

A Guide to the American Workforce System

NEXIGHT GROUP



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Report Authorship

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A Guide to the American Workforce System

Introduction

American workers are the backbone of the U.S. economy, and continued U.S. economic growth relies on a system that fosters constant adaptation and development. Effective workforce development is essential to keeping the nation strong and providing individuals with the opportunity to achieve a sustainable livelihood. But the American workforce system is unwieldy and rests on a complex web of interlocking supports at the federal, state, and local levels, complicating the ability of policymakers to achieve meaningful, structural change.

This primer is intended to demystify the workforce system and provide a resource for those engaged in workforce development at any level. The federal government is the single largest source of workforce development funding, and this primer traces the flow of those funds throughout the system, highlighting areas where leverage is strong or interactions are weak.

Successful workforce development initiatives rely on extensive coordination among a range of public and private sector partners, and Nexight Group has prepared this document to help businesses, policymakers, and the American public better understand how federal funds are used to advance the American workforce system. This primer was prepared by engaging subject matter experts and conducting open-source research. It documents a common workforce vocabulary and presents a visual guide to illustrate how the federal government interacts with its agencies, the private sector, nonprofits, educational institutions, and other organizations to support the development of the nation's labor force. Ultimately, Nexight Group's purpose here is to bring clarity to a complicated system in order to better serve American workers and employers.

CONTENTS

Federal funds follow a convoluted path before they reach individual workers. At the heart of this primer is a flowchart developed by Nexight Group that illustrates the funding structure of the American workforce development system. This document also offers brief descriptions of various types of workforce development programs, relevant policies, and the different stakeholders involved in the system. Commonly used terms can be found in the glossary, and the appendix includes additional detailed information.

Funding for Workforce Development

SUMMARY

Workforce development funding flows through several different layers of federal, state, and local government before it reaches the actual workers and employer who utilize the funds. The federal budget, approved by both Congress and the President, determines how much money is appropriated to the federal agencies. The graphic below depicts the four major agencies involved in the workforce system: the U.S. Department of Labor (DOL), the U.S. Department of Education, the U.S. Department of Health and Human Services (HHS), and the U.S. Department of Agriculture (USDA). While these four constitute the majority of federal workforce efforts, they do not represent the entirety of the workforce system. For example, the U.S. Department of Veterans Affairs also administers and supports workforce development programs for veterans.

Through these departments, workforce development programs and acts allocate funds to federal and state workforce efforts. The rectangles in purple indicate funding from a Workforce Innovation and Opportunity Act (WIOA) core program. The rectangles in dark blue indicate other WIOA partner program funding sources. The governor then receives those appropriations as the head of the state's government. Based on how the state or program operates, the funds are allocated to state workforce development boards (WDBs) and then to local workforce areas that are managed by local WDBs. Decisions regarding appropriations vary by state and are based on the Unified State Plan (USP) or Combined State Plan (CSP) submitted to DOL. USPs or CSPs are required by WIOA to be submitted to DOL every four years. WIOA state formula grant funds go directly from the governor to state WDBs, while non-WIOA programs are more varied and may go to a state or local government directly before a state WDB.

Once allocated to local workforce areas, the funds from these programs and acts support the one-stop system created by WIOA that provides a variety of support services to both workers and employers. More detailed information on workforce development funding can be found in Appendices A and B, along with a more detailed graphic and summary of the system. Some states and local workforce areas have very little interaction with optional partner programs such as Temporary Assistance for Needy Families (TANF; mandatory unless a governor opts out) and Supplemental Nutrition Assistance Program (SNAP) Employment & Training (E&T), while others rely on those programs for a percentage of their workforce development funding. A few of these differences among states are discussed below with specific examples.

