



BILL SUMMARY

EDUCATION & THE WORKFORCE COMMITTEE

The Workforce Investment Improvement Act of 2012

H.R. 4297

"... I want to cut through the maze of confusing training programs, so that from now on, people...have one program...one place to go for all the information and help that they need. It is time to turn our unemployment system into a reemployment system that puts people to work."

-- President Barack Obama, January 24, 2012

THE PROBLEM:

The nation's workforce development system, authorized under the Workforce Investment Act (WIA), is a complicated bureaucracy for job seekers to navigate. The federal government currently administers roughly 47 job training and employment programs across nine federal agencies. Most programs overlap and serve the same populations, and only five of these initiatives have been evaluated for effectiveness. As a result of this broken system, taxpayer dollars are wasted, employers are unable to hire a properly trained workforce, and workers lack the skills necessary for success. Federal requirements have also left state and local workforce boards – which are responsible for policy and oversight of area training and employment services – mired in bureaucracy with little flexibility to target resources to meet the workforce needs of unemployed workers and employers.

Even President Obama during his recent State of the Union Address acknowledged a need for "one program" and "one place to go" to help Americans in getting back to work. With roughly 13 million individuals still searching for jobs across the country, the nation's workforce development system needs to help, not hinder, access to effective job training opportunities and employment services.

THE SOLUTION:

Congress must ensure the nation's job training system can effectively provide workers with the skills necessary to compete in the local workforce. U.S. House Subcommittee on Higher Education and Workforce Training Chairwoman Virginia Foxx (R-NC), former Chairman of the House Education and the Workforce Committee Howard P. "Buck" McKeon (R-CA), and Representative Joe Heck (R-NV) recently introduced the Workforce Investment Improvement Act of 2012 (H.R. 4297). The legislation builds on a number of proposals introduced last year to improve job training assistance. The Workforce Investment Improvement Act consolidates redundant federal job training programs, reduces administrative costs at the state and local level, expands the role of employers, ensures workers receive training for jobs that are in demand, and increases accountability.

Most notably, the bill establishes a single Workforce Investment Fund, giving state and local leaders the flexibility and decision-making power to direct more funds towards in-demand occupations in their areas. Together, these reforms will foster a dynamic, locally controlled, and outcome-driven workforce investment system that can respond quickly and effectively to the changing needs of job seekers and workers in need of training.

WORKFORCE INVESTMENT IMPROVEMENT ACT OF 2012:

- ✓ **Streamlines Federal Workforce Training Programs.** The Workforce Investment Improvement Act consolidates 27 federally-funded job training programs into a

single Workforce Investment Fund, providing job training services to adults, unemployed workers, and youth seeking employment. States are encouraged to reserve a certain percentage of funds to specifically target at-risk youth and individuals with unique barriers to finding employment. A new streamlined workforce development system ensures funds are spent more effectively and efficiently on those services that will help even the most vulnerable, unemployed, and underemployed workers find a new career.

- ✓ **Creates a Dynamic, Employer-Driven Job Training System.** The bill strengthens the role of America's job creators in our workforce investment system by ensuring two-thirds of state and local Workforce Investment Board members are employers. This will create a greater understanding of the needs of area employers and help the boards quickly identify and fill skill gaps in the workforce. The legislation also expands the functions of state and local boards to provide greater engagement with employers.
- ✓ **Expands Decision Making at the Local Level.** The Workforce Investment Improvement Act eliminates more than 19 specific federal mandates regarding local workforce board representation, empowering locally elected officials to determine the composition of the remaining board members. Similar requirements are lifted for state workforce boards. This provides greater representation and influence for local business representatives, education officials, and community groups who are currently unable to connect with or access services from local boards. The local workforce boards will regularly conduct analyses of area workforce needs, including economic conditions, the knowledge and skills of workers, and existing workforce development activities. This information will enhance support services for local workers and employers.
- ✓ **Improves Accountability and Transparency.** The legislation requires state and local leaders to set "common performance measures" for all employment and job training programs to help eliminate waste and ensure taxpayer dollars are used effectively. The bill also requires an independent evaluation of training programs every five years.
- ✓ **Creates a Seamless Workforce Development System and Simplifies Reporting Requirements.** Similar to current law, the Workforce Investment Improvement Act allows states to submit a unified statewide workforce development plan to the federal government for all job training and related programs. However, the bill allows governors to consolidate those programs into their state Workforce Investment Fund, providing greater administrative flexibility and reducing overly burdensome paperwork requirements. The bill strengthens the authority of governors to designate location of workforce areas in their states, which will help ensure resources and support services are more readily available to workers and employers.
- ✓ **Encourages More Training to Meet In-Demand Job Opportunities.** To help our workforce keep pace with an ever-changing economy, the bill requires local boards to reserve a portion of resources to spend directly on training. It also eliminates arbitrary provisions under current law that prevents individuals from accessing training immediately and streamlines the delivery of services to help individuals receive the support that best meet their needs. The measure allows states to determine the standards that will be required for eligible training providers, simplifying the bureaucratic requirements that have forced many community colleges and other providers out of the system. The bill also requires that service providers contribute a portion of their resources to support the infrastructure of the One-Stop Centers, providing more resources to training and other efforts that directly serve workers.
- ✓ **Improves Adult Education and Vocational Rehabilitation.** The Workforce Investment Improvement Act strengthens and improves adult education and literacy programs, as well as vocational rehabilitation programs. The bill increases focus on delivery of basic literacy and math skills, and works to build this instruction into employment and training activities. The legislation also focuses on helping individuals with disabilities transition into employment. Both programs are required to meet the common performance measures outlined in the bill.