that cannot be waived, including workplace protections for participants, non-displacement provisions, grievance procedures, nondiscrimination, allocation of funds to local areas, rules governing the eligibility of participants and providers, and rules concerning the establishment and functions of local boards. These provisions were viewed by Congress in 1998, and should be viewed now, as fundamental to state and local workforce development systems.

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<sup>1</sup>This document reflects collective input from colleagues, in particular Mark Greenberg, Linda Harris, and Steve Savner.

<sup>2</sup>Neither legislative language nor further details on WIA Plus were available at the time of this writing. Thus, the analysis in this document is based on the following description: Employment and Training Administration. (2005). *Job Training Reform: WIA Plus Consolidated Grant Program*. Washington, DC: Author. Available at:

<http://www.doleta.gov/pdf/Job%20Training%20Reform%20WIA%20Plus%20Consolidated%20Grant.pdf>

<sup>3</sup> Employment and Training Administration. (2005). *WIA Quarterly State Spending Reports*. Washington, DC: Author. Available at: <http://www.doleta.gov/budget/qtrlyspend.cfm>

<sup>4</sup>Employment and Training Administration. (March 18, 2005). *WIA Fact of the Day*. Washington, DC: Author. Available at: [http://www.doleta.gov/Job\\_Training\\_Reform/Mar\\_18\\_Answer.cfm](http://www.doleta.gov/Job_Training_Reform/Mar_18_Answer.cfm)