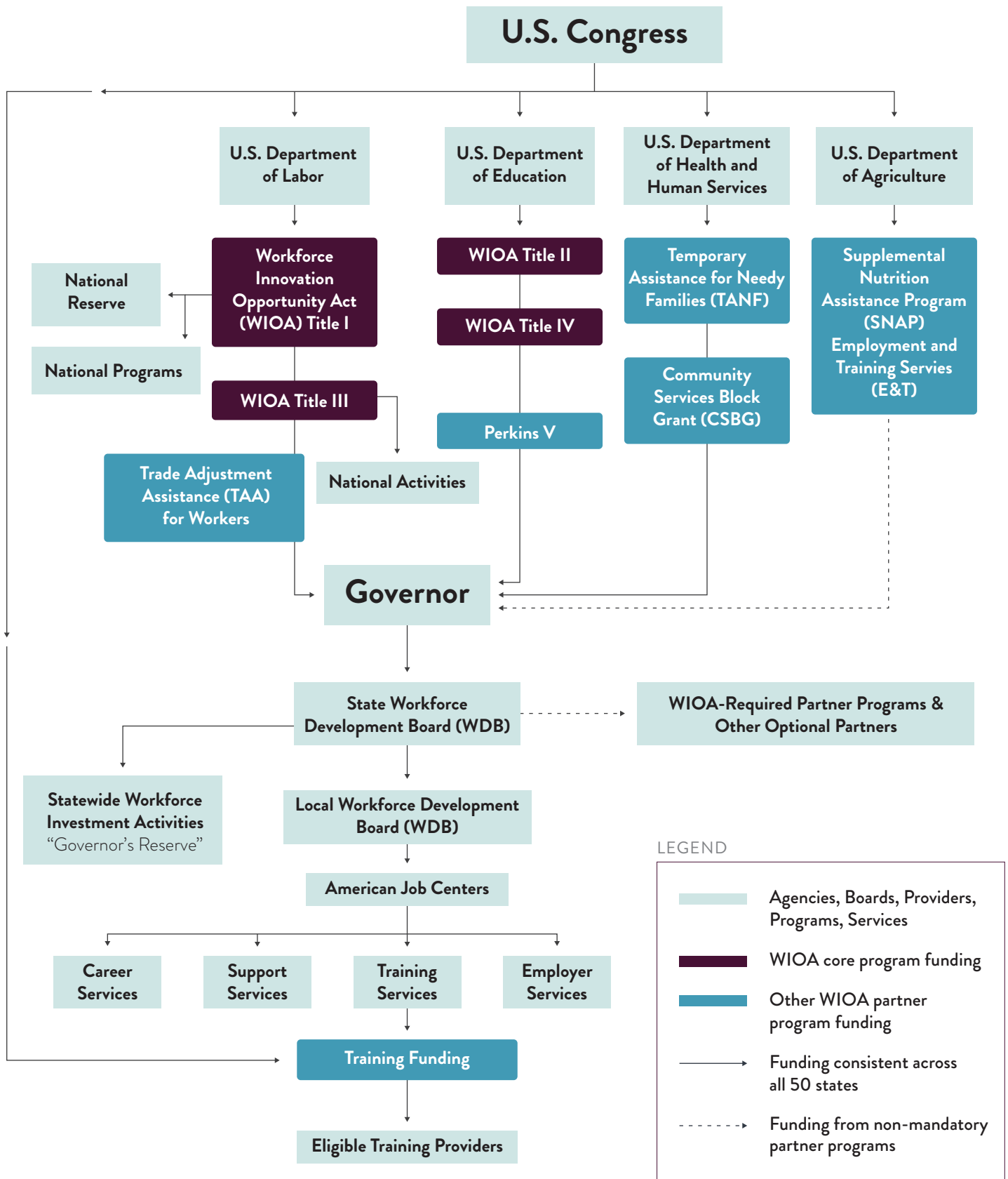
STATE-SPECIFIC APPROACHES

Tennessee

Tennessee offers one example of how states can utilize SNAP E&T benefits under WIOA. In fall 2015, Tennessee committed to expanding and enhancing this program with the help of the Seattle Jobs Initiative, a 501(c)(3) nonprofit organization aimed at connecting low-income and low-skilled workers with employment. Tennessee did this through a partnership between its Department of Labor and Workforce Development (TDLWD) Division of Workforce Services and its Department of Human Services (TDHS). TDLWD is a direct grantee of SNAP E&T funds and TDHS is responsible for making eligibility determinations.

Funding for Workforce Development

For a more detailed flowchart, see Appendix A; for more detailed information, see Appendix B



TDHS created an automated interface that refers SNAP-eligible people to TDLWD. Tennessee fully integrated this system into its local American Job Centers, partner agencies, and online platforms. TDLWD moved dedicated SNAP E&T direct service staff and career specialists to American Job Centers. The Seattle Jobs Initiative also helped Tennessee partner with third-party entities in order to finance 50 percent reimbursement funds from SNAP E&T.

Lastly, Tennessee launched its management information system (MIS), Virtual One Stop (VOS) in 2014, which allows the eligibility agency to create SNAP E&T accounts for new participants. Through MIS, participants can track their job training activities across programs, and employers can see these activities when individuals are applying for jobs.

Ultimately, Tennessee wanted to better utilize SNAP E&T by integrating it into its one-stop system to make its resources more accessible to workers and "braiding" funds for individuals on SNAP with WIOA funding to cover the full tuition for SNAP participants in skill training programs, particularly programs that focus on in-demand occupations (Kaz 2016, 12).

California

California's workforce development system is supported by a combination of federal and state funds. Between 2016 and 2017, California spent \$6.5 billion on workforce education and training programs, \$4 billion of which was state-funded. The majority of state-funded workforce and education programs are run through the network of California Community Colleges and the California Department of Education (Taylor 2016).

Local sector partnership are one of the most important mechanisms through California delivers training opportunities. These partnerships work by bringing employers together with entities providing education and job training to address the specific needs of a local industry. California uses a combination of state and federal funding to support grants for regional sector partnerships through the California Community Colleges' Doing What Matters for Jobs and the Economy initiative (Wilson 2017).

Kansas

In comparison, Kansas had no sector partnership policy in place as of 2017 (Wilson 2017). Sector partnerships are not mentioned in its state workforce development plan for the 2018 fiscal year ("WIOA State" 2017). However, the state does prioritize education through the partnership between the Kansas Board of Regents and the Kansas Department of Commerce. The partnership is for its integrated education and training (IET) model, Accelerating Opportunity: Kansas (AO-K). The legislation behind AO-K reimburses colleges at a higher tuition rate for eligible students. In addition, reimbursements can be made through the state Department of Children and Families for students who are both AO-K and TANF-eligible. Legislative appropriations also support Kansas' General Educational Development (GED) Accelerator program that gives eligible students payments for achieving educational milestones (Bergson-Shilcock 2016).

Workforce Development Models

Workforce development programs can take many different shapes but tend to fall into three different models: individual, societal, or organizational. These models can also be used in

combination to create a more comprehensive workforce development program that benefits the individual, organization, and economy as a whole.

The individual-centric model focuses on providing individuals with education and job training to help them gain skills for future employment. Some models also offer a combination of wraparound services (such as childcare or transportation assistance) and community support to help individuals prepare themselves for the workforce.

In contrast, the societal-centric model focuses primarily on maintaining growth and a competitive economic environment, which may entail retraining or reskilling workers to meet the demand for new skills and industries. This model's initiatives are typically carried out on a state or regional scale as part of a larger economic development plan for the area.

Lastly, an organizational-centric model focuses on the unique needs of specific employers or industries in order to maintain competitiveness in the global market. Modern approaches from the organizational-centric perspective include programs that target entire industries or clusters of occupations (Haralson 2010).

TYPES OF DEVELOPMENT PROGRAMS

Specific workforce development programs can take any number of forms. Some of the most common types of programs are described below.

Apprenticeships

Apprenticeships offer work-based learning that is typically paid, making them a more accessible option for most workers. Apprenticeships provide skill training relevant to the job and can be adjusted to address the needs of the future workplace. Along with skills, apprenticeships may offer nationally recognized credentials that can be used to further a worker's career in the industry.

Credential Program

Degree credentials, typically a diploma from a secondary or postsecondary institution, demonstrate completion of an educational program. Non-degree credentials include certificates, industry certifications, apprenticeship certificates, and occupational licenses. These can serve as tools for workers to demonstrate skills and training completion to employers (Leventoff 2018, Bergson-Shilcock 2017).

Grants/Scholarships for Education

Students who receive grants or scholarships use those rewards to pay tuition and support themselves financially in postsecondary studies, whether it be at a four-year college or university, community or technical college, or an occupational training program.

Integrated Education and Training (IET)

IET programs allow participants to build basic skills while also taking part in occupational training at the same time (Bergson-Shilcock 2017).

Non-Credential Program

Non-credential programs focus specifically on skill acquisition rather than credentialing and do not award a degree or certificate upon completion. The lack of degree or certificate can

prove a financial barrier to some workers, such as Pell Grant recipients, who cannot apply the funds toward non-credential programs.

Pre-Employment Training

Pre-employment or pre-apprenticeship training entails work-specific training prior to employment. This type of training is typically offered to underrepresented workers who lack adequate industry experience and usually consists of two to three months of basic industry math or technical skill instruction, gaining experience with relevant machinery, and building employability skills. Pre-employment or pre-apprenticeship programs are largely unpaid or come at a cost to the participant (Johnson and Spiker 2018).

