



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

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## Summary

This report tracks recent appropriations and related legislation for Title I of the Workforce Investment Act of 1998 (WIA) (P.L. 105-220). Following a brief summary of each WIA program, the report presents information on WIA funding for FY2008 and FY2009 and the provisions for WIA Title I programs in the American Recovery and Reinvestment Act (ARRA), which was signed into law on February 17, 2009 (P.L. 111-5).

WIA provides, in general, job training and related services to unemployed and underemployed individuals. WIA programs are administered by the Department of Labor (DOL), primarily through DOL's Employment and Training Administration (ETA). State and local WIA training and employment activities are provided through a system of One-Stop Career Centers. Authorization of appropriations under WIA expired in FY2003 but is annually extended through appropriations acts. Reauthorization legislation was considered in the 108<sup>th</sup> and 109<sup>th</sup> Congresses.

WIA authorizes several job training programs: state formula grants for Adult, Youth, and Dislocated Worker Employment and Training Activities; Job Corps; and other national programs, including the Native American Program, the Migrant and Seasonal Farmworker Program, the Veterans' Workforce Investment Program, Responsible Reintegration for Young Offenders, the Prisoner Reentry Program, and Community-Based Job Training Grants (also known as the Community College Initiative). An additional national program, YouthBuild, formerly in the Department of Housing and Urban Development (HUD), was made a part of WIA on September 22, 2006, by the YouthBuild Transfer Act (P.L. 109-281).

Appropriations for WIA are made through the Departments of Labor, Health and Human Services, and Education and Related Agencies Appropriations Act (Labor-HHS-ED). In FY2009, aggregate funding for WIA Title I programs is \$5.31 billion, an increase of 2.5% compared to the FY2008 funding level of \$5.19 billion. In the Consolidated Appropriations Act, 2008 (P.L. 110-161), Congress rescinded \$250 million from the unexpended balances for FY2005 and FY2006 that had been appropriated for state formula grants for the Youth, Adult, and Dislocated Worker programs authorized under Title I of WIA. Funding of \$4.2 billion for WIA Title I programs was provided through the ARRA and is in addition to the FY2009 appropriations.

This report will be updated as major legislative developments occur.

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## Most Recent Developments

On February 25, 2009, the House passed H.R. 1105, Omnibus Appropriations Act, 2009, which would provide funding for 9 of the 12 regular appropriations acts, including Labor-HHS-Education appropriations. Subsequently, the Senate passed H.R. 1105 without amendment on March 10, 2009. H.R. 1105, which became P.L. 111-8 on March 11, 2009, provides \$5.31 billion for programs authorized under Title I of the Workforce Investment Act (WIA).

On February 13, 2009, both the House and the Senate passed the conference version of H.R. 1, the American Recovery and Reinvestment Act of 2009 (hereafter referred to as “the ARRA”); subsequently, H.R. 1 was signed by the President and became P.L. 111-5 on February 17, 2009. The House had previously passed its version of H.R. 1 (hereafter referred to as the “House bill”) on January 28, 2009, while the Senate passed S.Amdt. 570, an amendment in the nature of a substitute to H.R. 1 (hereafter referred to as the “Senate bill”), on February 10, 2009. Under the ARRA, funds were provided to several existing workforce development programs administered by the U.S. Department of Labor (DOL), including programs authorized by Title I of WIA. The ARRA provides \$4.2 billion in funding for these WIA Title I workforce development programs.

## Introduction

The Workforce Investment Act of 1998 (P.L. 105-220) provides job training and related services to unemployed and underemployed individuals. WIA programs are administered by the DOL, primarily through its Employment and Training Administration (ETA). State and local WIA training and employment activities are provided through a system of One-Stop Career Centers. WIA programs operate on a program year (PY) of July 1 to June 30 (e.g., FY2009 appropriations fund programs from July 1, 2009, until June 30, 2010). Although WIA authorized funding through September 30, 2003, WIA programs continue to be funded through annual appropriations.

Title I of WIA authorizes numerous job training programs, including:<sup>1</sup>

- state formula grants for Youth, Adult, and Dislocated Worker Employment and Training activities;
- Job Corps; and
- national programs, including Native American programs, Migrant and Seasonal Farmworker programs, Veterans’ Workforce Investment programs, the YouthBuild program, National Emergency Grants, and demonstration and pilot projects.

