

CRS Report for Congress

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The Workforce Investment Act (WIA): Program-by-Program Overview and FY2007 Funding of Title I Training Programs

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Summary

Title I of the Workforce Investment Act of 1998 (WIA) (P.L. 105-220) authorizes several job training programs, including Youth, Adult, and Dislocated Worker Activities, Job Corps, the Native American Program, the Migrant and Seasonal Farmworker Program, and the Veterans' Workforce Investment Program. This report, which will be updated, briefly summarizes each WIA program, the FY2007 budget request, and for comparison, the FY2006 appropriation (P.L. 109-149).

Introduction

Title I of the Workforce Investment Act of 1998 (WIA) (P.L. 105-220) provides job training and related services to unemployed or underemployed individuals. This report briefly summarizes each WIA program, the FY2007 budget request, and for comparison the FY2006 appropriation (P.L. 109-149). WIA programs operate on a July 1 to June 30 program year (PY). FY2007 appropriations would fund programs from July 1, 2007 until June 30, 2008. Although WIA authorized funding through September 30, 2003, WIA programs continue to be funded through annual appropriations.

Congress considered two bills to reauthorize and revise WIA in the first session of the 109th Congress. On March 2, 2005, the House passed H.R. 27 (H.Rept. 109-9), the Job Training Improvement Act of 2005. On September 7, 2005, the Senate Committee on Health, Education, Labor, and Pensions reported S. 1021 (S.Rept. 109-134), the Workforce Investment Act Amendments of 2005. No further action has taken place. For information on WIA reauthorization, see CRS Report RL32778, *The Workforce Investment Act of 1998 (WIA): Reauthorization of Job Training Programs in the 109th Congress*, by Ann Lordeman.

Program-by-Program Overview of WIA Title I Programs

Except for Job Corps and the Veterans' Workforce Investment Program, all WIA programs are administered by the Department of Labor's (DOL) Employment and Training Administration (ETA). The administration of Job Corps and Veterans' Workforce Investment is discussed below.

Youth Activities (Subtitle B, Chapter 4). This program provides training and related services to low-income youth ages 14-21 through formula grants allocated to states, which in turn allocate funds to local entities.

Adult Activities (Subtitle B, Chapter 5). This program provides training and related services to individuals ages 18 and older through formula grants allocated to states, which in turn allocate funds to local entities. Any individual may receive "core" services (e.g., job search assistance); to receive intensive services (e.g., individual career planning and job training), an individual must need these services to become employed or to obtain or retain employment that allows for self-sufficiency.

Dislocated Worker Activities (Subtitle B, Chapter 5). In general, of the funds appropriated for this program, 80% is allocated by formula grants to states (which in turn allocate funds to local entities) to provide training and related services to individuals who have lost their jobs and are unlikely to return to those jobs or similar jobs in the same industry. Generally, 20% of the appropriation is reserved by DOL for a national reserve account, which in part provides for national emergency grants to states or local entities.

Job Corps (Subtitle C). This residential job training program provides services to low-income individuals ages 16-24 primarily through contracts administered by DOL with corporations and nonprofit organizations. Currently, there are 122 Job Corps centers in 48 states, the District of Columbia, and Puerto Rico. Neither New Hampshire nor Wyoming has a Job Corps center at this time. A total of approximately \$18.0 million in FY2005 and FY2006 funds has been appropriated for the expansion of Job Corps with priority to be given to states that do not have a center (H.Rept. 109-337).

The FY2006 appropriations (P.L. 109-149, Section 102) directed DOL to transfer Job Corps from ETA to the Office of the Secretary of Labor within 90 days of enactment of the bill. This bill was enacted on December 30, 2005. For FY2007, the President is requesting that Job Corps be transferred back to ETA. (For further discussion of the FY2007 budget request, see below.)

Native Americans Program (Subtitle D, Section 166). This program provides training and related services to low-income Indians, Eskimos, Aleuts, and Native Hawaiians through formula grants to Indian tribes and reservations and other Native American groups.

Migrant and Seasonal Farmworker Program (Subtitle D, Section 167). This program provides training and related services, including technical assistance, to disadvantaged migrant and seasonal farmworkers and their dependents through

discretionary grants awarded to public, private, and nonprofit organizations. This program is also referred to as National Farmworker Jobs Program.

Veterans' Workforce Investment Program (Subtitle D, Section 168). This program provides training and related services to veterans through competitive grants to states and nonprofit organizations. It has been administered by DOL's Veterans' Employment and Training Service since FY2001.

Responsible Reintegration for Young Offenders (Subtitle D, Section 171). This competitive grant program funds projects that serve young offenders and youth at risk of becoming involved in the juvenile justice system. This program, first funded in FY2000, is only specified in annual appropriations language.

Prisoner Reentry Initiative (Subtitle D, Section 171). This competitive grant program funds faith-based and community organizations that help recently released prisoners find work when they return to their communities. First funded in FY2005 under the general authority of WIA Section 171, this program is directly specified only in annual appropriations language.

Community-Based Job Training Grants (Subtitle D, Section 171). This competitive grant program funds entities to strengthen the capacity of community colleges to train workers in the skills required to succeed in high growth, high demand industries. In PY2005, competition was limited to community colleges. First funded in FY2005 under the general authority of WIA Section 171, this program is directly specified only in annual appropriations language. In PY2006, one-stop career centers will also be eligible to apply for grants as directed by the FY2006 conference report (H.Rept. 109-337).

WIA FY2006 and FY2007 Appropriations

The President presents the FY2007 budget request in two ways. It is presented as if the appropriations are made under current law and also as if legislative proposals contained in the budget request are enacted. The two legislative proposals, discussed below, would create Career Advancement Accounts and would transfer the Youthbuild program from the Department of Housing and Urban Development (HUD) to DOL.

