Landscape Study of Federal Employment and Training Programs

Mason M. Bishop

JANUARY 2020

AMERICAN ENTERPRISE INSTITUTE

Executive Summary

The United States government has funded various employment and job-training programs since the 1930s. Many of these programs remain in effect today, including the Workforce Innovation and Opportunity Act (WIOA). WIOA provides funding for services targeted at low-income adults, dislocated workers, and disadvantaged youth and mandates the structure of one-stop service delivery among a number of programs that provide federal funds to states. However, while mandating one-stop service delivery, WIOA provides few tools for state and local officials to integrate programs and funds, making it challenging to realize the vision of true one-stop service delivery.

This report demonstrates the challenges of mandating employment and job-training coordination through WIOA because programs, policies, and funding incentivizes continued program delivery separation. First, during the past five decades, federal programs have continued to be created and authorized across multiple federal agencies, each with different interest group constituencies and bureaucratic layers. Second, opportunities to undertake significant reforms of many federal programs simply have not materialized. Rather, federal program reform attempts are often contradictory—while attempting to provide "flexibility" to states to deliver employment and job-training services, additional unnecessary mandates are placed in federal law that induce inefficiencies and hamper effectiveness in an attempt to protect the various interest groups' piece of the federal appropriations pie. Finally, more funding to serve more employers and workers does not address the issue of a duplicative, fragmented, and confusing service delivery architecture. In fact, more funding only exacerbates and incentivizes separate program delivery through separate agencies and bureaucracies.

To demonstrate attempts at rationalizing fragmented federal employment and job-training delivery on the ground, this report examines three states at different places on the spectrum. Virginia is a state that remains "siloed" in its approach with numerous state agencies overseeing employment and job-training programs. Conversely, Utah represents a highly integrated state where one state agency administers and delivers almost all the major employment and job-training programs funded by the federal government. Finally, Kentucky represents a state in the midst of reforms of its service delivery system based on labor market conditions and a desire to streamline services to customers.

Landscape Study of Federal Employment and Training Programs

Mason M. Bishop

The United States government has funded employment and training programs since the New Deal in the 1930s. The Wagner-Peyser Act of 1933 created the United States Employment Service (ES), one of the oldest components of today's employment and training program matrix. ES was a companion to the federal-state Unemployment Insurance Program (UI) and established basic services, such as job-search assistance and employment acquisition, designed to help those who were unemployed during the Great Depression.

Both the ES and UI programs—while over 80 years old and existing during enormous technological and workplace change—remain relatively unchanged today. Each program retains a separate authorizing statute and a separate appropriation as part of the federal budget. Each program also retains a unique feature not present in many other employment and training programs; services must be provided by "state merit staff" employees—that is, state employees who are part of the civil service and are not "at will."[1]

ES and UI programs are now part of a "one-stop delivery system" under today's federal job-training legislation—the Workforce Innovation and Opportunity Act (WIOA). The one-stop delivery system was created to better coordinate provision of multiple federally funded employment and training programs to benefit workers, job seekers, and employers. WIOA also authorizes funding for employment and training services targeted to low-income adults (Adult Program), workers dislocated from their jobs (Dislocated Worker Program), and disadvantaged youth (Youth Program).

Evolution of Employment and Job-Training Programs

WIOA is the latest iteration of job-training legislation going back to the 1960s. In 1962, Congress passed the Manpower Development and Training Act (MDTA), which established a link between the federal government and local service providers. In contrast to the ES, which provides job-search and job-placement assistance through state agencies, the MDTA funded job-training services to local communities targeting low-income individuals. Often these local grants were provided to local agencies competing in the same communities or proximate geographic areas, causing duplication and inefficiency in service delivery.[2]

The 1970s birthed a renewed interest in localized employment and job-training delivery with the passage of the Comprehensive Employment and Training Act (CETA), which developed local boards that conducted regional planning for programs targeted at low-income and disadvantaged adults and youth.[3] By the late 1970s, the CETA program directly funded over 700,000 public-service jobs nationally, and studies and reviews found widespread corruption, including nepotism and favoritism with beneficiaries of public-service employment.[4]

Table 1. Federal One-Stop Partner Employment and Training Programs Under WIA

Federal Employment and Training Program	Federal Agency Overseeing Program
Adult Activities	US Department of Labor
Dislocated Worker Activities	US Department of Labor
Youth Activities	US Department of Labor
Job Corps	US Department of Labor
WIA Native American Programs	US Department of Labor
WIA Migrant and Seasonal Farmworker Programs	US Department of Labor
Veterans Workforce Investment Program	US Department of Labor
Wagner-Peyser Employment Service	US Department of Labor
Adult Education and Literacy*	US Department of Education
Vocational Rehabilitation	US Department of Education
Postsecondary Vocational Education**	US Department of Education
Senior Community Service Employment Program***	US Department of Labor
Trade Adjustment Assistance****	US Department of Labor
Disabled Veterans/Local Veterans Employment*****	US Department of Labor
Community Service Block Grants	US Department of Health and Human Services
Unemployment Compensation (Insurance)	US Department of Labor

Note: *Authorized as Title II of WIA. **Authorized under the Carl Perkins Act. ***Authorized under Title V of the Older Americans Act. ****Authorized under the Trade Act of 1974, as later amended. *****Authorized under Job Counseling, Training, and Placement Service for Veterans, 38 USC.
Source: 20 CFR § 662.200, https://www.law.cornell.edu/cfr/text/20/662.200.

The 1980s and the Reagan administration brought reforms to the provision of employment and job-training services, including passage and implementation of the Job Training Partnership Act (JTPA). The federal-local linkage still remained; however, instead of public-service employment, JTPA focused funds on skills training leading to employment and self-sufficiency through partnerships between employers and skills training organizations. Unfortunately, JTPA's results were also disappointing, and concerns about program management remained significant.[5]

Nearly 40 years of failed and mismanaged employment and job-training programs and the passage of the North American Free Trade Agreement spurred the passage of the Workforce Investment Act (WIA). WIA was the first legislation in the history of employment and training programs that created the one-stop delivery system now embodied in WIOA and marked a policy shift from focusing on individual workers to more system-building through states.[6] In developing the notion of a one-stop delivery system, WIA named 16 federal employment and training programs to be delivered through the system (Table 1).

WIA also listed employment and training programs at the US Department of Housing and Urban Development (HUD) as program partners, but the YouthBuild program—the only HUD program meeting the definition of an employment and training program—moved from HUD to the US Department of Labor in 2006.[7]

In addition to the programs listed in Table 1, WIA also named other "optional" one-stop partner programs to be included in the one-stop delivery system if a state's governor made the determination. These included:

- Temporary Assistance to Needy Families (TANF) (US Department of Health and Human Services),
- Food Stamp Employment and Training (US Department of Agriculture), and
- National and Community Service Act of 1990 programs (Corporation for National and Community Service).

WIA attempted to better integrate and coordinate the array of federally funded employment and training programs through the local one-stop delivery system but was plagued with inefficiencies. In 2011, the Government Accountability Office (GAO) documented the lack of success and continued fragmentation of employment and training program delivery.[8] Specifically, the GAO found that the number of, and appropriations for, employment and training programs continued to grow; federal programs contained much overlap, especially for low-income, disadvantaged, and dislocated populations served by a number of programs; and efficiencies were likely if administrative structures and further program service delivery colocation occurred. Reflecting this sentiment, President Barack Obama referred to "the maze of confusing job training programs" in his 2012 State of the Union address.[9]

The evolution of employment and training legislation culminated with the passage of WIOA in 2014. The House version of this legislation included reforms that consolidated programs and funding and sought to provide governors more flexible options for the delivery of employment and training programs.[10] These proposals did not survive Senate review, and the final bill contained only modest changes to WIA that sought to reform planning processes and encouraged more program integration but largely maintained the current one-stop delivery system.[11]

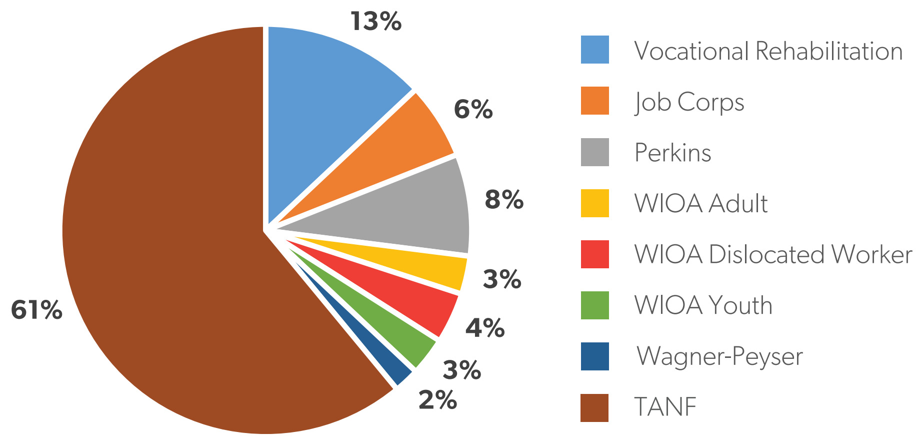
Foremost among WIOA changes was the identification of "core program partners," whereby states conduct unified planning and programs use the same performance measures and reporting time frames. Under WIOA, states may also include other partner programs, in addition to the core program partner programs, in a combined state plan. WIOA Primary Indicators of Performance are contained in Appendix A. The core program partners include:

- WIOA Adult Activities (US Department of Labor),
- WIOA Dislocated Worker Activities (US Department of Labor),
- WIOA Youth Activities (US Department of Labor),
- Wagner-Peyser Employment Service (US Department of Labor),
- Adult Education and Literacy (US Department of Education), and
- Vocational Rehabilitation (US Department of Education).