Sector Partnerships

Sector partnership programs connect communities with specific industries. Federal funding for sector partnerships can help states partner with different industries to establish initiatives and programs to help build “talent pipelines” that meet the employment demands of the current and future labor market (Bergson-Shilcock 2017).

Stakeholders

FEDERAL AGENCIES

Federal workforce development programs are supported by ten federal agencies. More than 95 percent of the workforce development funding from the federal government comes from the following four agencies: DOL, the U.S. Department of Education, HHS, and the U.S. Department of Veterans Affairs (Veterans Affairs).

DOL accounts for 45 percent of the federal government's overall contribution, the Department of Education accounts for 30 percent, HHS for 13 percent, and Veterans Affairs with 8 percent (Nightingale and Eyster 2018, 100). Pell Grants are one mechanism for workforce training support, but the amount of Pell funding that directly supports workforce training or furthering education advancement is unclear.

STATE AND LOCAL WORKFORCE DEVELOPMENT BOARDS

Most workforce development takes place at the state and local level. State WDBs are appointed by the governor of each state, and local WDBs are appointed by the chief local elected official in the local workforce development areas. In a state WDB, there are a minimum of 33 members. Roughly half of the members are representatives from businesses while the rest are members of the state legislature, the chief elected local official, governor, and labor representatives, an apprenticeship program representative, and staff from WIOA core programs. The foremost purpose of both state and local WDBs is to develop plans that will address the workforce needs of the relevant region with a multi-year approach. These plans also help communicate the workforce needs of states and workforce development areas to DOL (Bradley 2015).

Core Responsibilities of State Workforce Development Boards

- Developing and implementing a USP or CSP

- Reviewing existing policies in order to better coordinate a streamlined workforce development system
- Developing and improving state-wide workforce activities and programs
- Developing formulas for within-state distribution of funds for adult and youth programs
- Preparing annual reports to DOL on performance measures

Local WDBs are typically smaller with a minimum of 19 members. As with state boards, roughly half of their members are representatives from businesses. There are also labor representatives, an apprenticeship program representative, and representatives from education and training, governmental, and economic development organizations. As with state WDBs, local boards' primary goal is to create a plan for the local workforce area that addresses the current and future needs of workers.

Core Responsibilities of Local Workforce Development Boards

- Developing a local plan for workforce investment activities
- Analysis of necessary skills, knowledge, and other conditions for regional labor market
- Overseeing all youth, adult, and dislocated worker programs
- Negotiating local performance measures with the governor
- Coordinating WIOA workforce development activities with local education providers

STATE AND LOCAL ECONOMIC DEVELOPMENT AGENCIES

State economic development agencies (EDAs) work to support existing businesses and recruit new ones, promote entrepreneurship, and coordinate with local EDAs in order to better sync economic development activities across regions (Francis 2016). Elected officials in states and localities collaborate with EDAs to implement strategies to support the existing workforce and adapt for the future. This can come in the form of attracting new residents and business to their region or looking to develop certain neighborhoods and counties (Eyster et al. 2016).

AMERICAN JOB CENTERS

American Job Centers are the one-stop operators authorized by WIOA. There are about 2,400 American Job Centers nationwide (CareerOneStop). Local WDBs are responsible for certifying and terminating one-stop operators. They are also responsible for measuring the performance of the job center. American Job Centers can be located in any of the following types of institutions: academic institutions, Employment Service (ES) state agencies, nonprofit organizations, for-profit entities, or government agencies (Bradley 2015).

There are two types of American Job Centers: comprehensive and affiliate centers. Comprehensive American Job Centers have mandatory WIOA programs available as well as a variety of other programs on-site. Affiliate centers provide a more limited array of services and do not have all the mandatory WIOA programs on site (CareerOneStop).

American Job Centers host mandatory and voluntary programs, as well as computer rooms that are usually staffed with people to help connect workers to relevant career and

education resources. The comprehensive centers also include a staff of career counselors who connect workers to eligible programs. The available programs are approved by the state WDB and are on the State Eligible Training Provider (ETP) list. The payment for the program is then arranged through an individual training account (ITA) and is given directly from the one-stop center to the ETP (HR 803 2014). The one-stop delivery service of programs under WIOA was created in order to streamline the flow of resources available to adult, youth, and dislocated workers. However, American Job Centers are not the only avenue through which WIOA and other workforce development programs or resources can be accessed.

Mandatory Partner Programs

The mandatory partner programs for one-stop centers under WIOA include all the programs authorized through DOL under WIOA Title I (e.g. Youth Workforce Investment Activities), ES (WIOA Title III), and Trade Adjustment Assistance (TAA) for Workers. Other mandatory partners administered by DOL include the Senior Community Service Employment Program, Jobs for Veterans State Grant programs, and State Unemployment Compensation programs.

The following programs authorized through the U.S. Department of Education are also mandatory WIOA partner programs: Adult Education and Literacy Activities (WIOA Title II), Vocational Rehabilitation State Grant Programs (WIOA Title IV), and Secondary and Postsecondary Career and Technical Education (Perkins V).

The remaining mandatory programs fall under the U.S. Department of Housing and Urban Development (HUD), HHS, and the U.S. Department of Justice. HUD is responsible for its own subset of employment and training activities that are separate from DOL. HHS hosts employment and training activities carried out under the Community Services Block Grant and the TANF program. The last mandatory partner of one-stop job centers is the Reintegration of Offenders Programs administered through the U.S. Department of Justice (Bradley 2015).

Other Partner Programs

WIOA authorizes one-stop centers to incorporate other partner programs as well including employment and training programs through the Social Security Administration, Small Business Association, SNAP, and other organizations. (Bradley 2015).

POSTSECONDARY EDUCATIONAL INSTITUTIONS

Postsecondary educational institutions include four-year colleges and universities, as well as community and technical colleges. They interact with the workforce system by providing workers with classroom-based training opportunities in line with their chosen career pathways; they also serve as co-locations for one-stop centers. Community colleges are considered the primary deliverer of training services under WIOA.

The Higher Education Opportunity Act (HEOA) of 2008 reauthorized the Higher Education Act of 1965, which provided federal money to universities, created scholarships, and made low-interest loans available to students. The Higher Education Act of 1965 also created the Pell Grant program to support low-income students through postsecondary education and training.

HEOA made it mandatory for postsecondary institutions in the United States to participate in Title IV student aid programs from the Higher Education Act of 1965. This required

postsecondary institutions to post functional net price calculators on their websites to help students and families calculate the cost of college based on their circumstances (“Higher Education” 2010).

NONPROFIT TRAINING PROVIDERS

Nonprofits can serve as training providers or as locations for American Job Centers. These organizations include (but are not limited to) community and faith-based organizations, philanthropies, workforce service providers, and workforce intermediaries (Eyster et al. 2016).

