

ADULT EMPLOYMENT AND TRAINING ACTIVITIES

BUDGET AUTHORITY BEFORE THE COMMITTEE						
(Dollars in Thousands)						
	FY 2008 Enacted	FY 2009 Enacted	Diff. FY08 Enacted / FY09 Enacted	Recovery Act	FY 2010 Request	Diff. FY09 Enacted / FY10 Req
Activity Appropriation	849,101	861,540	12,439	500,000	861,540	0

Introduction

The Adult Program under title I of the Workforce Investment Act (WIA) of 1998 provides workforce investment services to adults to increase their employment, retention in employment, and earnings and also support their occupational skill attainment and career advancement. Local workforce investment boards are charged with strategic planning and oversight activities in support of workforce and economic development. Adults purchase training services with training vouchers known as Individual Training Accounts (ITAs) from qualified providers. Local boards may also provide customized and on-the-job training.

WIA specifies that services for adults will be provided through One-Stop Career Centers. Services such as career guidance and workforce information may also be provided virtually. WIA authorizes three types of service that are potentially available to all job seekers. “Core” services include initial assessment, job search and placement assistance, and workforce and economic information. “Intensive” services include more comprehensive assessments, development of individual employment plans, and career guidance and planning. Participants may also receive “training” services linked to employment in demand, including occupational training, skills upgrading, and adult literacy training.

All adults 18 years of age and older are eligible for core services. Priority for intensive and training services must be given to low-income and public assistance recipients when funds are limited. Adults who are unable to obtain employment through core services and are determined by a One-Stop operator to be in need of intensive services to obtain or retain employment that leads to self-sufficiency may receive intensive services. Training services may be made available to adults who have been determined to be unable to obtain or retain employment through intensive services and require training. The provision of training or other needed services can be provided sequentially, concurrently, or in whatever order makes the most sense for the individual. State and local areas are responsible for establishing procedures for applying priority and self-sufficiency requirements.

In an effort to respond to on-going program improvement plan recommendations, several actions are being taken by the Employment and Training Administration (ETA). Highlights include an ETA-funded independent Quick Impact evaluation using administrative data which was completed in March of 2009. This evaluation provides more information about the impact of services on participant outcomes.

To measure performance, the program utilizes the set of common performance measures for employment and training programs. The use of common measures enables ETA to describe in a

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similar manner the core purposes and results of the workforce investment system – how many people obtained a job, how many stayed employed, and their average earnings. The definitions of the measures are as follows:

- *Entered Employment Rate* – Percent of participants employed in the first quarter after exit;
- *Employment Retention Rate* – Percent of participants employed in the first quarter after program exit still employed in the second and third quarters after exit;
- *Average Earnings* – The average six-month earnings.

Last year, the program achieved a 70 percent Entered Employment Rate; 84 percent Retention Rate; and \$13,575 Average Earnings result. The program intends to meet its upcoming PY 2010 performance targets by using improved dual customer service strategies and issuing federal guidance which encourages local boards to provide more income support, allowing workers the financial means to engage in training to upgrade their skills.

Workload activities in FY 2008 show participant estimates as reported in the PY 2007 WIA Annual Report. The numbers of participants receiving training services is projected to increase due to the use of WIA Adult Recovery Act and formula funds.

Funding Mechanism

The WIA funding allotments for states are based on formula provisions defined in WIA. Under Title I of the WIA, formula funds are provided to states and outlying areas for the operation of both Adult and Dislocated Worker employment and training activities, in accordance with 29 USC 2861. States distribute resources by formula to local workforce investment areas. The WIA allotments for outlying areas are based on a discretionary formula as authorized under WIA Title I.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2005	890,922	0
2006	857,079	0
2007	864,199	0
2008	849,101	0
2009	861,540	0

NOTE: Excludes Recovery Act Funding. See budget activity head table.

FY 2010

The Budget requests \$861,540,000 for the WIA Adult program, which is the same as the FY 2009 enacted level. ETA has reenergized its efforts to promote and support innovative service delivery strategies for targeted adult populations, including low-income and low-skill workers, public assistance recipients, transitioning veterans, older workers and other targeted populations. As states and local areas plan how their One-Stop systems will utilize FY 2010 WIA Adult

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formula funds, ETA strongly encourages them to take an expansive view of how the funds can be integrated into transformational efforts to improve the effectiveness of the public workforce system.

To meet the needs of under-skilled adults, ETA will continue to provide policy guidance and technical assistance to states and local boards to assist them in fully aligning adult education, job training, postsecondary education, registered apprenticeship, and supportive services to assist economic and community development strategies. This alignment should also promote career pathways and ensure that support services, such as transportation and needs-based payments, are available. Supportive services make it far easier for adults, particularly those most in need, to advance through progressive levels of education and job training as quickly as possible and gain education and workforce skills.

ETA policy will ensure that education and training at every level are closely aligned with jobs and industries important to local and regional economies. Every level of education and training affords students, apprentices, and trainees the ability to advance in school or at work, with assessments and certifications that meet the requirements of the next level of education and employment.