WIOA also named the same required partner programs that were contained within WIA with two additions: (1) TANF moved from an optional one-stop partner program to a required partner program unless the governor "opts out" of having TANF be part of one-stop service delivery, and (2) programs authorized under section 212 of the Second Chance Act are now also part of required one-stop service delivery. The YouthBuild program, which moved to the US Department of Labor in 2006 from the US Department of Housing and Urban Development, is also a required one-stop partner program under WIOA.

The inclusion of TANF as a required partner was among the most significant of the changes between the WIA and WIOA laws with the intent of bringing welfare-dependent individuals into direct contact with workforce development services. The

Figure 1. 2019 Appropriations for Federal Employment and Training Programs



Source: Federal appropriations statutes.

formal realignment appears to have had little impact in improving coordination among programs. They each retain separate program goals and funding streams with conflicting provisions, such as performance metrics, whereby TANF focuses on more rapid employment due to program time limits and WIOA emphasizes employment and career pathways, job retention, and wage gains.[12]

A recent update to the GAO's 2011 study finds that despite agency efforts to bring federal employment and training programs into alignment, these programs remain fragmented and have not yet generated data indicative of improved performance.[13] Conflicting program rules and funding streams continue to inhibit the ability of state and local partners to create effective, coherent employment and workforce development structures.

Scope of Employment and Training Programs

When addressing the federal employment and training landscape and its effectiveness in connecting skilled workers with available jobs, two challenges continue to permeate the system and likely will continue to impact performance and results. The first is that WIOA and its array of funded programs under Title I of the act, while typically seen as the "core" of the federal employment and training system, are dwarfed by the sheer size of many other federal programs such as TANF and Vocational Rehabilitation.

GAO documented that for fiscal year 2017, eight federal programs accounted for a majority of employment and training spending obligations.[14] Just TANF and Vocational Rehabilitation alone accounted for 36 percent of these obligations, and when the Job Corps program is added, they total 48 percent—almost half of all federal employment and training spending obligations. In contrast, the three programs authorized by WIOA—Adult, Dislocated Workers, and Youth—accounted for only 19 percent of 2017 federal obligations.

Figure 1 includes the federal employment and training programs with the most current appropriations information available. Similar to the GAO report, the programs with the largest appropriations include TANF, Vocational Rehabilitation, Job Corps, and Perkins Postsecondary Career and Technical Education.

The level of appropriations for each employment and training program tells only part of the story with the complexity of service delivery. While WIOA-funded Title I programs (Adult, Dislocated Worker, and Youth) make up a fraction of the federal employment and training program mix, WIOA mandates that 85 percent of Adult and Youth and 60 percent of Dislocated Worker funds be managed and used locally. This means that state workforce agencies receive the funds from the US Department of Labor and then distribute them by formula to the fiscal agents for the Local Workforce Development Boards (LWDBs).[15]

Meanwhile, programs such as ES, Vocational Rehabilitation, and TANF are managed and delivered by state-level staff, who far outnumber the local WIOA Title I staff. So, while the employment and training delivery system is designed to be a coordinated one-stop network managed locally as mandated by WIOA, reality on the ground is far different. State workforce and social services agencies administer a larger share of federal program appropriations, giving state agency staff more bureaucratic leverage when deciding and implementing service delivery policies and practices. This hybrid of state and local delivery of workforce programs also creates financial inefficiencies and customer confusion.

Second, while WIOA identifies various required and additional partner programs and defines mechanisms for increased coordination across these programs, history and practice dictate that when a federal employment and training program has its own federal authorizing statute, and more importantly its own federal appropriations line item, coordinated or integrated service delivery is only as successful as the willingness of state and local staff to make it a reality. This is due, in part, to staff prioritizing their own program's laws and regulations over federal guidance encouraging one-stop service delivery. Further, in instances where state and local leadership are committed to improving coordination, federal rules and regulations, such as how each federal program's performance is measured, tend to hamper attempts at streamlining.

Table 2 displays the core partner programs identified in WIOA, and Figure 2 highlights the funding levels of the core partner programs. The state-delivered Vocational Rehabilitation receives nearly twice the level of funding of WIOA Title I programs and the ES combined. When added with the appropriation for Adult Education and Literacy, the two US Department of Education programs receive more funding (62 percent of the total) than the four US Department of Labor programs.

Concurrently, among these federal employment and training core partner programs, coordination must occur among a locally driven WIOA Title I delivery system, a state merit staff ES program, a state-run Vocational Rehabilitation system, and a community- and education-delivered Adult Education system. This wide variation in service delivery and stakeholder responsibility adds an additional level of complexity to an already difficult process.

State Examples of Employment and Job-Training Service Delivery

The program and administrative complexity outlined above means states and localities face a massive challenge in designing and implementing delivery systems that maximize opportunities for target populations and minimize duplication and inefficiency. The WIOA one-stop structure should provide a focal point for this coordination. However, experience under both WIA and WIOA demonstrate mixed results, as some states have provided aggressive oversight and instituted reforms to the extent allowed by federal statute and regulations, while other states have continued a "status quo" approach of minimal coordination, allowing each federally funded program to essentially operate as a "silo" with its own service delivery personnel and locations.

To illustrate the variation in levels of coordination and integration found in state WIOA systems, this section profiles three state examples that represent a spectrum of existing service delivery organizations:

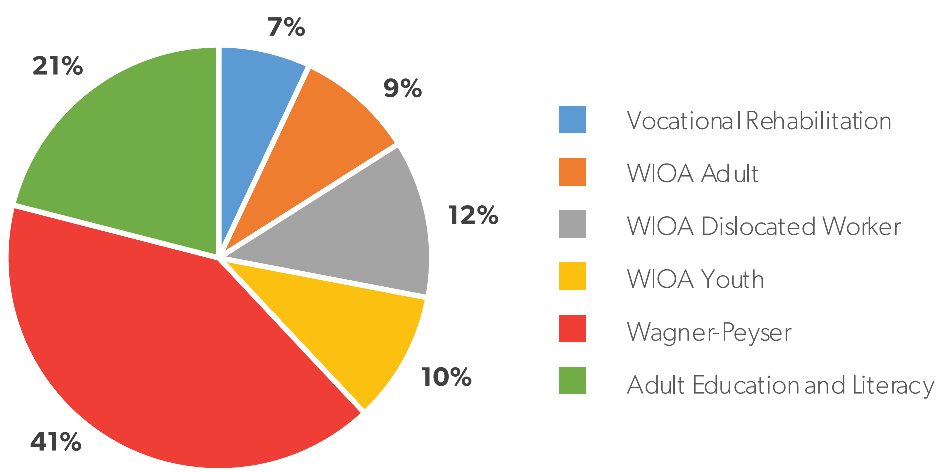
- Virginia, which is a state that has a traditional "siloed" state program structure;
- Kentucky, which is a state that is in the process of moving toward greater integration and coordination between WIOA, Vocational Rehabilitation, and other workforce-related programs; and

Table 2. WIOA Core Partner Programs

Core Partner Program	Federal Agency	State Agency That Typically Administers	Funding Flow (State/Local)
WIOA Title I Adult	US Department of Labor	Workforce/Labor Agency	85 percent of funds administered at local level; 15 percent administered at state level
WIOA Title I Dislocated Worker	US Department of Labor	Workforce/Labor Agency	60 percent of funds administered at local level; 40 percent administered at state level
WIOA Title I Youth	US Department of Labor	Workforce/Labor Agency	85 percent of funds administered at local level; 15 percent administered at state level
Wagner-Peyser Employment Service	US Department of Labor	Workforce/Labor Agency	Services required by regulation to be provided by state merit staff employees
WIOA Title II Adult Education and Literacy	US Department of Education	Education Agency	Services typically provided by sub-grant or contract to education and community agencies
Vocational Rehabilitation	US Department of Education	Education Agency	Services administered at the state level

Source: Funding information and organization taken from US Department of Labor, Employment and Training Administration, https://www.doleta.gov/.

Figure 2. 2019 WIOA Core Partner Program Funding



Source: Federal appropriations statutes.

- Utah, which is a state that has pursued a unique, highly integrated approach to workforce services delivery.

In developing these three state profiles, three components are addressed.

- **Program Organization.** Which agencies are administering various employment and training programs at the state level? How has this changed or is changing over time? To what extent are states delivering services directly versus devolving resources and authority to local public or private entities?

- **Program Financing.** Which cost-allocation models are used to share costs across relevant programs? How are funds "blended"? Does the funding structure enable coordinated or integrated services or reinforce program siloing?

- **One-Stop Service Delivery.** How is the one-stop service delivery system organized? What programs are actively engaged and financing the local one-stop system? Does the state have a consistent "brand" for its workforce system? Are services integrated through the one-stop delivery system, or do various programs have their own delivery systems?

Virginia Profile. Virginia's workforce system has historically been siloed. Multiple state agencies provide oversight for the array of federally funded employment and training programs, leading to duplicative service delivery systems across the commonwealth.

Program Organization. Virginia has four separate state agencies managing its WIOA core partner programs. While states typically have multiple agencies involved in WIOA core partner program delivery, the level of separate program administration in the Virginia system is pronounced. Figure 3 illustrates Virginia's workforce development system.