UNIONS

Unions serve multiple roles in the workforce development system. They can identify the training needs of workers in their relevant industry and act as a mechanism for union workers to gain job experience through apprenticeships and other professional experiences in the private sector. Unions can also create nonprofit organizations that fund training for their members and connect members to credential programs (Wagner 2010).

EMPLOYERS

Employers can connect with workers and the Federal Workforce Development system through several mechanisms. They can engage with workers directly through work training programs and apprenticeships. Employers can also serve as representatives from businesses and certain industries on both state and local WDBs. As part of WDBs, employers can better communicate the skills they look for in employees as well as what work experiences they deem most valuable in the industry. Employers are often less distanced from workers than government officials and have a better understanding of the local workforce needs in a region.

Relevant Policies and Programs

WORKFORCE INNOVATION AND OPPORTUNITY ACT

Congress passed the WIOA in 2014, replacing the Workforce Investment Act of 1998 and adding amendments to the Adult Education and Family Literacy Act (AEFLA, or Title II of WIOA), the Wagner-Peyser Act, and the Rehabilitation Act of 1973. WIOA is intended to serve a broad constituency, including adults and dislocated workers, job seekers, incumbent workers, and in- and out-of-school youth (Cushing et al. 2019). The act builds greater coordination of federal workforce development and related programs with its system of approximately 3,000 one-stop centers in the United States. The centers are administered by WDBs and provide access to career services for all adults, particularly low-income adults (Bradley 2015). WIOA is made up of five titles, which are described in more detail in Appendix C.

PELL GRANTS

Pell Grants are funded through the U.S. Department of Education’s Office of Postsecondary Education, and are used to support postsecondary studies in academic and occupational

training programs. A formula is used to determine Pell Grant qualification; because Pell Grants are entitlement programs, all students who qualify will receive them. Pell Grants are tools of “foundational assistance,” meaning funds given under these grants cannot be considered when determining a student’s eligibility for federal, state, or local aid (Kaleba and Gragg 2011).

These individual grants are disbursed through higher education institutions, and can support a student’s tuition, fees, housing, books, school supplies, transportation, and other costs (Kaleba and Gragg 2011). Students can only use Pell Grants for programs in which they will receive a degree or full credentials and funding varies based on whether a student is attending school part-time or full-time. Students may only receive Pell Grants for up to 12 semesters (“Federal Pell”).

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP) EMPLOYMENT AND TRAINING (E&T)

SNAP E&T is part of the overall SNAP program and helps participants access job training programs (“What is”). SNAP E&T is administered by USDA’s Food and Nutrition Service (FNS). It funds training and workforce experience activities for SNAP recipients through state formula grants and reimbursements (Kaleba and Gragg 2011). States receive funding by describing services needed in an annual SNAP E&T plan that they submit to USDA. The services are then offered by states or state partners, which include higher education institutions and American Job Centers. SNAP E&T is not a mandatory partner of American Job Centers, and therefore the services available in one-stop centers varies by workforce development (“What is”). There are three different types of funding methods SNAP E&T uses to support states and are described below.

E&T Program Grant (100%) Funds

The E&T program grant provides states an allocated dollar amount determined by a formula. These funds must be used to run programs and pay administrative costs. The funds cannot be used to reimburse participants’ expenses in programs (Kaleba and Gragg 2011).

50% Reimbursement (50-50) Funds

The federal government will reimburse states up to 50 percent for the administrative costs that exceed states’ funding through the E&T program grant and for E&T participant expenses directly related to participation. Annual federal funding is not limited but states can set their own participant reimbursement caps (Kaleba and Gragg 2011). The funds eligible for reimbursement include state and local funds. In addition, non-federal funds that come from third party providers contracted by states to offer E&T services are also eligible for reimbursement under this type of SNAP E&T fund (“What is”).

Able-Bodied Adults Without Dependents (ABAWD) Grant Funds

ABAWD grant funds are also known as Pledge State funds and are offered to able-bodied adults (adults between the ages of 18 and 49) without dependents (Kaleba and Gragg 2011). This group cannot receive SNAP benefits for more than three months in any given three-year period unless they are working, excused from the time limit, or living in an area that is waived from the limit (Kaleba and Gragg 2011). These grants are given to states who provide work and training opportunities for childless adults that are beginning their third (or

final) month of SNAP eligibility (Kaleba and Gragg 2011). The federal funds set aside for this program are capped at a certain dollar amount and then dispersed based on the ABAWD population size in each pledge state (“What is”).

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)

TANF provides cash assistance for low-income families. The program includes financial assistance for basic necessities, providing work, education and training activities, and childcare assistance (Bergson-Shilcock). TANF is administered by HHS, specifically through the Administration for Children and Families. TANF is a block grant, meaning that states can use the money as they see fit. States can also reserve TANF funds and carry them over from year to year (Kaleba and Gragg 2011). States are flexible in how they spend TANF and state maintenance-of-effort funds, but they must achieve one of the goals of TANF, which are all aimed at building financially stable, two-parent families. States also must require TANF recipients to engage in work activities which can include searching for jobs, education and training activities, and employment (“Policy Basics” 2020).

COMMUNITY SERVICE BLOCK GRANTS (CSBG)

The Community Service Block Grants (CSBG) program is administered by HHS, and 98.5 percent of these grants are block grants administered to states. Block grants are used to fund local entities that provide services and activities to support low-income individuals and support anti-poverty programs. The remaining 1.5 percent of CSBG grants are discretionary grants that can be awarded to statewide or local organizations and to support technical assistance and monitoring efforts of CSBG (“CSBG Fact” 2018).

STRENGTHENING CAREER AND TECHNICAL EDUCATION FOR THE 21ST CENTURY ACT (PERKINS V)

Perkins V reauthorized the Carl D. Perkins Career and Technical Education Act of 2006 through fiscal year (FY) 2024. The update includes the addition of common definitions defined in WIOA, as well as the terms “career and technical education (CTE) concentrators” and “CTE participants” (HR 2353 2018). Similar to the original act, Perkins V allocates funds to states and other grantees to improve CTE programs provided by secondary and postsecondary educational institutions. It promotes technical education by requiring states to deliver education that merges technical and academic content in secondary and postsecondary schools. The act targets CTE participants at public schools and students in technical and community colleges. The funding from Perkins V is used by states to assist with professional development for educators, secondary and postsecondary faculty, support personnel, and guidance counselors. Local CTE needs are reevaluated every two years (Cushing et al. 2019).