In FY2009, programs and activities authorized under Title I of WIA were funded at \$5.3 billion, including \$3.0 billion for state formula grants for youth, adult, and dislocated worker training and employment activities.

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<sup>1</sup> WIA consists of five titles: Title I, “Workforce Investment Systems”; Title II, “Adult Education and Literacy”; Title III, “Workforce Investment-Related Activities”; Title IV, “Rehabilitation Act Amendments of 1998”; and Title V, “General Provisions.”

This report briefly summarizes each WIA Title I program, provides a recent funding history of Title I programs, and summarizes funding for WIA programs in the ARRA.

## **Program-by-Program Overview of WIA Title I**

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.

### **State Formula Grant Programs (Subtitle B)**

The three formula grant programs for youth, adults, and dislocated workers provide funding for employment and training activities provided by the national system of One-Stop Career Centers. Funds are distributed to states by statutory formulas based on measures of unemployment and poverty status for youth and adult allocations and unemployment measures only for dislocated worker allocations.<sup>2</sup> States in turn distribute funds to local workforce investment boards.

#### **Youth Activities (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. Programs funded under the youth activities chapter of WIA provide 10 "program elements" that consist of strategies to complete secondary school, alternative secondary school services, summer employment, work experience, occupational skill training, leadership development opportunities, supportive services, adult mentoring, follow-up services, and comprehensive guidance and counseling.

In FY2009, funding for state grants for youth activities is \$924 million.

#### **Adult Activities (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. Participation in the adult program is based on a "sequential service" strategy that consists of three levels of services. 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 have received core services and need intensive services to become employed or to obtain or retain employment that allows for self-sufficiency. To receive training services (e.g. occupational skills training), an individual must have received intensive and need training services to become employed or to obtain or retain employment that allows for self-sufficiency.

In FY2009, funding for state grants for adult activities is \$862 million.

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<sup>2</sup> For further information on the formula factors used in the state formula grant allocations, see DOL ETA, "Workforce Investment Act (WIA) and Wagner-Peyser Act Statutory Formulas for State Allotments," available online at <http://www.doleta.gov/budget/WIAFormDesc.pdf>.

## **Dislocated Worker Activities (Chapter 5)**

A majority of WIA dislocated worker funds are 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. The remainder of the appropriation is reserved by DOL for a National Reserve account, which in part provides for National Emergency Grants<sup>3</sup> to states or local entities (as specified under Section 173).<sup>4</sup>

In FY2009, funding is \$1.184 billion for state grants for dislocated worker training activities and is \$283 million for the National Reserve.<sup>5</sup>

## **Job Corps (Subtitle C)**

Job Corps is primarily a residential job training program first established in 1964 that provides educational and career services to low-income individuals ages 16 to 24, primarily through contracts administered by DOL with corporations and nonprofit organizations. Most participants in the Job Corps program work toward attaining a high school diploma or a General Educational Development (GED) certificate, with a subset also receiving career technical training. Currently, there are 122 Job Corps centers in 48 states, the District of Columbia, and Puerto Rico.<sup>6</sup>

In FY2009, total funding for Job Corps is \$1.68 billion, including \$1.54 billion for operations, \$115 million for construction, and \$29 million for administration.

## **National Grant Programs (Subtitle D)**

In addition to state formula grants, WIA establishes a number of competitive grant-based programs to provide employment and training services to special populations.<sup>7</sup>

### **Native Americans Program (Section 166)**

This competitive grant program provides training and related services to low-income Indians, Alaska Natives, and Native Hawaiians through grants to Indian tribes and reservations and other Native American groups.

In FY2009, funding for the Native Americans programs was \$52.8 million.

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<sup>3</sup> Grants authorized under WIA Section 173(a)(1) are for employment and training assistance to workers affected by major economic dislocations, such as plant closures or mass layoffs.

<sup>4</sup> WIA Sections 132(a)(2)(A) and (a)(2)(B) require that 20% of the amount appropriated for Dislocated Worker Employment and Training Activities be reserved for national emergency grants, projects, and technical assistance. The remaining 80% is to be used for state formula grants.

<sup>5</sup> In FY2009, the National Reserve includes \$125 million for Community-Based Job Training (CBJT) grants (see below).