The Virginia Community College System (VCCS) administers the WIOA Title I programs—Adult, Dislocated Worker, and Youth. This change was made to connect WIOA Title I programs to community college training programs. However, both the ES and UI programs are managed by the Virginia Employment Commission (VEC), thus creating administrative separation between the part of the system charged with skills development and the part that deals with unemployed workers.

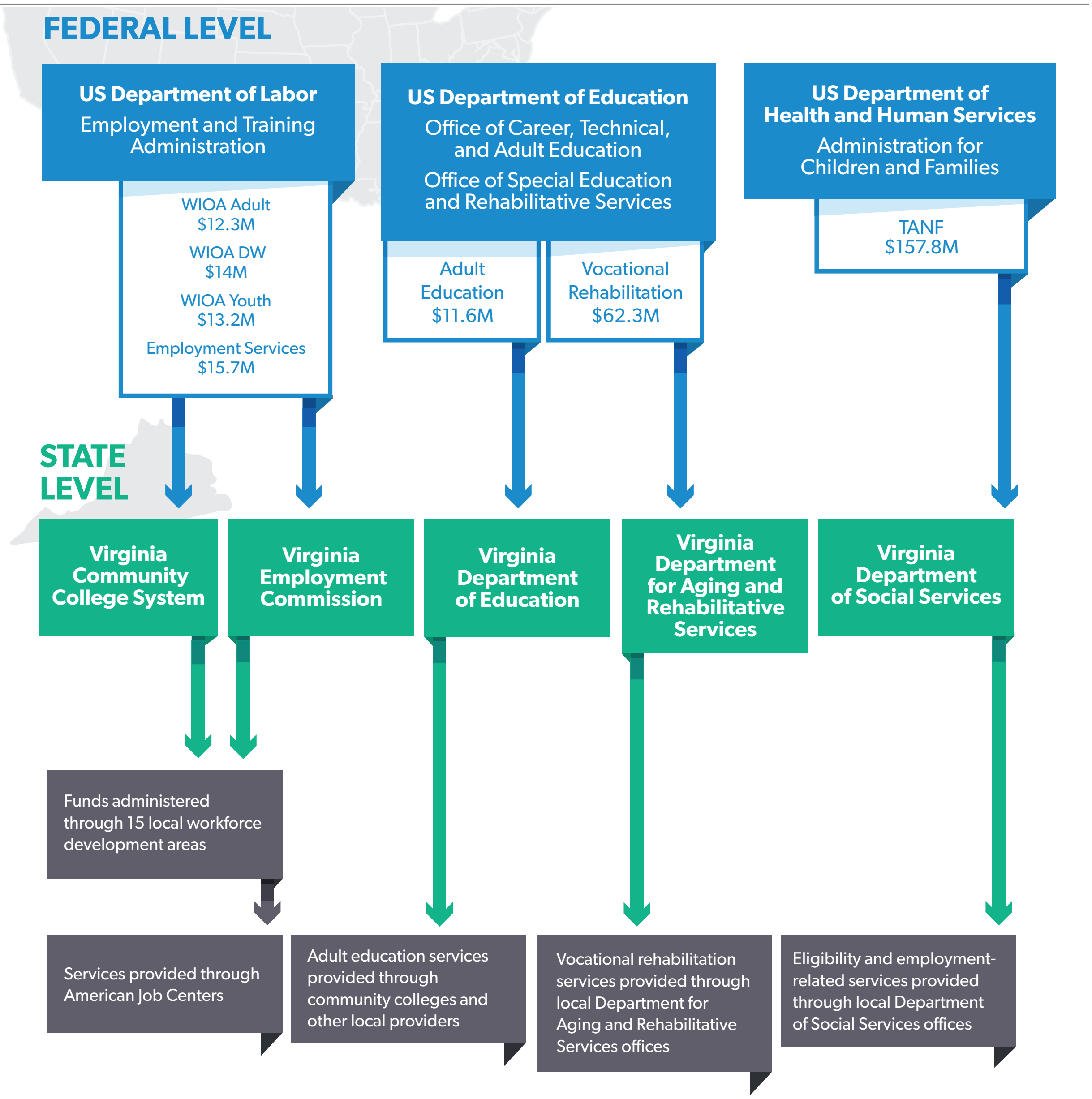
WIOA eliminated "stand-alone" ES offices and required that the state merit staff providing those services be integrated into the local one-stop service delivery system. In Virginia, these two separate state agencies administer the WIOA Title I funds that flow locally to LWDBs from the VCCS and state VEC ES staff who are stationed at locally run one-stop centers. This dynamic adds a level of complexity, which includes questions of who funds common services among the programs, who is responsible for common outcomes across programs, and who supervises and enforces policies and rules among these programs.

To add additional complexity, the Vocational Rehabilitation program is administered by the Virginia Department of Aging and Rehabilitative Services (DARS), and the Adult Education and Literacy program is managed by the Virginia Department of Education.

The required (noncore) WIOA partner programs are also managed by additional state agencies. TANF is operated by the Virginia Department of Social Services. The other large WIOA-required partner program—Perkins career and technical education—is administered by the Virginia Department of Education.

Other than the WIOA Title I funds being passed locally to operate the one-stop delivery system and provide services with these funds, all other major employment and training programs in Virginia are operated and provided using state staff or contracted agencies for programs such as Adult Education. This creates de facto multiple separate access points for services and provides challenging coordination issues for local WIOA Title I managers. For instance, a job seeker may see multiple employment staff in a one-stop center—a local WIOA Title I worker and a state employee Wagner-Peyser worker—and travel to a separate location to receive Adult Education

Figure 3. Virginia Workforce Development System



Note: "DW" stands for Dislocated Workers. "TANF" stands for Temporary Assistance for Needy Families. Dollar amounts reflect program or fiscal year 2018 allocations for Workforce Innovation and Opportunity Act Adult, DW, Youth, Employment Services, Adult Education, and TANF. Dollar amounts reflect fiscal year 2019 for Vocational Rehabilitation allocations.
Source: Information for infographics derived from federal and state agency websites from March 2019 to January 2020, along with Workforce Innovation and Opportunity Act state plans.

services. If a customer is entitled to TANF services, that person accesses a completely separate delivery system and office locations. This equates to multiple publicly funded employment and training systems operating simultaneously in Virginia.

Program Financing. Virginia relies on the local memorandum of understanding (MOU) process to cost allocate funds across the array of employment and training programs. Virginia Workforce Letter 17-04 states:

> A local MOU is the recognized mechanism for a Local Workforce Development Board (LWDB) to implement an agreement among the one-stop partner programs for the one-stop delivery of services in the Local Workforce Development Area (LWDA). Under the Workforce Innovation and Opportunity Act (WIOA), two or more local boards may negotiate, develop, and implement a joint MOU as part of regional planning and operations. Within a LWDA, the LWDB may establish an "umbrella" agreement that creates a single MOU negotiated among all partners that are engaged in providing services through the Virginia Career Works Service Delivery System.[16]

Since Virginia has 15 different LWDAs, this means Virginia may have 15 different cost-allocation plans and mix of partner funds to deliver services under the one-stop delivery system. Additionally, this high reliance on local partner negotiations means that any partner program personnel who do not want to participate in cost allocation can essentially opt out of the process. This method of program financing places an undue burden on local WIOA Title I LWDB personnel to solicit participation in the one-stop delivery system. The state agency structure in Virginia only adds to this burden because there is no enforcement mechanism to ensure partner program participation locally.

One-Stop Service Delivery. Appendix B contains a map of the LWDAs in Virginia. There are 15 LWDAs, so WIOA Title I funds are distributed to these 15 areas based on statutory formulas and regulatory requirements. LWDBs oversee the administration of these local WIOA Title I funds and the one-stop delivery system.

In 2018, the Virginia Board for Workforce Development undertook a major initiative to create a common brand for the one-stop delivery system. This resulted in the Virginia Career Works system, a new policy, and a brand charter with various materials and elements to be used.[17] The purpose of the Virginia Career Works brand is to create a unifying theme for all parts of the system and give customers a recognizable visual presentation for the array of services.

Each LWDA is responsible for cost allocation and working with partner programs to participate together in the one-stop delivery system. As a result, the one-stop delivery system in Virginia is primarily a WIOA Title I system only, with Wagner-Peyser Employment Service state staff participating to varying degrees in local one-stop delivery.[18]

Both the Vocational Rehabilitation system and the TANF system maintain separate staff and separate locations for service delivery. According to the DARS website,[19] multiple office locations throughout the commonwealth are available for individuals with disabilities and family members to apply for Vocational Rehabilitation benefits. Further, according to the Virginia Department of Social Services website,[20] a variety of funded employment projects are provided to various organizations throughout Virginia, most of which are not the local one-stop delivery system. Therefore, employment services for TANF customers are provided through a separate system comprised of organizations with personnel who are conducting the same, or similar, activities as WIOA Title I one-stop staff.

In essence, local WIOA Title I administrators and staff are in the position of developing cost-sharing agreements through an MOU process whereby partner programs are operating independently with either in-house or contracted employment and training service providers. This means Virginia has multiple delivery systems for employment and training, and customers maneuver through these systems based on eligibility for programs and availability of individual program funding.

Kentucky Profile. Kentucky represents an example of a state undergoing reform of employment and training program delivery. Spurred by two reports—a 2015 Kentucky Chamber of Commerce report and the establishment of a strategic action plan by the Kentucky Workforce Innovation Board titled "Kentucky Work Ready: An Urgent Call to Action"[21]—the Kentucky governor announced reforms designed to provide greater efficiency to service delivery and, more importantly, improved outcomes for Kentucky citizens and businesses.[22] Specifically, Kentucky's efforts, as detailed in the call to action report, center on four areas.