TRADE ADJUSTMENT ASSISTANCE (TAA) FOR WORKERS

TAA for Workers is a federal program that offers weekly income support payments and job retraining services to workers displaced by developments in international trade. The act was last reauthorized by the Trade Adjustment Assistance Reauthorization Act of 2015. TAA is administered by DOL and state agencies. Eligibility is determined by DOL, and funds are appropriated to state agencies and then to grantees after DOL's assessment. The benefits

are provided to workers through state workforce systems and unemployment insurance systems. Services and benefits can be accessed through the American Job Centers due to a WIOA mandate that TAA serve as a one-stop partner in the system (Collins 2018).

In order to be eligible for payments and job retraining funding, a group of workers must apply to DOL and certify that international competition was a major factor in their job loss. These workers can individually apply for TAA benefits once approved by DOL.

TAA offers four major benefits to workers. First, the program provides training subsidies to alleviate costs associated with skill acquisition and transition to new occupations. Secondly, TAA provides a Trade Readjustment Allowance (TRA), a weekly income support payment for those under TAA who have depleted their unemployment compensation (UC) and are enrolled in an eligible training program. The third benefit is Reemployment Trade Adjustment Assistance (RTAA), a wage insurance program available for workers over the age of fifty who receive reemployment at a lower wage. The insurance pays for 50 percent of the difference between the new wage and old wage (with a two-year maximum insurance of \$10,000). Lastly, the Health Coverage Tax Credit is available to some TAA-qualified workers. It is equal to 72.5 percent of qualified health insurance premiums. Eligibility for the tax credit depends on TRA eligibility and is administered through the tax code (Collins 2018).

Glossary

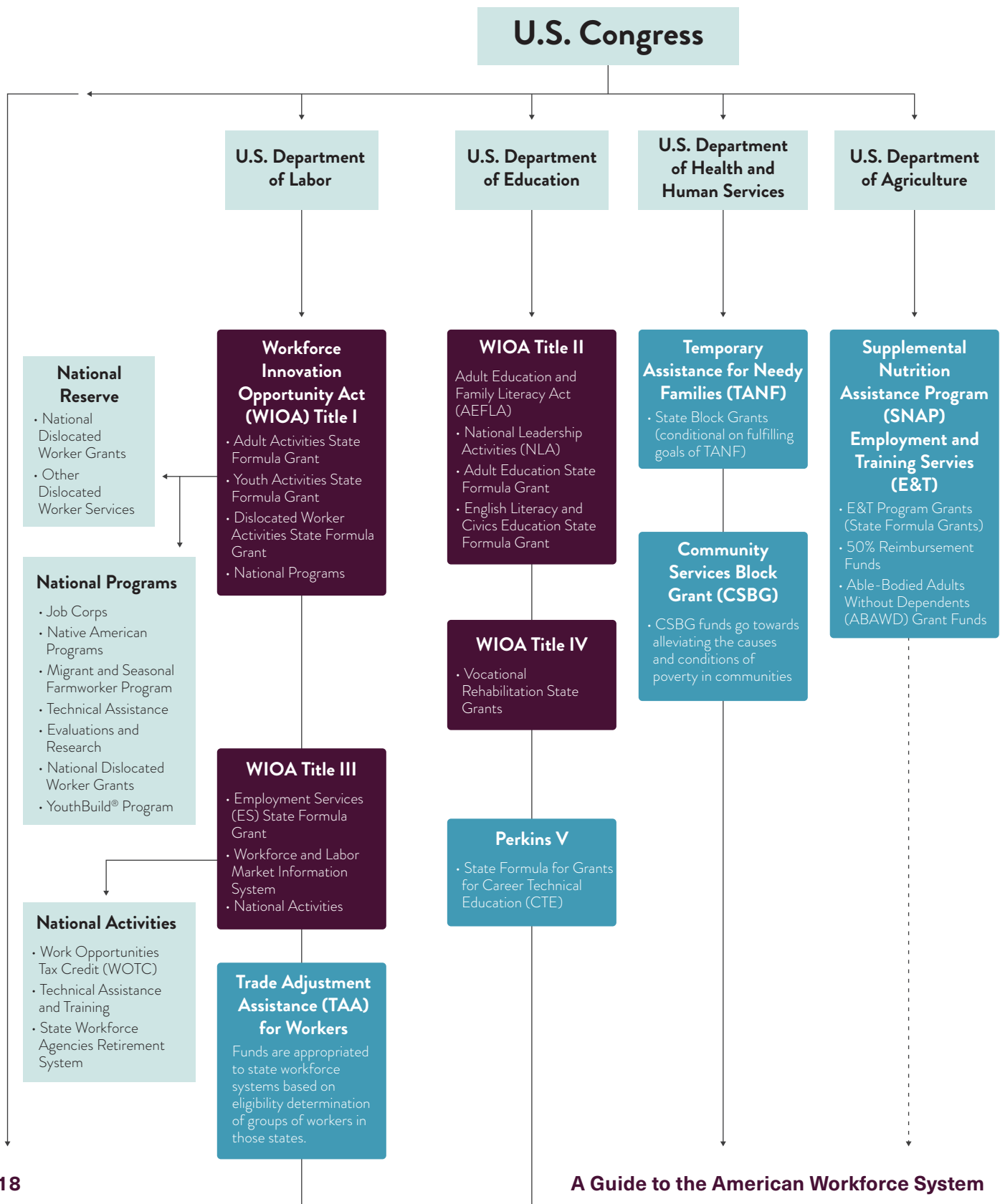
Able-Bodied Adults Without Dependents	This group is composed of adults without dependents who are between the age of 18 and 49 (Kaleba and Gragg 2011).
Adult Education and Family Literacy Act (AEFLA)	AEFLA constitutes Title II of WIOA and funds state and federal entities in supporting adult education.
American Job Centers	These are the one-stop operators authorized by WIOA. They offer education and training services and connections to other services for adult, youth, and dislocated workers.
Apprenticeships	These are typically paid, work-based learning experiences that provide instruction in the skills necessary to perform a specific job or jobs in an industry.
Block Grants	Block grants are fixed amounts of money allocated for specific programs at the state or local level.
Career and Technical Education (CTE)	CTE refers to an education that combines both technical and academic content. Two new CTE definitions were added under Perkins V: CTE concentrators and CTE participants. CTE concentrators are students at secondary schools who have completed at least two courses in a single CTE program of study or students at postsecondary schools who have earned at least 12 credits within a CTE program of study. CTE participants are individuals who have completed at least one course in an eligible recipient's CTE program (HR 2353 2018).
Combined State Plans (CSPs)	A CSP can substitute a Unified State Plan, which states must submit every four years to the Secretary of Labor according to Title I of WIOA. CSPs are made when states want to include both of the six core WIOA programs mandated by USPs as well as one or more additional one-stop partners. CSPs can be submitted to avoid completing separate plans or applications for additional workforce programs (Bradley 2015).
Community Services Block Grant (CSBG)	This program is administered by HHS, and its grants are used to fund local entities to provide services and activities to support low-income people and support anti-poverty programs ("CSBG Fact" 2018)
Credential Programs	These programs allow individuals to obtain a credential, which can come in the form of an educational degree, certificate, industry certification, apprenticeship certificate, or occupational license (Leventoff 2018, 2).
Discretionary Grants	These grants are awarded based on merit and eligibility. The recipients are selected in a competitive process.
Dislocated Workers	These workers were laid off or are about to be laid off from their current place of employment.
Economic Development Agencies (EDAs)	These agencies can exist at the state or local level. They work to sync economic development activities across regions by supporting existing and recruiting new businesses (Francis 2016).