<sup>6</sup> The JobCorps program is scheduled to open its 123<sup>rd</sup> center in Pinellas Park, FL, in FY2009 and its 124<sup>th</sup> center in Milwaukee, WI, in FY2010. In addition, there are three additional centers under construction, including the first centers in each of the remaining two states, New Hampshire and Wyoming. See U.S. DOL, *FY2009 Budget Justification of Appropriation Estimates for Committee on Appropriations*, Volume III, page OJC-17.

<sup>7</sup> Several programs and activities authorized by Subtitle D are not discussed here. Youth Opportunity Grants (Section 169) were last funded in FY2003. National Emergency Grants (Section 173) draw from funds made available under Dislocated Worker Activities. WIA also authorizes technical assistance, research, and evaluation under Subtitle D.

### **Migrant and Seasonal Farmworker Program (Section 167)**

This competitive grant program, which is also referred to as the National Farmworker Jobs 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. The program was first authorized by the Economic Opportunity Act of 1964.

This program is funded in FY2009 at \$82.6 million.

### **Veterans' Workforce Investment Program (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 (VETS) since FY2001.

In FY2009, funding for the Veterans' Workforce Investment Program is \$7.6 million.

### **Pilot and Demonstration Programs (Section 171)**

The purpose of pilot and demonstration programs is to develop and evaluate innovative approaches to providing employment and training services. In recent years, two programs have been specified in appropriations language and funded under the authority of Section 171. Each is described below.

#### ***Reintegration of Ex-Offenders***

This competitive grant program combines two previous demonstration projects, the Prisoner Reentry Initiative (PRI) and the Responsible Reintegration of Youthful Offenders (RRYO). PRI, which was first funded in FY2005, funds faith-based and community organizations that help recently released prisoners find work when they return to their communities. RRYO, first funded in FY2000, supports projects that serve young offenders and youth at risk of becoming involved in the juvenile justice system. In FY2008, the Reintegration of Ex-Offenders program combined the PRI and RRYO into a single funding stream.

In FY2009, funding for this single program is \$108.5 million.

#### ***Community-Based Job Training (CBJT) Grants***

This competitive grant program, also known as the Community College Initiative, funds entities to strengthen the capacity of community colleges to train workers in the skills required to succeed in high-growth, high-demand industries.<sup>8</sup> CBJT grants were first funded in FY2005, with funds drawn from the Dislocated Worker National Reserve.

In FY2009, funding for CBJT is \$125 million.

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<sup>8</sup> For further information on Community-Based Job Training Grants, see CRS Report RL33811, *The President's Demand-Driven Workforce Development Initiatives*, by (name redacted) and (name redacted).

## YouthBuild Program (Section 173A)

This competitive grant program funds projects that provide education and construction skills training for disadvantaged youth. Since its inception in 1992, the program was administered by the Department of Housing and Urban Development, but was moved to DOL by the YouthBuild Transfer Act (P.L. 109-281), effective FY2007. Participating youth work primarily through mentorship and apprenticeship programs to rehabilitate and construct housing for homeless and low-income families.

Funding in FY2009 for YouthBuild is \$70 million.

## Recent Trends in WIA Appropriations

### FY2008 and FY2009 Funding

**Table 1** shows appropriations for the FY2008 and FY2009. Amounts include all WIA programs described above, plus technical assistance; pilots, demonstrations and research; and evaluation.

**Table 1. WIA Appropriations for FY2008 and FY2009**

(\$ in thousands)

<b>Program</b>	<b>FY2008</b>	<b>FY2009</b>
<b>WIA Grand Total</b>	<b>\$5,186,387</b>	<b>\$5,313,649</b>
<b>State Formula Grant Programs</b>	<b>2,969,449</b>	<b>2,969,449</b>
Youth Activities Formula Grants	924,069	924,069
Adult Activities Formula Grants	861,540	861,540
Dislocated Worker Activities	1,464,707	1,466,891
<i>Formula Grants</i>	<i>1,183,840</i>	<i>1,183,840</i>
<i>National Reserve</i>	<i>280,867</i>	<i>283,051</i>
<b>Job Corps</b>	<b>1,610,506</b>	<b>1,683,938</b>
<b>National Programs</b>	<b>606,432</b>	<b>660,262</b>
Native Americans	52,758	52,758
Migrant and Seasonal Farmworkers	79,668	82,620
Veterans' Workforce Investment	7,351	7,641
Ex-Offender Activities	73,493	108,493
<i>Responsible Reintegration of Young Offenders (non-add)</i>	<i>0</i>	<i>0</i>
<i>Prisoner Reentry (non-add)</i>	<i>0</i>	<i>0</i>
<i>Reintegration of Ex-Offenders (non-add)</i>	<i>73,493</i>	<i>108,493</i>
CBJT Grants	122,815	125,000
YouthBuild	58,952	70,000
Technical Assistance	0	0