- **Employers.** The workforce development system will reach higher levels of employer engagement and employer satisfaction in the employment and training services provided.

- **Education.** More Kentucky residents will have access to different forms of education, including career and technical education, incumbent worker training, and adult education for individuals needing specialized assistance.

- **Workforce Participation.** Kentucky will focus on populations with barriers to employment to engage more individuals in activities that lead to work and self-sufficiency.

- **Organization and Resource Alignment.** Kentucky agencies and partners will work to reduce operational silos and redundant services and processes.

Program Organization. Kentucky has a unique organizational system at the state level (Appendix C) that aligns agencies into various cabinets. Cabinet secretaries report to the governor. Employment, education, and training programs are organized underneath the Education and Workforce Development Cabinet. Departments of particular relevance include the Department of Workforce Investment and the Department of Education.

Because of reforms, Kentucky is one of a few states that has organized all WIOA-identified core partner programs into a single agency. In the Department of Workforce Investment are the WIOA Title I programs, the Wagner-Peyser Employment Service, Vocational Rehabilitation, and Adult Education. The department also houses the Kentucky Unemployment Insurance program, the Trade Adjustment Assistance program, and Jobs for Veterans programs (Figure 4).

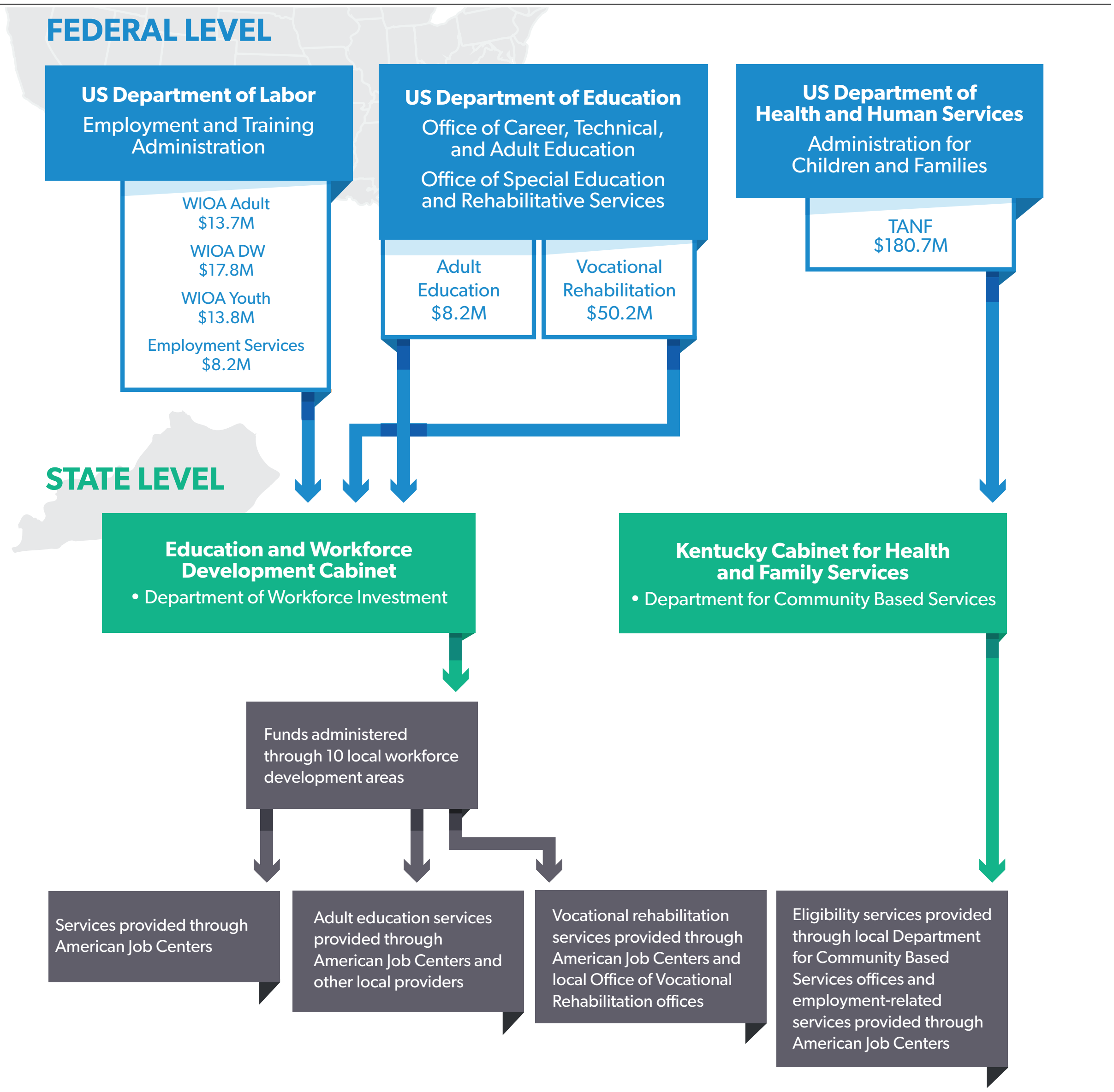
Other one-stop partner programs, such as TANF and Supplemental Nutrition Assistance Program (SNAP) Employment and Training, reside in the Cabinet for Health and Family Services, but the employment and training portions of those programs are administered at Kentucky's comprehensive career centers. Kentucky's Cabinet for Economic Development also assists in meeting employers' workforce needs. Historically, Economic Development's primary workforce responsibilities have included coordinating state-level business services through the Kentucky Skills Network; administering employer training incentives; and promoting employer-led partnerships such as the Kentucky Federation for Advanced Manufacturing Employment (FAME) and Talent Pipeline Management. In 2020, many of these responsibilities will transfer to the Education and Workforce Development Cabinet's Office for Employer and Apprenticeship Services.

The 2018 Kentucky Work Ready report identified over 70 workforce development programs in state government across a number of agencies[23] and points out the lack of a "single channel" for businesses and other customers to access the workforce system efficiently.[24] These concerns form the basis for the Organization and Resource Alignment reforms undertaken in the past year.

Program Financing. Kentucky relies on the local MOU process to cost allocate funds across the array of employment and training programs. This means that, similar to Virginia, each LWDA WIOA Title I administrator has to negotiate across partner programs to share costs of operating the one-stop service delivery system. This could result in inconsistencies in the service delivery mix across the commonwealth.

Current reform efforts are addressing program resource utilization. By some estimates, Kentucky has roughly $1.2 billion annually in spending available for employment and training services across multiple state agencies.[25] The estimated $1.2 billion includes federally funded programs such as WIOA, Vocational Rehabilitation, Health and Human Services programs, and Perkins funding, as well as state-allocated resources such as the Bluegrass State Skills Corporation training incentives, the Work Ready Scholarship, and the Work Ready Skills Initiative. Through the Kentucky Workforce Innovation Board, Kentucky is currently asset mapping all workforce and career and technical education resources to promote increased programmatic alignment and

Figure 4. Kentucky Workforce Development System

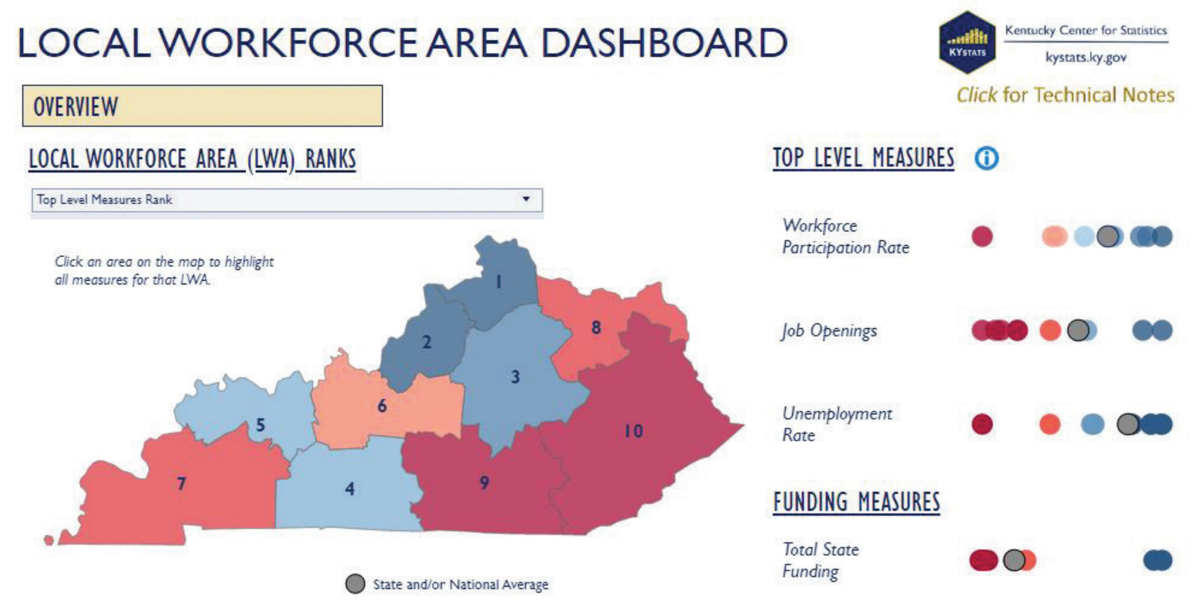


Note: "DW" stands for Dislocated Workers. "TANF" stands for Temporary Assistance for Needy Families. Dollar amounts reflect program or fiscal year 2018 allocations for Workforce Innovation and Opportunity Act Adult, DW, Youth, Employment Services, Adult Education, and TANF. Dollar amounts reflect fiscal year 2019 for Vocational Rehabilitation allocations.
Source: Information for infographics derived from federal and state agency websites from March 2019 to January 2020, along with Workforce Innovation and Opportunity Act state plans.

financial efficiency. As part of organizational reform, Kentucky is looking for practices that promote further cost sharing and consistent policies and performance measures across the range of programs.