Current Law. Under the President's FY2007 request, aggregate funding for WIA programs would be decreased by \$668.8 million, or 13.1% compared to the FY2006 funding level of \$5.1 billion. For information on FY2005 and FY2006 WIA appropriations, see CRS Report RS20244, *The Workforce Investment Act (WIA): Overview and FY2006 Funding of Title I Training Programs*, by Ann Lordeman. **Table 1** shows FY2006 appropriations and the FY2007 budget request under current law for all WIA programs described above and for technical assistance; pilots, demonstrations and research; and evaluation. The FY2006 appropriations in this report include FY2006 appropriations and advance FY2007 appropriations, and are subject to supplementals and rescissions.

Table 1. WIA Appropriations for FY2006 and FY2007 Under Current Law

(\$ in thousands)

Program	FY2006 appropriation^a	FY2007 request
WIA grand total	\$5,088,466	\$4,419,850
Youth Activities (Formula Grants) ^b	940,500	840,500
Adult Activities (Formula Grants) ^b	864,199	712,000
Dislocated Worker Activities	1,471,903	1,114,582
— <i>Formula Grants (non-add)</i> ^b	<i>1,189,811</i>	<i>875,266</i>
— <i>National Reserve (non-add)</i>	<i>282,092</i>	<i>239,316</i>
— <i>Community-Based Job Training Grants (non-add)</i>	<i>125,000</i>	<i>0</i>
— <i>National Emergency Grants (non-add)</i>	<i>157,092</i>	<i>239,316</i>
Job Corps	1,564,180	1,501,602
Native Americans	53,696	51,458
Migrants & Seasonal Farmworker ^c	79,751	0
Veterans' Workforce Investment	7,425	7,445
Responsible Reintegration for Young Offenders	49,104	0
Prisoner Reentry Program	19,642	19,642
Community-Based Job Training Grants	0	150,000
Technical Assistance	509	0
Pilots, Demonstrations & Research	29,700	17,700
Evaluation	7,857	4,921

Source: FY2006 appropriations and the FY2007 budget request for all programs, except for Veterans Workforce Investment, are compiled from data at [[http://www.doleta.gov/budget/07req\\$.pdf](http://www.doleta.gov/budget/07req$.pdf)]. The amounts for Veterans Workforce Investment are from the DOL FY2007 Budget Justifications.

- a. FY2006 appropriations are adjusted for the 1.0% rescission contained in P.L. 109-148.
- b. For state formula grant allocations, see [<http://www.doleta.gov/budget/statfund.cfm>].
- c. Migrant and Seasonal Farmworker funds for FY2006 include funds for technical assistance.

Legislative Proposals in the FY2007 Budget Request. The President has proposed creating a new program, Career Advancement Accounts, and transferring the Youthbuild program from HUD to DOL in the FY2007 budget request.

Career Advancement Accounts (CAA). The President is requesting \$3.4 billion for new Career Advancement Accounts. These accounts would be “self-managed” and would provide a maximum of \$3,000 to adults and out-of-school youth to pay for expenses directly related to education and training. A single funding stream would be allocated to states by an as yet unspecified formula. This funding stream would consist of the combined funding for WIA Youth, Adult, and Dislocated Worker Programs, Employment Service (ES) Grants to States, Labor Market Information (LMI) Grants, and the administrative costs of the Work Opportunities Tax Credit (WOTC). **Table 2** shows the FY2006 appropriation for each program that would be consolidated to create the CAAs. As shown in the table, the FY2006 amount available for LMI grants is not known; it is part of the activity generally referred to as “One Stop Career Center - ALMIS.” The table also shows the amount that is requested for each program under current law.

Of the total \$3.4 billion, requested for CAAs, the Secretary would reserve an unspecified portion for a National Reserve fund to be used to address unanticipated events, such as natural disasters, and for innovative projects for adults and youth. Under current law, 20% of the amount appropriated for dislocated workers is to be used in a national reserve for these types of activities.¹ States would also obtain funds for rapid response activities, such as career counseling, delivered by states as rapidly as possible after the announcement of a plant closing or mass layoff. Under current law, states are required to use 25% of their dislocated worker allocation on rapid response activities; they do not have to apply for funds as they would under the CAA proposal.

Of the amount allocated to a state, a minimum percentage of “approximately 75%” would have to be used for CAAs. Up to 3% could be used for administrative costs and the remaining 22% would be used to provide “basic employment services to job seekers or employers.”²

Youthbuild. The President is proposing to transfer the Youthbuild Program from HUD to DOL. This program provides disadvantaged young adults with education and employment skills through rehabilitating and constructing housing for low-income and homeless people. This transfer proposal was also made in the budget request for FY2006, but no action was taken. On November 10, 2005, Senator Kerry introduced the Youthbuild Transfer Act of 2005 (S. 1999), which would amend WIA to transfer the program from HUD to DOL. For FY2006, Youthbuild was funded at \$61.5 million. The budget request for FY2007 is \$50.0 million.

Table 2. FY2006 Appropriations and FY2007 Budget Request for Each Program That Would Be Consolidated to Create Career Advancement Accounts
(\$ in thousands)

Program	FY2006 Appropriation	FY2007 request for Career Advancement Accounts
TOTAL	Not Available	\$3,412,633
WIA Youth Activities	\$940,500	840,500
WIA Adult Activities	864,197	712,000
WIA Dislocated Worker Activities	1,471,903	1,114,582
ES Grants to States	715,883	688,769
WOTC	\$19,514	17,677
LMI Grants	Not Available	39,105

Source: Compiled from the DOL FY2007 Budget Justification.

¹ In recent years, appropriations language has specified the National Reserve amount.

² For further information on CAAs, see [<http://www.doleta.gov/budget/07bud.cfm>]