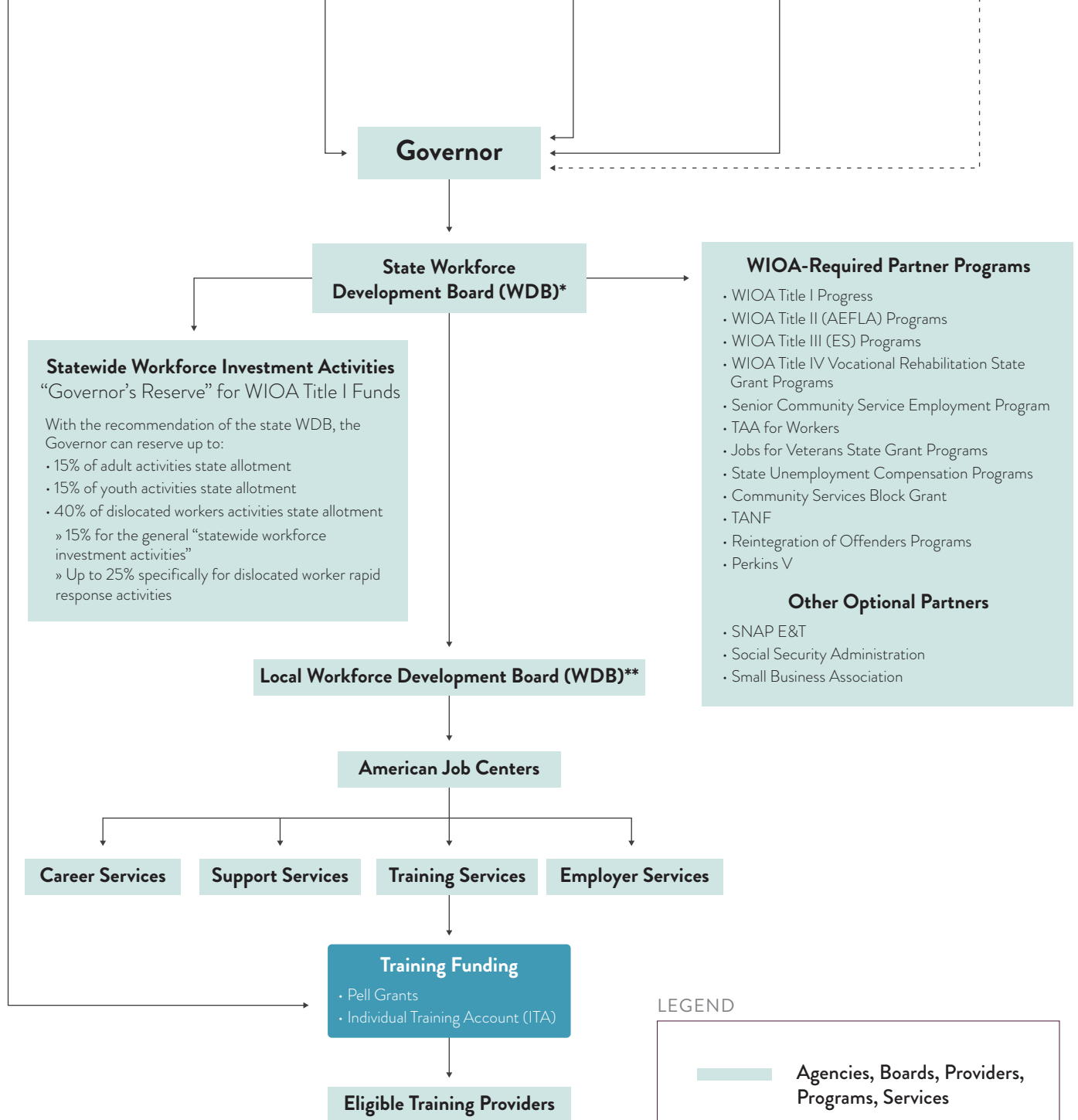
Eligible Training Providers (ETPs)	These providers have met eligibility requirements to receive WIOA funding and are approved by individual states' workforce development boards. Each state has an ETP list, which is found at one-stop career centers in order to help connect workers to resources.
Formula Grants	The funds for these grants are awarded based on a predetermined formula that may take into account the number of specific types of people who live in an area, a region's relative need, or other factors.
Health Coverage Tax Credit	This tax credit is available to some TAA-qualified workers and is equal to 72.5 percent of qualified health insurance premiums (Collins 2018).
Individual Training Accounts (ITAs)	ITAs are available for eligible participants based on individual assessments of a person's needs and job readiness. They can be used by participants to pay for certain career and training services and the payment is given directly from the one-stop center to the eligible training provider (HR 803 2014).
Integrated Education and Training (IET)	This model of training allows participants to build basic skills and take part in occupational training at the same time (Bergson-Shilcock 2017).
National Leadership Activities (NLAs)	NLAs include activities aimed at enhancing the quality and outcomes of adult education and literacy programs by providing assistance to states and local providers in administering these services. The main source of support is provided through research and evaluation of adult education activities, as well as assistance with states meeting their own performance measures and utilizing data systems ("Adult Education" 2014).
Non-Credential Programs	These are similar to credential programs but do not result in a certificate or degree that can be used to advance one's career. They do however prepare workers for the workforce through skills and job training.
Pell Grant	Pell Grants are entitlement programs and "tools of foundational assistance" for low-income students. Eligible individuals can be used by individuals to pay for tuition, fees, housing, school, supplies, transportation, and other expenses. Pell Grants are limited in that they can only be used for programs in which the student will receive a degree or full credentials (Kaleba and Gragg 2011).
Pre-Employment Training	Pre-employment or pre-apprenticeship training entails work-specific training prior to employment. This type of training is targeted towards underrepresented workers who lack adequate industry experience. It usually entails two to three months of learning basic industry math or technical skills, getting experience with relevant machinery, and building employability skills (Johnson and Spiker 2018).
Reemployment Trade Adjustment Assistance (RTAA)	RTAA is a wage insurance program available for TAA-eligible workers who are over the age of fifty and receive reemployment at a lower wage. It pays for 50 percent of the difference between the new wage and old wage, with a two-year maximum insurance of \$10,000 (Collins 2018).
Rehabilitation Act of 1973	This act authorized the provision of vocational rehabilitation services to individuals with disabilities. It was amended by Title IV of WIOA in 2014 (Bradley 2015).
Sector Partnerships	These are programs that connect communities with specific industries. Sector partnerships allow states to partner with industries and establish initiatives and programs that build talent pipelines in their states to meet the demand for different jobs (Bergson-Shilcock 2017).
Strengthening Career and Technical Education for the 21st Century Act (Perkins V)	Perkins V reauthorized the Carl D. Perkins Career and Technical Education Act of 2006 through FY2024. This act allocates funds to states and other grantees to improve CTE programs provided by secondary and postsecondary educational institutions (Cushing et al. 2019).