One-Stop Service Delivery. According to the Kentucky WIOA State Plan, the commonwealth has four regions and 10 LWDAs. To promote transparency, Kentucky has created its first state Local Workforce Area Dashboard (Figure 5).[26] This is a new and unique

Figure 5. Kentucky LWDA Dashboard



Source: Kentucky Center for Statistics, "Local Workforce Area Dashboard," https://kcewsreports.ky.gov/t/KCEWS/views/LWADashboardBoardMeeting/LWADashboard?iframeSizedToWindow=true&:embed=y&:showAppBanner=false&:display_count=no&:showVizHome=no.

feature developed by Kentucky workforce officials to assist the public with where to access services and to demonstrate program results and publish important labor market information.

WIOA Adult, Dislocated Worker, and Youth funds are distributed to the 10 LWDAs based on statutory formulas and regulatory requirements. LWDA boards oversee the administration of these local WIOA program funds and the one-stop delivery system consisting of the WIOA core partner programs.

On its online career center directory, Kentucky lists 59 centers from around the commonwealth.[27] However, according to the WIOA State Plan, 11 of these locations are considered comprehensive centers, where WIOA Title I and other core partner program services are available. The other centers are considered satellite locations—for instance, one or more partner programs may be available.

To provide services, Kentucky has implemented a team-based management approach.[28] Through a functional alignment approach, clients are served by staff from partner programs based on services needed and employment and training activities undertaken. This is one strategy of trying to collaborate across programs in lieu of a more consolidated approach. However, team members are from the cabinet and core partner program agencies primarily.

Utah Profile. In 1996–97, Utah underwent a two-year reorganization and realignment process that resulted in the creation of the Utah Department of Workforce Services (DWS), which merged formerly independent agencies into one comprehensive employment and training-focused agency. Since that time, Utah has continued to merge other agencies into DWS to create a larger, consolidated department that includes a growing number of programs designed to support and assist low-income and disadvantaged individuals and families.[29]

Program Organization. Utah was the first state to consolidate its employment, training, and welfare programs into a single state agency.[30] At the onset of the new department on July 1, 1997, the following partner programs were included:[31]

- Adult Activities,
- Dislocated Worker Activities,
- Youth Activities,
- Wagner-Peyser Employment Service,
- Unemployment Insurance,
- Trade Adjustment Assistance,
- Veterans Employment and Training Programs,
- TANF, and
- SNAP (Food Stamps).

A number of supportive services programs were also part of the new agency. For example, the Office of Child Care was integrated into DWS, in recognition of the important role childcare plays in helping parents find and retain employment. Since that time, several additional agencies have been added to the DWS portfolio.

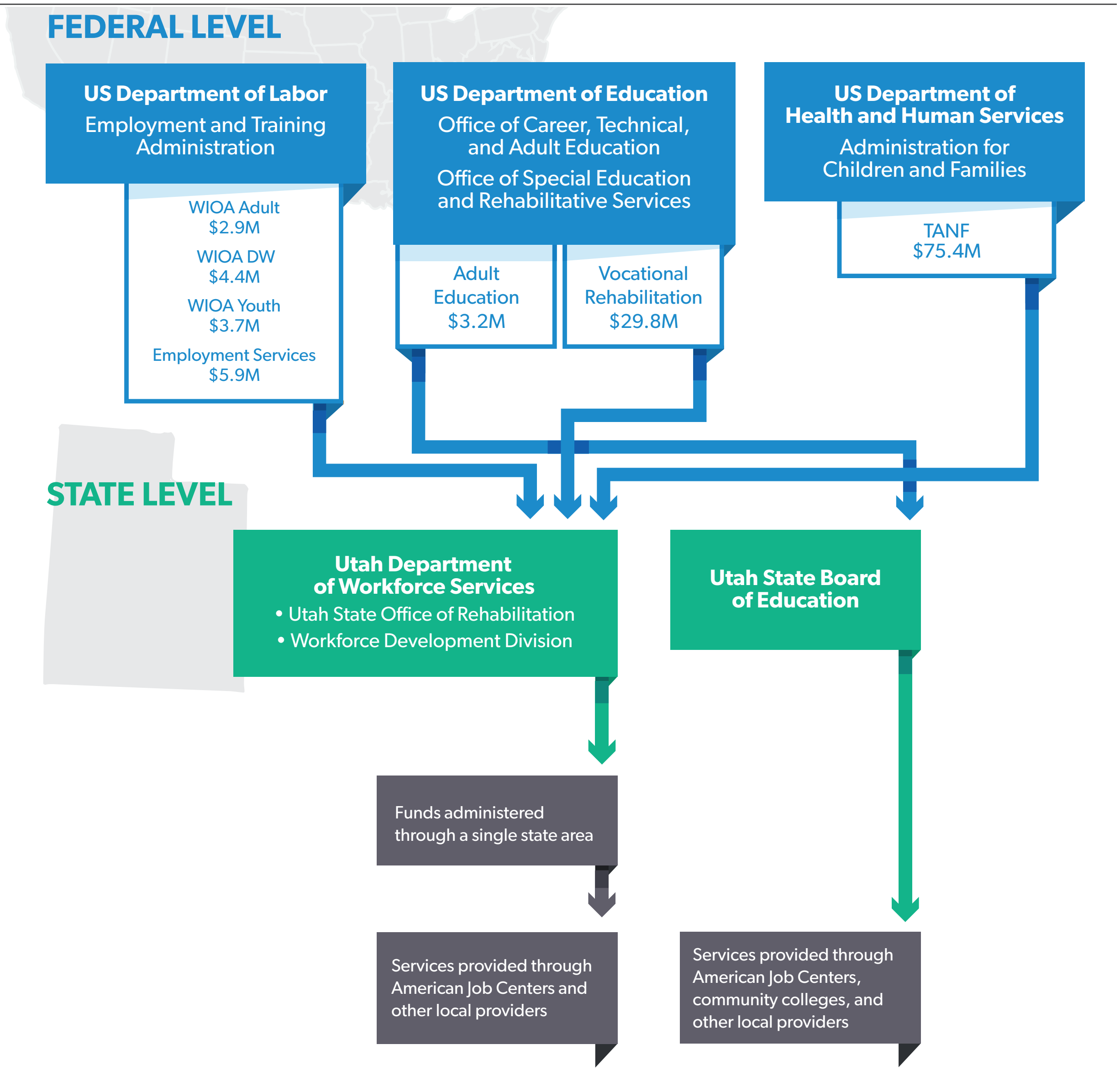
- On July 1, 2007, public health care program eligibility services—specifically Medicaid and the Children's Health Insurance Program—became part of DWS, increasing coordination with key health services that are important for gaining and maintaining employment.
- In 2008, DWS opened a new Office of Refugee Services to prioritize refugee resettlement in Utah and provide services and connections to providers for this population.
- In 2012, the Division of Housing and Community Development was merged into DWS and included programs such as Community Development Block Grants, State Small Business Credit Initiative, Utah Weatherization Assistance Program, State Community Services Office, and State Energy and Lifeline.
- In 2016, the Utah State Office of Vocational Rehabilitation moved from the Utah Office of Education to DWS, a move prompted by data showing that over 70 percent of Vocational Rehabilitation clients were also being served by DWS. This organizational change also coincided with passage and implementation of WIOA and brought a core partner program into DWS. This meant the only core partner program not administered by DWS in Utah is Adult Education, which remains at the Utah Office of Education.

Program integration into a statewide office has created several efficiencies, including consolidation of buildings and administrative positions, allowing more dollars to flow to client services. This integration and streamlining has also allowed Utah to shift funds to specific areas of the state or to target populations needing additional assistance.[32]

Utah is designated as a single, statewide workforce development area under WIOA. This means there are no LWDAs in Utah, so funds are not passed locally to LWDBs. DWS manages all one-stop centers, and all staff, including WIOA Title I, are state employees. This creates efficiencies and eliminates complexities other states face, including questions around supervision authority for state Employment Services staff in locally managed one-stop centers. Figure 6 illustrates Utah's workforce development system.

In state law, DWS does have service delivery areas. While funds do not flow to separate and distinct local organizations or boards, local leaders do have input into service delivery organization and priorities.[33] Further, unlike states with traditional service delivery for WIOA Title I, where local leaders oversee three workforce programs (Adult, Dislocated Worker, and Youth), in Utah, local leaders provide input into the full array of programs under the DWS umbrella, such as TANF and supportive services programs.

Figure 6. Utah Workforce Development System



Note: "DW" stands for Dislocated Workers. "TANF" stands for Temporary Assistance for Needy Families. Dollar amounts reflect program or fiscal year 2018 allocations for Workforce Innovation and Opportunity Act Adult, DW, Youth, Employment Services, Adult Education, and TANF. Dollar amounts reflect fiscal year 2019 for Vocational Rehabilitation allocations.
Source: Information for infographics derived from federal and state agency websites from March 2019 to January 2020, along with Workforce Innovation and Opportunity Act state plans.