Program	FY2008	FY2009
Pilots, Demonstrations and Research	48,508	48,781
Evaluation	4,835	6,918

**Source:** Omnibus Appropriations Act, 2009, P.L. 111-8, Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2009, House Appropriations Committee Print, Division F, pps. 1709-1713. See [http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111\\_cong\\_house\\_committee\\_prints&docid=f:47494f.pdf](http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_house_committee_prints&docid=f:47494f.pdf).

**Notes:** For state formula grant allocations, see <http://www.doleta.gov/budget/statfund.cfm>. Job Corps funding includes administration, operations, and construction. The amount for “National Reserve” under “Dislocated Worker Activities” is included in the total for “National Programs” and not in the total for “State Formula Grant Programs.” The total for “CBJT Grants” is shown as a separate line but comes from the “National Reserve,” thus it is not added to the total.

In FY2009, aggregate funding for WIA programs is \$5.314 billion, an increase of 2.5% compared to the FY2008 funding level of \$5.186 billion. The three state formula grant programs—youth, adult, and dislocated worker training—comprise \$2.97 billion, or 56%, of WIA Title I funding. Job Corps, funded at \$1.68 billion in FY2009, makes up just under 32% of Title I funding.

In the Consolidated Appropriations Act, 2008 (P.L. 110-161), Congress rescinded \$250 million from the unexpended balances for FY2005 and FY2006 that had been appropriated for state formula grants for the Youth, Adult, and Dislocated Worker programs authorized under Title I of WIA.

## Funding in the American Recovery and Reinvestment Act of 2009

On February 13, 2009, both the House and the Senate passed the conference version of H.R. 1, the American Recovery and Reinvestment Act of 2009; subsequently, H.R. 1 was signed by the President and became P.L. 111-5 on February 17, 2009. Under the ARRA, funds were provided to several existing workforce development programs administered by the DOL, including programs authorized by Title I of WIA. The ARRA provides \$4.2 billion in funding for these WIA Title I workforce development programs.

The ARRA provides funding for a number of existing workforce development programs, including the three state formula grant programs that provide funding for youth, adults, and dislocated workers—Title I-B of the WIA. Other programs authorized by the WIA also received funding: National Reserve (WIA Title I-D, Section 173), YouthBuild (WIA Title I-D, Section 173A), and Pilot and Demonstration Programs (WIA Title I-D, Section 171). **Table 2** shows details of funding for Title I programs in the ARRA.<sup>9</sup>

<sup>9</sup> Additional workforce development programs provided for include state unemployment insurance and employment service operations, Title V of the Older Americans Act of 1965, and DOL management. These are not discussed in this report because they are not part of Title I of WIA. For additional information on the ARRA, CRS Report R40182, *Funding for Workforce Development in the American Recovery and Reinvestment Act (ARRA) of 2009*, by (name redacted) and (name redacted).

**Table 2. Summary of Appropriations for WIA Title I Programs Included in the ARRA**  
(\$ in thousands)

<b>Program</b>	<b>Total Appropriation P.L. 111-8</b>
Adult Activities Formula Grants	\$500,000
Youth Activities Formula Grants	1,200,000
Dislocated Worker Activities Formula Grants	1,250,000
National Reserve for Dislocated Workers	200,000
YouthBuild	50,000
High Growth and Emerging Industries	750,000
Office of Job Corps	250,000
<b>Total</b>	<b>4,200,000</b>

**Source:** Tables prepared by CRS, based on P.L. 111-5, available online at [http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111\\_cong\\_public\\_laws&docid=f:publ005.111.pdf](http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_public_laws&docid=f:publ005.111.pdf)

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