Supplemental Nutrition Assistance Program (SNAP) Employment and Training (E&T)	SNAP E&T is part of the overall SNAP program and helps participants access job training programs (“What is”). It funds training and workforce experience activities for SNAP recipients through state formula grants and reimbursements (Kaleba and Gragg 2011).
Temporary Assistance for Needy Families (TANF)	TANF provides cash assistance for low-income families. The program includes financial assistance for basic necessities, providing work, education and training activities, and assistance with childcare (Bergson-Shilcock).
Trade Adjustment Assistance (TAA) for Workers	TAA for Workers is a federal program that assists workers who are dislocated in the workforce due to international trade. It provides assistance by funding weekly income support payments and job retraining services (Collins 2018).
Trade Adjustment Assistance Reauthorization Act of 2015	This act reauthorized the TAA for Workers program through June 20, 2011 and made some changes to provision since the program's last reauthorization in 2011 (Collins 2018).
Trade Readjustment Allowance (TRA)	The TRA is a weekly income support payment for TAA-eligible workers who have depleted their UC and are enrolled in an eligible training program (Collins 2018).
U.S. Employment Service (ES)	ES is the nationwide network of public employment offices (“FY 2019” 2018, 15). ES helps job-seekers and businesses looking to hire by providing labor exchange services and referrals (Bradley 2015).
Unified State Plan (USP)	A USP is required to be submitted to the Secretary of Labor every four years by WIOA Title I. The plan outlines what strategies the state will use to deliver the six core WIOA programs. The plans are created and delivered by the state workforce development board (Bradley 2015).
Wagner-Peyser Act of 1933	This act established the nationwide system of ES. The act was amended by Title III of WIOA and integrated ES into the WIOA-authorized one-stop system (Bradley 2015).
Work Opportunity Tax Credit (WOTC)	WOTC is a federal tax incentive for employers who hire workers facing significant barriers to employment and is funded through Title III of WIOA (“FY 2019” 2018, 16).
Workforce Development	This refers to the coordination between the public and private sectors through programs and policies that helps provide individuals with the opportunity to develop workforce skills and advance their careers (Haralson 2010).
Workforce Development Boards (WDBs)	WDBs exist at both the state and local level. Their foremost purpose is to develop multi-year plans to address the workforce needs within their region. The boards, along with elected officials, govern the one-stop systems for their assigned regions. WDBs are made up of public sector workers as well as representatives from businesses and workforce development programs (Bradley 2015).
Workforce Innovation and Opportunity Act (WIOA)	WIOA was passed in 2014, superseding the Workforce Investment Act of 1998 and adding amendments to the Adult Education and Family Literacy Act, the Wagner-Peyser Act, and the Rehabilitation Act of 1973. WIOA targets adults and dislocated workers, job seekers, incumbent workers, and in- and out-of-school youth (Cushing et al. 2019).
501(c)(3) Organizations	These types of organizations are nonprofits recognized by the Internal Revenue Service (IRS) as being tax-exempt due to their charitable programs.

Funding for Workforce Development

Detailed Flowchart





LEGEND

- Agencies, Boards, Providers, Programs, Services
- WIOA core program funding
- Other WIOA partner program funding
- Funding consistent across all 50 states
- Funding from non-mandatory partner programs

* While much of the funding is at the discretion of the Governor or State Government, there are some funds that go directly to WDBs or American Job Centers. However, for the purposes of our primer, we made simplifications in our graphic to give an overall picture of how the system works. Depending on the state, funds going to the state workforce board may be directed by the Governor through a state workforce agency first. In some cases, the state workforce agency is the state workforce development board.

**State WDBs determine the allocation of workforce funds between the state and its localities. The amount of money that matriculates to local WDBs varies state to state based on individual states' Unified State Plans or Combined State Plans.

Prepared by Nexight Group
Credit: Lucy McMillan, Harin Contractor



Appendix B

Full Summary of Funding for Workforce Development Flowchart

The federal budget, approved by both Congress and the President, determines how much money is appropriated to the federal agencies.

The Department of Labor (DOL) then supports state and local workforce systems by funding these three main workforce development programs and acts: Trade Adjustment Assistance (TAA) for Workers, Workforce Innovation and Opportunity Act (WIOA) Title I, and WIOA Title III.

TAA for Workers provides funding to states based on how many workers are eligible in the state for its programs that fund training and income support payments.

WIOA Title I funding is split between financing national workforce programs, the national reserve for dislocated worker grants, and state workforce systems. The state workforce system is supported by WIOA Title I through three separate state formula grants. They fund adult, youth, and dislocated worker programs respectively.

The formula grant appropriation is determined by each state's relative share of unemployed people for those specific types of people.

The WIOA Title I formula grants then go to the individual states and with the guidance of state workforce development boards (WDBs), state governors can reserve up to 15 percent of state allotments for adult and youth activities and up to 40 percent of the state allotment for dislocated worker activities to be used for statewide investment activities related to workforce development.

From that 40 percent maximum of reserved dislocated worker money, 25 percent is specifically used for dislocated worker rapid response activities.

WIOA Title I money is then distributed by the state WDBs to local WDBs based on in-state formula grants. The money is used to fund the workforce development activities for the specified groups. The activities are then accessed through the one-stop-system created by WIOA (Bradley 2015). The one-stop-system includes one-stop-centers, or American Job Centers, at which workers and employers can access and navigate employer, career, training, and support services. Training services can be financed for workers through Pell Grants, if eligible. If the program or worker is not eligible for Pell funding, they can be paid for through an Individual Training Account (ITA).