Program Financing. During the implementation phase of the Utah DWS, state government officials engaged the federal Departments of Labor, Health and Human Services, and Agriculture to design an agreed-on cost-allocation model to facilitate efficient use of various program funds under a consolidated state agency model. The federal government approved Utah's cost-allocation design before full implementation on July 1, 1997.[34]

Utah's federal cost-allocation methodology uses a Random Moment Time Sampling (RMTS) model whereby program eligibility and service delivery workers for certain federal programs and benefits are "polled" during the day and report on what they are working on and who they are working with. After data are rolled up, costs are allocated on the number of "hits" received and other data. If a worker only works on one program, then all costs for that worker are charged to that one program. For instance, an eligibility worker conducting only Medicaid eligibility charges 100 percent of his or her time against the federal Medicaid program. Because DWS also oversees state-funded programs, if a client is not eligible for a federal program, then the applicable state-funded appropriation is charged.

Utah's approved WIOA State Plan incorporates the RMTS cost-allocation methodology for one-stop career center infrastructure charges. Utah allocates costs per the RMTS for partners in the one-stop career center while also having agreements in place with partners who are outside the center system but have customers who end up being served through the centers. For partners in the centers, costs are allocated based on factors such as square footage used by each program.

One important efficiency experienced by DWS through the RMTS-approved process is having to work with only one federal agency regarding program financing. As part of the negotiated approval of the RMTS model, DWS interfaces with only the US Department of Health and Human Services (HHS). In turn, HHS coordinates any RMTS amendment approvals or other related issues with its fellow federal agencies. Utah DWS officials interface only with their contact at HHS and do not have to work through four to five or more federal agencies providing federal funding for related programs and services.

One-Stop Service Delivery. One-stop service delivery is integrated and streamlined as a result of program integration at the state level and the designation of Utah as a single state area. Going back to JTPA, Utah has been able to "grandfather" single state area status. Under this status, as mentioned earlier, there are no LWDAs as designated in WIOA and its predecessor statutes. Instead, Utah's one-stop service delivery is completely a state function; no funds are provided locally to operate the one-stop centers. As a result, each one-stop center in Utah has a consistent brand, and Utah has implemented a flexible approach to one-stop service delivery.[35]

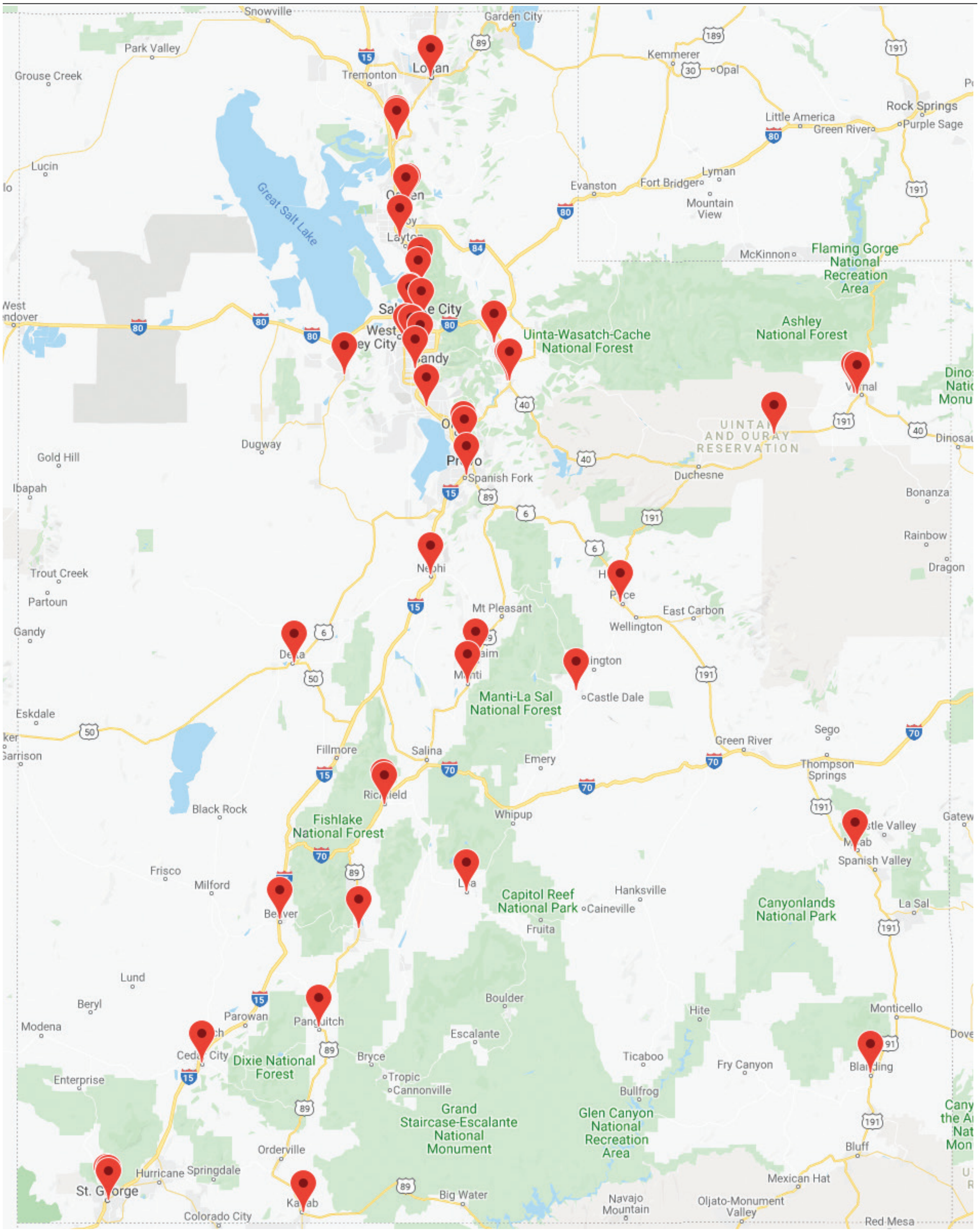
Through a series of "Employment Center Design Teams" in the late 1990s and early 2000s, Utah established a set of basic parameters for one-stop service delivery.[36] These parameters included service delivery expectations, the "look and feel" of centers, ways in which staff would provide customer services (a question early in the department's inception was whether a "super worker" could provide services to job seekers as a representative of many programs or whether a team of workers was necessary), and the bundles of services available across the range of DWS programs.[37] A core value of the flexible one-stop model was that the state would ensure quality and the customer experience across the entire state, while local managers and staff would create the environments for successful employment and training outcomes. Figure 7 displays Utah's current Employment Center locations across the state.

DWS started with a new brand known as Utah's Job Connection when the department started, and that brand continued until a rebranding occurred in 2017 with the 20-year anniversary of the agency. This initial branding rollout was crucial, as the department had to establish a new presence across the state and replace what was a whole host of agency and program branding materials, including outreach and communications materials, advertisements, signage, and consumable office materials.[38] Again, because of the integrated and statewide nature of the department, brand rollout and maintenance were streamlined and easier to monitor and support locally.

Conclusion and Findings

The history of federal employment and training (workforce) programs documents a continued maze of service delivery architectures and separate funding sources that make it difficult for states and

Figure 7. Utah Employment Centers



Source: Department of Workforce Services, https://jobs.utah.gov/jsp/officesearch/#/map.

localities to piece together in a strategic and impactful way. While WIOA was arguably a step forward in the coordination of programs designed to improve employment and earnings for Americans, it is just one federal authorizing statute among many others. WIOA does not fundamentally address the complexities maintained through overlapping federal employment and training programs or the dueling governance of programs—with some managed at the local level and some managed at the state level.

To demonstrate the amount of resources allocated to states and the differences in governance, a series of state core program and TANF service delivery infographics are available online as a companion to this report.[39] These infographic snapshots are intended to demonstrate to policymakers and the public the financial resources available to address worker skills and employment opportunities and the basic state and local governance structures. Additionally, resource matrices illustrating the total dollar volume for core and partner programs are available online.[40]

This report will be followed by a series of case studies designed to examine, in more detail, employment and training program designs, financing and cost allocation, program coordination, employer involvement and innovations in workforce development, and institutional roles in helping people gain and improve skills. Each case study will highlight both the challenges and successes realized by state and local organizations and personnel and provide important insights to consider for WIOA reauthorization.

A central lesson of this report is that more is not necessarily better; another law, more appropriations, and additional federal regulations and guidance are not helpful if barriers to efficient and effective service delivery at the state and local levels are not addressed.

Any reauthorization of the WIOA must incorporate fundamental change in the structure of the programs and approach to service delivery. History has demonstrated ongoing issues with the efficiency and effectiveness of federal employment and training programs that have not fundamentally changed with the implementation of the WIOA, as documented by the GAO and others.

Despite current impediments in federal law and regulations to reduce duplication and overlap in employment and training delivery, governors can make significant impacts through development of new visions and investments of state legislative time and local negotiations. Utah and Kentucky demonstrate that commitments by governors can reduce program silos at the state level, and a case study that examines the impact of programmatic and financial integration is forthcoming.

Federal legislation that authorizes a one-stop delivery system and options for funding integration and flexibility should be developed as stand-alone legislation or through current program demonstration authority. Responsibility of implementation should be placed at the gubernatorial or state level and reasonable enforcement and incentive structures put in place to facilitate genuine coordination and integration of programs. Having the current approach, first in WIA and now in WIOA, of placing the burden on local program officials, who have neither the enforcement mechanisms nor incentive structures at their disposal, puts these officials in an almost impossible situation to effectuate a streamlined service delivery architecture.

