



*Illinois
Workforce
Partnership*

**Workforce Investment Act
Reauthorization:
IWP Position**

The Illinois Workforce Partnership (IWP) supports the following principles for the improvement of the Workforce Investment Act (WIA). These principles promote the economic well being of American families and their communities.

1. **Local Workforce Investment Boards (LWIBs)** in partnership with Chief Local (City and County) Elected Officials (CEOs) should have an active leadership role in all decisions involving workforce development issues in their local communities.
2. Regardless of the manner in which States receive WIA funding, local workforce investment areas should be guaranteed that the **majority of dollars flow directly to CEOs and WIBs.**
3. CEOs should be empowered to appoint WIB members who will provide the quality of leadership needed to drive the local workforce development system without undue administrative requirements.
4. **Business leadership** at both the State and Local levels is essential to the success of the workforce development system.
5. WIBs should be empowered, and **financially supported**, to enhance their role as the strategic leaders for workforce development in local communities.

In order to achieve these goals the IWP strongly supports the following concepts in relation to the reauthorization of the Workforce Investment Act (currently in two pieces of proposed legislation, S 1021 and HR 27).

LOCAL WORKFORCE SYSTEMS:

- **Local Area Designation:**
Local workforce boards and a locally driven system are hallmarks of WIA and should remain the default position throughout the nation.
 - **Recommendation:** IWP supports the retention of current policies on the designation of local workforce areas. Statewide local workforce areas under governors' control fail to recognize the unique workforce and economic characteristics of different communities. Any reauthorization bill must be uncompromising in protecting local WIBs from being superseded by statewide boards. Further, the appeals process must protect the right to appeal designation decisions to the Secretary of Labor.
- **Smaller Local Workforce Investment Boards:** Local WIBs should be smaller and more focused on strategic planning and policy development activities. The LWIBs should govern a comprehensive system for workforce development utilizing the One-Stop Career Centers as the delivery mechanism.
- **Certification of One Stop Centers:** IWP supports the current policy whereby local workforce boards certify one stops based on criteria set by state WIBs. HB 27 locates this responsibility with State WIBs. This runs counter to the concept of local authority over programs within the WIA system.

- **Optional Youth Councils:** Chief Local Elected Officials and local WIBs should retain authority to create and maintain Youth Councils if it is believed the Councils add value to local areas.
- **More Meaningful Performance Measures:** Changes should be made to the current performance accountability system in order to ensure that local areas receive recognition for all the work done under the WIA and that local program operators are not driven away from serving the most in need.
 - **Recommendation:** IWP supports the development of common performance accountability measures across multiple workforce and partner programs. IWP supports the common measures that have been proposed by the Administration with one exception: **the efficiency cost measure**. This measure could lead to serving only those workers who are most job-ready and excluding serving individuals with the most serious barriers to employment (i.e., individuals with disabilities, low education and skills levels) because of more costly services, including training.
 - **Recommendation:** IWP supports local flexibility for adjustment of performance measures based on economic conditions or demographics, removing disincentives to serve individuals with significant barriers to employment. Further, USDOL should adopt a Return on Investment or regression model to calculate cost and wage gain measures to reflect local economies and characteristics of the populations receiving services. A self-sufficiency measure should be incorporated into any wage gain measure.
 - **Recommendation:** IWP supports a performance system in which all individuals served are enumerated, but opposes the inclusion of outcomes for individuals receiving only “universal” self-accessed services in performance reporting. The availability of universally accessible services would be severely limited if outcomes were measured for those self-accessing services.
 - **Recommendation:** IWP opposes the administration’s proposal that leads to a 100% placement rate among trained individuals. While all local workforce programs should strive toward perfection, such a goal is obviously impossible to meet and would result in local areas only serving those they were certain would succeed. Performance measures should never include such unrealistic expectations that local providers feel perverse disincentives to provide needed services.

BUSINESS LEADERSHIP:

- **Business Led State Workforce Investment Boards:** IWP opposes elimination of the requirement that State WIBs be made up of a business majority. IWP questions why State Workforce Boards should look different from Local Workforce Investment Boards. IWP agrees that greater buy-in from state partner agencies will enhance the system but also believes that business leadership is even more important in developing statewide policies for workforce investment that meet the needs of employers.

- **Recommendation:** Business-majority and business-led State WIBs should be retained as part of reauthorization.
- **Business Services:** Services to businesses are a critical component to the success of the workforce system. Business is one of the two customers of the WIA system and business services should be encouraged including options for incentives.
 - **Recommendation:** IWP applauds requirements in both bills that local plans include expanded emphasis on strategies and services that will be initiated to fully engage employers to make the system more relevant to the needs of area businesses and to better coordinate workforce and economic development.

FINANCIAL SUPPORT FOR LOCAL WORKFORCE SYSTEMS:

- **Consolidated Funding and Funding Allotments:** The current complement of WIA funding streams (distinct Adult, Dislocated Worker and Youth programs separate from Wagner-Peyser and other workforce funding) with flexibility to transfer funds among these funding streams is an important component of the locally-managed workforce system. It encourages broad customer access to services and a national commitment to three distinct customer groups while allowing flexibility based on the unique circumstances in local workforce areas.
 - **Recommendation:** IWP opposes any consolidation of funding across WIA and other workforce funding streams. Consolidation of programs or block grants to states will ultimately result in decreased funding overall, with serious ramifications for the recipients of workforce services in our communities. One population will be prioritized over another with unnecessary competition among programs and among workforce areas.
 - **Recommendation:** IWP supports maintaining targeted allotments for Youth, Adult and Dislocated Workers with reasonable transfer authority (30%) at the local level between all WIA funding streams. The flexibility to shift funds at the local level allows LWIBs to respond appropriately to the needs of business and to the unique demographic and economic workforce needs of their communities.
- **Protection Against Funding Fluctuations:** Large fluctuations in funding both inhibit long term planning and jeopardize services to individuals. Both States and local areas need to be protected from these budget shifts.
 - **Recommendation:** A ‘hold harmless’ provision that limits the amount of funding lost from year to year should be added to the legislation.
- **Consideration of Both Expenditures and Obligations During Reallotment:** IWP opposes the Secretary of Labor’s reallotment authority that is based solely on expenditures rather than considering obligations as well. The GAO pointed out that it is flawed to assess state and local spending based solely on reported expenditures. They cited the following as examples: there has been widespread delayed billing by educational institutions and other service providers and funds that are legally obligated, such as tuition for students in longer term programs, but have not already been paid out, do not show up in expenditure data. IWP agrees

that there are better ways to assess system spending than through expenditures exclusively.

- **Recommendation:** WIA reauthorization should require USDOL to utilize expenditures plus accrued expenditures plus obligations to report to Congress on spending levels. These terms should be clearly defined in the Act and regulations.