FY 2009

In FY 2009, the introduction of the Recovery Act supplemented state guidance and resources for the WIA Adult program. In state, regional and local economies where many industries are in the midst of downsizing, ETA will utilize WIA Adult program resources to assist communities in implementing proactive workforce strategies to ensure economic health in the transitioning economy. With the influx of Recovery Act funds, in addition to FY 2009 appropriated funds, ETA is strengthening its focus on providing more training opportunities to low-income and low-skill adults, life-long education opportunities to older workers, and assisting disconnected populations. In working with target groups, states should connect these populations to growing job opportunities, especially those related to new investments in promising industries, such as those in green sectors.

The WIA adult program will deliver critical skill development support to workers, employers and communities in a time of rapid change. To meet the needs of under-skilled adults, ETA encourages states and local boards to fully align adult education, job training, postsecondary education, registered apprenticeship, career advancement activities and supportive services in support of economic and community development strategies. Approaches should also promote career pathways and ensure that support services and needs-based payments are available, making it far easier for adults, particularly those most in need, to advance through progressive levels of education and job training as quickly as possible, while gaining knowledge and skills of demonstrated value.

ETA has encouraged states to assess the skills, abilities, and career goals of its customers and to help them map their skills against current and anticipated jobs. As training needs are identified, ETA encourages states to consider using six methods of providing training in utilizing their Adult program funds: 1) Individual Training Accounts, 2) Customized training, 3) On-the-job

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training, 4) Registered apprenticeship, and 5) Contracts with community-based organizations for the provision of training. To the extent practicable, training should develop worker skills to meet the needs of specific industry sectors important to the region's economy.

ETA is also taking steps to develop stronger national, state, and local strategies for career guidance for transitioning adults. DOL continues its work with the Department of Education, employer communities, the continuum of educational institutions, and other public workforce partners to develop models for exposure to career opportunities and delivery of comprehensive labor market information and career guidance services.

ETA is working with state and local partners to improve their strategic planning for Priority of Service for Veterans, including enhanced outreach efforts and targeted service delivery. Ensuring that targeted customer groups may access the full array of career development and advancement resources available in the One-Stop delivery system, and that workforce system services are responsive to their particular needs, is a priority for ETA in the current fiscal year.

To more effectively respond to current economic challenges, ETA has identified an array of technical assistance strategies. A national Reemployment Summit in January 2009, designed to work collaboratively with state and local workforce partners to redesign reemployment service delivery, will be followed by regional Recovery and Reemployment Forums, a number of webinars, and development of various tools and resources. The goal of upcoming collaborations will be to initiate a comprehensive workforce system response to reemploy the growing numbers of unemployed, with WIA and Wagner-Peyser Act resources being key components. ETA is also revisiting the model for One-Stop service delivery, building on innovations in workforce development over the last decade while envisioning a service delivery design that will address workforce challenges moving forward. This work is being done collaboratively with state and local partners and will be ready for roll-out later in PY 2009.

Recovery Act

The Recovery Act provided \$500,000,000 in additional funding for the WIA Adult program, of which up to 1 percent may be used for administration, management, and oversight of the program. In Training and Employment Guidance Letter (TEGL) 14-08, Change 1, DOL provided policy guidance and direction regarding Recovery Act funding for activities authorized under WIA and the Wagner-Peyser Act and specific instructions regarding the requirement for states to modify their WIA and Wagner-Peyser Strategic State Plans. Under the discussion of WIA Adult program funds, the Department outlined strategies aimed at helping low-income and low-skilled workers gain the skill upgrades to succeed in a rapidly changing economy that will offer new and different employment options. ETA has encouraged states to assess the skills, abilities, and career goals of unemployed workers and to help them map their skills against current and anticipated jobs. Because of the nature of our nation's changing economy, many adults will need training to increase their skills and gain employment. ETA encourages states to establish policies that assure that supportive services and needs-related payments, described in WIA section 134(e)(2) and (3) and in WIA regulations 20 CFR part 663, subpart H, that may be necessary for an individual's participation in job training are part of their service strategy. Guidance on the provision of needs-related payments to unemployed workers can be found in 20

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CFR 663.820 and 663.825. To maximize the reach of these funds, One-Stop Career Centers should help eligible customers take advantage of the significant increase in Pell Grant funds also included in the Recovery Act by coordinating with the Pell Grant program in accordance with 20 CFR 663.320. One-Stop staff should also take into account the additional weeks of UI benefits available under the Emergency Unemployment Compensation and Extended Benefits that may help eligible customers complete longer-term training.

ETA guidance encourages states to align their use of WIA Adult program formula funds with their spending strategies for other funding streams provided through the Recovery Act to ensure the most efficient and effective use of all funding. In particular, states should integrate their implementation of WIA Adult services with Reemployment Services and UI programs such that individuals have easy access to all programs, regardless of their point of entry into the system. Since significant Recovery Act investments are targeted to key industries such as construction, transportation, healthcare and other industries with emerging green jobs that traditionally utilize or are expected to draw heavily upon registered apprenticeship, states are also encouraged to leverage new and existing registered apprenticeship programs and assets.