Arbitrary mandates, such as the state merit staffing requirement under the Wagner-Peyser ES program, make little sense and need reform.[41] The current employment and training system has local employees providing career services to customers and mandated state employees providing the same employment services to the same or similar customers. These funding and staffing structures are confusing for service delivery staff, clients, and businesses; introduce bureaucratic barriers; consume limited resources; and are ill-suited to the demands of a rapidly evolving economy.

With a country as large and diverse as the United States, federal policymakers should look for alternatives that allow states to innovate and have flexible employment and training options that incorporate sector strategies and partnerships and adapt to different economic conditions. Labor market research demonstrates pronounced differences among urban, suburban, and rural labor markets, for instance. A reimagined federal workforce law would maximize flexibility for states and minimize programmatic and administrative complexity to ensure that resources flow to, and are managed by, those closest to the communities they are intended to serve.

About the Author

Mason M. Bishop is an adjunct fellow at the American Enterprise Institute and the owner of WorkED Consulting and a national expert on employment and postsecondary education policy. He was appointed as deputy assistant secretary in the US Department of Labor's Employment and Training Administration during the George W. Bush administration and served as vice president for Institutional Advancement at Salt Lake Community College in Utah.

Appendix A. WIOA Primary Indicators of Performance

Under WIOA section 116(b)(2)(A) and 20 CFR 677.155, there are six primary indicators of performance. For the first two indicators, there is a modified indicator for the Title I Youth Program, which is provided below.[42]

1. **Employment Rate—Second Quarter After Exit.** The percentage of participants who are in unsubsidized employment during the second quarter after exit from the program.

   Youth Education or Employment Rate—Second Quarter After Exit. The percentage of participants in education or training activities, or in unsubsidized employment, during the second quarter after exit.

2. **Employment Rate—Fourth Quarter After Exit.** The percentage of participants who are in unsubsidized employment during the fourth quarter after exit from the program.

   Youth Education or Employment Rate—Fourth Quarter After Exit. The percentage of participants in education or training activities, or in unsubsidized employment, during the fourth quarter after exit.

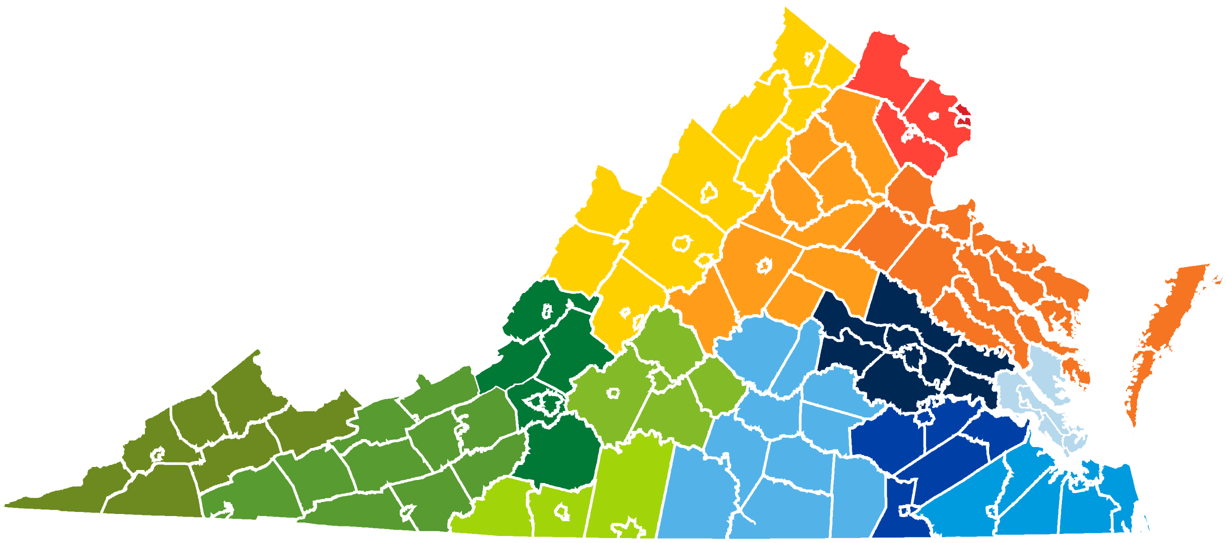
3. **Median Earnings—Second Quarter After Exit.** The median earnings of participants who are in unsubsidized employment during the second quarter after exit from the program.

4. **Credential Attainment.** The percentage of those participants enrolled in an education or training program (excluding those in on-the-job training and customized training) who attain a recognized postsecondary credential or a secondary school diploma, or its recognized equivalent, during participation in or within one year after exit from the program. A participant who has attained a secondary school diploma or its recognized equivalent is included in the percentage of participants who have attained a secondary school diploma or its recognized equivalent only if the participant also is employed or is enrolled in an education or training program leading to a recognized postsecondary credential within one year after exit from the program.

5. **Measurable Skill Gains.** The percentage of program participants who, during a program year, are in an education or training program that leads to a recognized postsecondary credential or employment and who are achieving measurable skill gains, defined as documented academic, technical, occupational, or other forms of progress, toward such a credential or employment.

6. **Effectiveness in Serving Employers.** WIOA section 116(b)(2)(A)(i)(VI) requires the departments to establish a primary indicator of performance for effectiveness in serving employers. This primary indicator of performance applies to many, but not all, Department of Labor noncore programs.

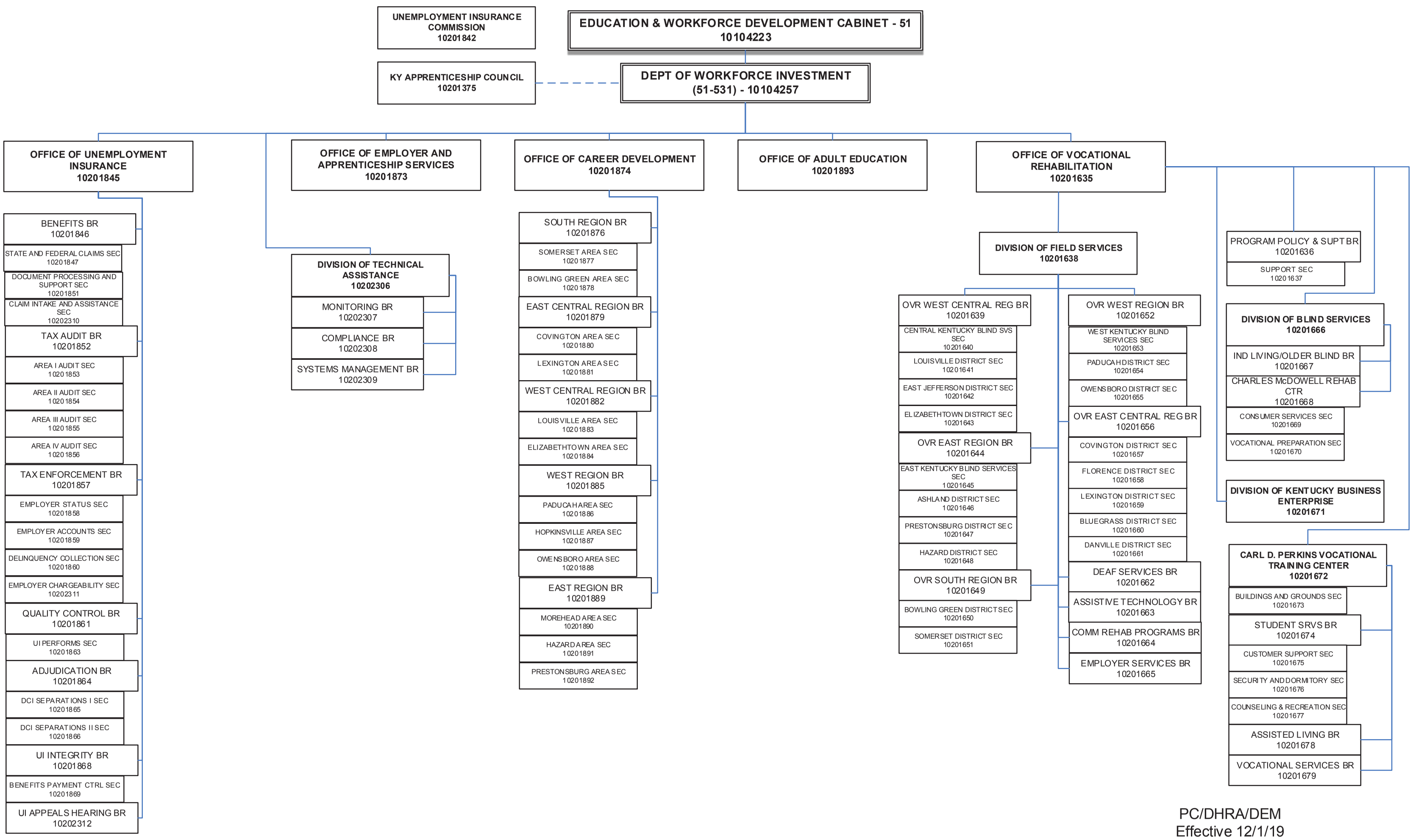
Appendix B. Local Workforce Development Areas (LWDAs)