WIOA Title III funding is divided between public employment offices, the workforce and labor market information system, and national activities. The nationwide network of public employment offices is collectively known as the Employment Service (ES) and are financed through state formula grants ("FY 2019" 2018, 15).

States are also given money through Title III to improve their workforce and labor market information systems in order to help job seekers connect more easily to employment opportunities.

These state funds and ES funds then go to state WDBs and are dispersed between local WDBs and used in the one-stop system created by WIOA.

The third use of Title III funds is to support national activities related to ES. The national activities financed through WIOA Title III include the Work Opportunity Tax Credit (WOTC), technical assistance, and the state workforce agencies' retirement system. WOTC is a federal tax incentive for employers who hire workers that face significant barriers to employment ("FY 2019" 2018, 16).

The U.S. Department of Education is a part of the federal workforce development system.

This is more traditionally seen through the Higher Education Act and provision of primary and secondary schooling.

The Department also supports workforce development through WIOA Title II, WIOA Title IV, and Perkins V.

WIOA Title II is known as the Adult Education and Family Literacy Act (AEFLA). AEFLA funds both state and federal entities in supporting adult education.

At the federal level, 2 percent of AEFLA-appropriated funds are reserved for National Leadership Activities (NLAs).

The remaining 98 percent of funds is distributed through two types of state formula grants. The grants support state and local workforce development systems in funding programs that help adults out of school learn basic math and English-language skills.

The first set of state formula grants are designated as Adult Education state grant funds, which make up 88 percent of the allotted AEFLA funds for state grants. The grants are distributed among states based on each state's relative number of adults who do not have a high school diploma or equivalent and are not enrolled in school. These funds can be used by states to finance basic education services, assist adults in achieving high school diplomas or equivalent, English-language training, and other adult education services.

The remaining 12 percent of total state grant funds from AEFLA are designated as English Literacy and Civics Education State Grants and are given to states based on each state's relative number of recent immigrants who are legal permanent residents. These funds are used specifically for "integrated English literacy and civics education" for English-language learners.

The majority of funds from the state formula grants are distributed to local WDBs, and up to 12.5 percent of the state's adult education state grant funds can be reserved for state leadership activities that help support the administration of adult education.

Local WDBs then allocate those funds accordingly to support eligible workers through the American Job Centers ("Adult Education" 2014).

The U.S. Department of Health and Human Services (HHS) interacts with the federal workforce system through its administration of Temporary Assistance for Needy Families (TANF) and Community Services Block Grants (CSBGs).

TANF provides block grants to individual states in order to achieve the program's goal. TANF's goal is to provide needy families with financial assistance and related support services.

WIOA mandates TANF to be a required partner of American Job Centers unless the state's governor, with the recommendation of the state WDB, chooses to opt out (Cielinski 2017, 2). If TANF is included in the state's USP or CSP, the plan must meet all the requirements of section 402 of the Social Security Act. A state can also modify its plans and add TANF at a later time as a formal CSP partner.

CSBGs are available to states and U.S. territories. They can be used to fund projects that support lessening poverty in communities and assisting low-income individuals receive essential services. Discretionary grants are also available at the state and local level for governments and associations to accomplish similar goals to the state block grants ("CSBG Fact" 2018).

The U.S. Department of Agriculture (USDA) is responsible for allocating funds to the Supplemental Nutrition Assistance Program (SNAP), which has a specific division for Employment & Training (E&T) services.

There are three different types of grants states can utilize through SNAP E&T: E&T program state formula grants, 50 percent reimbursement funds, and Able-Bodied Adults Without Dependents (ABAWD) grant funds.

SNAP E&T is not a mandatory partner of American Job Centers and so state WDBs can dictate in their state plans whether they would like to incorporate these programs and funds into their workforce development systems.

While less common, local WDBs can also partner with third-party entities such as community colleges or community-based organizations and utilize reimbursement and ABAWD funds for programs at their local one-stop center.

Appendix C

Workforce Innovation and Opportunity Act Titles

The Workforce Innovation and Opportunity Act (WIOA) is made up of five titles, as described below.

TITLE I

WIOA Title I funds the public workforce system by allocating funds to states that can be used to support workforce development programs such as career services and job training (Cushing et al., 2019). It also establishes the governance and performance accountability metrics for WIOA. Part of the WIOA governance mandated by Title I require that states submit Unified State Plans (USPs) every four years to the Secretary of Labor. These plans must outline what strategies the state will employ to deliver the six core WIOA programs: adult, dislocated, and youth programs (Title I); the Adult Education and Family Literacy Act (AEFLA or Title II); Amendments to the Wagner-Peyser Act (Title III); and the Vocational Rehabilitation State Grant Program (Title IV). USPs are created and delivered by the state workforce development board (WDB). Under WIOA, states can also substitute them with Combined State Plans (CSPs) to combine plans and programs. In order to address the specific needs of a locality while upholding the mission of the USP, local plans are created and delivered to the governor by local WDBs. (Bradley 2015). WIOA Title I is administered by the Department of Labor (DOL) and is applied to adult, dislocated worker, and youth programs (Cushing et al. 2019).

TITLE II

The WIOA Title II: Adult Education and Family Literacy Act (AEFLA) funds adult education and literacy activities specifically for out-of-school youth and adults who are not proficient in English or lack a high school diploma. These funds can be used to develop educational programs that build basic skills in English language arts (ELA), mathematics, and English-language proficiency for these target groups. AEFLA funding goes to states through the U.S. Department of Education and is then given in the form of grants to eligible education providers that deliver these services concurrent with training and workforce preparation activities (Cushing et al. 2019).

TITLE III

WIOA Title III includes the amendments made to the Wagner-Peyser Act of 1933. The amendments took the U.S. Employment Service (ES) from the Wagner-Peyser Act and integrated it into the one-stop system developed in Title I of WIOA (Bradley 2015). ES supports job seekers and businesses looking to hire through the provision of labor exchange services and referrals. ES is a mandatory WIOA partner of the American Job Center network ("FY 2019" 2018, 15).

TITLE IV

WIOA Title IV amends the Rehabilitation Act of 1973, which authorized the provision of vocational rehabilitation services to individuals with disabilities. WIOA Title IV integrates vocational rehabilitation with the one-stop system outlined in Title I. The state grant programs for vocational rehabilitation services are overseen by the U.S. Department of Education (Bradley 2015).

TITLE V

WIOA Title V details the administration of WIOA as an act. It includes general provisions for how workforce development programs and funding should transition from being authorized by the Workforce Investment Act of 1998 to being under WIOA (Bradley 2015).

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