ETA guidance encourages states to align their WIA Adult formula activities with state and regional economic recovery plans, particularly those connected with the Recovery Act as they are developed, to ensure that training and employment services support anticipated industry growth, and corresponding expected employment opportunities and required skill competencies for those most in need. States and local areas are encouraged to develop comprehensive regional partnerships to facilitate this alignment. LWIBs are encouraged to partner with each other regionally and across political jurisdictions as necessary.

FY 2008

In FY 2008, ETA continued to work to improve the availability of post-secondary training resources and to increase the number of individuals who access education that leads to advancement in growing sectors of the economy, including emerging green jobs.

ETA continued to promote increased investments leading to completion of post-secondary education, such as apprenticeship, industry defined credentials, or higher education degrees, from institutions such as community colleges. This approach requires that state and local workforce system partners creatively and innovatively leverage and integrate multiple Federal and non-Federal education and training funding streams. ETA developed and disseminated policy guidance and practical technical assistance resources through the web portal www.workforce3one.org to assist the workforce system in identifying and supporting increased education opportunities for adults. Technical assistance included webinars, curricula, competency models, and other materials. Similarly, as part of the focus on supporting access to life-long learning opportunities, ETA strengthened its efforts to disseminate and encourage alternative learning pathways for adults, including apprenticeship and technology-based learning models.

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WORKLOAD SUMMARY (Dollars in Thousands)			
	FY 2008 Actual	FY 2009 Target	FY 2010 Target
WIA Adult			
Participants Served	2,828,728	2,697,041	2,697,041
Participants Receiving Training Services**	109,676	114,063	114,063
Cost Per Participant	\$300	\$319	\$319
Cost Per Participant in Training	\$7,742	\$7,553	\$7,553
Budget Activity Total	\$849,101	\$861,540	\$861,540

*FY 2008 enacted participant estimates are based on PY 2007 numbers as reported in the PY 2007 WIA Annual Report.

**The numbers of participants receiving training services is projected to increase per DOL guidance for the use of WIA Adult Recovery Act and formula funds. Guidance encourages states to use the menu of training services authorized under WIA as well as those income and supportive services which support training activities. The increased intensity will increase the number of American workers able to upgrade their skills and position themselves for new and emerging industries, including healthcare, green jobs, and advanced manufacturing, among others.

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PERFORMANCE GOAL AND INDICATORS

Increase the employment, retention, and earnings of individuals registered under the Workforce Investment Act Adult Program.									
Performance Indicator	PY 2005		PY 2006		PY 2007		PY 2008	PY 2009	PY2010
	Goal Achieved		Goal Not Achieved		Goal Not Achieved				
	Target	Result	Target	Result	Target	Result	Target	Target	Target
1. Percent of participants employed in the first quarter after exit.	76%	77%	76%	70.2%	71%	70%	66.2%	64.8%	65.6%
2. Percent of participants employed in the first quarter after exit still employed in the second and third quarters after exit. (This new measure was implemented in PY 2005. Previous results are for a similar measure.)	81%	82.5%	82%	82.4%	83%	84%	81.7%	80.8%	81.3%
3. Average earnings in the second and third quarters after exit (PY 2004-05 data are for earnings change from pre-WIA program services to post WIA program services.)	\$3,400	\$4,081	\$11,000	\$11,870	\$12,045	\$13,575	\$12,862	\$12,597	\$12,741
Baseline(s): New earnings measure baseline: approximately \$11,000									
Data Source(s): Quarterly and Annual State WIA Performance Reports (ETA-9090 and ETA-9091); Congressional Budget Justification; Annual Performance and Accountability Report. Rounded to the nearest whole number, PY 2007 results are from the Program Year 2007 WIA Annual Report. PY 2008-2009 targets are adjusted estimates based on regression analysis that takes into account participant performance with the conditions of the local labor markets using the unemployment rates collected by local workforce investment areas.									
Comments: Prior to PY2006, the earnings measure was established as follows: average earnings change for those employed in the first quarter after program exit and still employed in the third quarter after program exit. The earning measure changed in PY 2006 to reflect post program earning level defined as: (of those who are employed in the first, second, and third quarters after the exit quarter) total earnings in the second quarter plus total earnings in the third quarter after the exit quarter divided by the number of participants who exit during the quarter. ETA is analyzing the latest performance results from PY 2007. Preliminary analysis revealed that co-enrollment policies at the state and local level along with increasing unemployment rates appear to account for the recent trend of lower outcomes.									

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BUDGET ACTIVITY by OBJECT CLASS						
(Dollars in Thousands)						
		FY 2008 Enacted	FY 2009 Enacted	Recovery Act	FY 2010 Request	Change FY 10 Req / FY 09 Enacted
41.0	Grants, subsidies, and contributions	849,101	861,540	500,000	861,540	0
Total		849,101	861,540	500,000	861,540	0

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CHANGES IN FY 2010

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Built-Ins Subtotal

0

Estimate

FTE

Base

861,540

0