- **Southwestern Virginia (LWDA I) – Counties:** Buchanan, Dickenson, Lee, Russell, Scott, Tazewell, Wise **Cities:** Norton
- **New River/Mt. Rogers (LWDA II) – Counties:** Bland, Carroll, Floyd, Giles, Grayson, Montgomery, Pulaski, Radford, Smyth, Washington, Wythe **Cities:** Bristol, Galax, Radford
- **Western Virginia (LWDA III)** – **Counties:** Alleghany, Botetort, Craig, Franklin, Roanoke **Cities:** Covington, Roanoke, Salem
- **Shenandoah Valley (LWDA IV)** – **Counties:** Augusta, Bath, Clark, Frederick, Highland, Page, Rockbridge, Rockingham, Shenandoah, Warren **Cities:** Buena Vista, Harrisonburg, Lexington, Staunton, Waynesboro, Winchester
- **Piedmont Workforce Network (LWDA VI)** – **Counties:** Albermarle, Culpepper, Fauquier, Fluvanna, Greene, Louisa, Madison, Nelson, Orange, Rappahannock **Cities:** Charlottesville
- **Region 2000/Central Virginia (LWDA VII)** – **Counties:** Amherst, Appomattox, Bedford, Campbell **Cities:** Lynchburg
- **South Central (LWDA VIII)** – **Counties:** Amelia, Brunswick, Buckingham, Charlotte, Cumberland, Halifax, Lunenburg, Mecklenburg, Nottoway, Prince Edward **Cities:** Norton
- **Capital Region Workforce Partnership (LWDA IX)** – **Counties:** Charles City County, Chesterfield, Goochland, Hanover, Henrico, New Kent, Powhatan **Cities:** Richmond
- **Northern Virginia (LWDA XI)** – **Counties:** Fairfax, Loudoun, Prince William **Cities:** Falls Church, Manassas, Manassas Park
- **Alexandria/Arlington (LWDA XII)** – **Counties:** Arlington **Cities:** Alexandria
- **Bay Consortium (LWDA XIII)** – **Counties:** Accomack, Caroline, Essex, King George, King William, King and Queen, Lancaster, Mathews, Middlesex, Northampton, Richmond County, Spotsylvania, Stafford, Westmoreland **Cities:** Fredericksburg
- **Greater Peninsula (LWDA XIV)** – **Counties:** Gloucester, James City County, York **Cities:** Hampton, Newport News, Poquoson, Williamsburg
- **Crater Area (LWDA XV)** – **Counties:** Dinwiddie, Greensville, Prince George, Surrey, Sussex **Cities:** Colonial Heights, Emporia, Hopewell, Petersburg
- **Hampton Roads (LWDA XVI)** – **Counties:** Isle of Wright, Southampton **Cities:** Chesepeake, Franklin, Norfolk, Portsmouth, Suffolk, Virginia Beach
- **West Piedmont (LWDA XVII)** – **Counties:** Henry, Patrick, Pittsylvania **Cities:** Danville, Matinsville

Source: Virginia Works, "Local Workforce Development Areas (LWDAs)," https://virginiaworks.com/Portals/200/Publications/LWDAs/Maps/LWDA%20Regions.pdf.

Appendix C. Education and Workforce Development Cabinet



Source: Kentucky Personnel, https://personnel.ky.gov/DHRAOrgCharts/OC-51531.pdf.

Notes

1. 20 CFR § 652.215; and US Department of Labor, "Training and Employment Guidance Letter," January 3, 2013, 11–12.
2. Christopher J. O'Leary, Robert A. Straits, and Stephen A. Wadner, "U.S. Job Training: Types, Participants, and History," W. E. Upjohn Institute for Employment Research, 2004, https://doi.org/10.17848/9781417549993.ch1.
3. O'Leary, Straits, and Wadner, "U.S. Job Training."
4. Chris Edwards and Daniel J. Murphy, "Employment and Training Programs: Ineffective and Unneeded," Downsizing the Federal Government, June 1, 2011, https://www.downsizinggovernment.org/labor/employment-training-programs#_ednref8.
5. Gordon Lafer, *The Job Training Charade* (Ithaca, NY: Cornell University Press, 2002), 97.
6. WorkplaceTesting.com, "Job Training Partnership Act (JTPA)," https://www.workplacetesting.com/definition/4147/job-training-partnership-act-jtpa.
7. US Department of Labor, "YouthBuild Transfer Act," https://www.doleta.gov/reports/pdf/sec-by-sec_analysis.pdf.
8. Government Accountability Office, "Providing Information on Co-Locating Services and Consolidating Administrative Structures Could Promote Efficiencies," January 13, 2011, https://www.gao.gov/products/GAO-11-92.
9. Virginia Foxx, "The Nation's Workforce Development System," https://foxx.house.gov/uploadedfiles/workforcemaze.jpg.
10. Virginia Foxx, "Skills Act," https://foxx.house.gov/legislation/skills-act.htm.
11. Foxx, "Skills Act."
12. Anna Cielinski, "Coordinating TANF & WIOA: High Interest, Slow Progress During Early Days of WIOA," Center for Postsecondary and Economic Success, May 2017, https://www.peerta.acf.hhs.gov/sites/default/files/public/uploaded_files/CLASPTANFWIOAcoordinationTANFstatedirectors2017-_rh15_jh_jd-md-QF_jw.pdf.
13. Government Accountability Office, "Department of Labor Should Assess Efforts to Coordinate Services Across Programs," March 2019, https://www.gao.gov/products/GAO-19-200.
14. Government Accountability Office, "Department of Labor Should Assess Efforts to Coordinate Services Across Programs."
15. For example, fiscal agents may be counties, cities, or the boards themselves.
16. Virginia Community College System, "Virginia Workforce Letter (VWL) No. 17-04," 2, https://virginiacareerworks.com/wp-content/uploads/VWL-17-04-VCW-One-stop-MOU-and-Cost-Allocation-Development-Guidance-1.pdf.
17. Virginia Career Works, "One-Stop Service Delivery," https://virginiacareerworks.com/wp-content/uploads/Policy-300-07-One-Stop-System-Brand-1.pdf.
18. This information is based on the author's experience working on multiple projects in Virginia, including assisting with development of state WIOA policies and procedures.
19. Division of Rehabilitative Services, "DRS Offices," https://www.vadars.org/drs/drsoffices.htm.
20. Virginia Department of Social Services, "Temporary Assistance for Needy Families (TANF)," https://www.dss.virginia.gov/benefit/tanf/index.cgi.
21. Kentucky Workforce Innovation Board, "Kentucky Work Ready: An Urgent Call to Action," February 2018, https://kwib.ky.gov/About/Documents/StrategicPlan_021518.pdf.
22. Jacqueline Pitts, "Improving Quality and Transparency of Kentucky's Workforce Systems Prioritized in Executive Order from Gov. Bevin," Kentucky Chamber, January 7, 2019, https://kychamberbottomline.com/2019/01/07/improving-quality-and-transparency-of-kentuckys-workforce-systems-prioritized-in-executive-order-from-gov-bevin/.
23. Kentucky Workforce Innovation Board, "Kentucky Work Ready."
24. Kentucky Workforce Innovation Board, "Kentucky Work Ready."
25. Kentucky Workforce Innovation Board, "Kentucky Work Ready."
26. Kentucky Center for Statistics, "Local Workforce Area Dashboard," https://kcewsreports.ky.gov/t/KCEWS/views/LWADashboardBoardMeeting/LWADashboard?iframeSizedToWindow=true&:embed=y&:showAppBanner=false&:display_count=no&:showVizHome=no.

27. Kentucky Career Center, "Office Locations," https://kcc.ky.gov/Pages/Locations.aspx.

28. US Department of Education, "WIOA State Plan for the Commonwealth of Kentucky, FY 2018," 20, https://www2.ed.gov/about/offices/list/osers/rsa/wioa/state-plans/ky.pdf.

29. Department of Workforce Services, "Department History (1997–2017)," https://jobs.utah.gov/department/dwshistory.html.

30. Department of Workforce Services, "Department History (1997–2017)."

31. In 1997, the Job Training Partnership Act was still in effect. Additionally, the Food Stamp Program is now the SNAP program, and other program updates have occurred during this period. For simplicity, this list includes the version of these federal programs as they exist today.

32. Christopher King and Dan O'Shea, "Utah Case Study," in *The Workforce Investment Act in Eight States: State Case Studies from a Field Evaluation* (US Department of Labor, Employment and Training Administration, March 2004), https://www.doleta.gov/reports/searcheta/occ/papers/RIG.Vol.Two.Title-Content.Page.pdf.

33. King and O'Shea, "Utah Case Study."

34. Department of Workforce Services, "Making It Work: A History of the Department of Workforce Services: 1996–2004," https://jobs.utah.gov/edo/images/timeline/dwshistory9604.pdf.

35. Department of Workforce Services, "Making It Work."

36. Department of Workforce Services, "Making It Work."

37. The author participated directly in these discussions and has firsthand knowledge of issues discussed and decisions made.

38. The author led the efforts at establishing and implementing the brand.

39. American Enterprise Institute, "Employment and Job-Training Reform: A Framework for Policy and Practice," https://www.aei.org/employment-and-job-training-reform/.

40. American Enterprise Institute, "Employment and Job-Training Reform."

41. At time of publishing, the US Department of Labor issued a final rule and guidance regarding Wagner-Peyser Employment Service Staffing Flexibility.

42. US Department of Labor, Employment and Training Administration, "WIOA Performance Indicators and Program Specific Performance Measures," https://www.doleta.gov/performance/guidance/tools_commonmeasures.cfm#WIOA%20PIP.